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Air Quality Bureau Title IV Acid Rain Permit Issued under 20.2.84 NMAC

Air Quality Bureau Acid Rain Permit No: P244A-R3

Agency Interest No.: 25726 - PRT20200002

Facility Name: Hobbs Generating Station

Permittee: Lea Power Partners LLC
98 N Twombly Lane Suite
200 Hobbs, NM 88240

Designated Representative: David Baugh, Vice president of Asset Management

Alternative Designated Representative: Matthew Lindsey, Director of Environmental Health & Safety Compliance

Issue By: New Mexico Environment Department – Air Quality Bureau

Liz Bisbey-Kuehn
Air Quality Bureau Chief

Date of Issuance

Introduction

Acid Rain Permit Number P244A-R3 is issued by the Air Quality Bureau of the New Mexico Environment Department ("Department") to Lea Power Partners LLC pursuant to the Federal Clean Air Act ("Federal Act"), the New Mexico Air Quality Control Act ("state Act") and regulations adopted pursuant to the state and Federal Acts, including Title 20, New Mexico Administrative Code, Chapter 2, Part 84 (20.2.84 NMAC) - Acid Rain Program, and Chapter 2, Part 70 (20.2.70 NMAC) - Operating Permits. This permit authorizes the operation of this facility located at UTM E 658413 m, UTM N 3622425 m, Zone 13), Datum: WGS84.

Permit Effective Date, Expiration, and Renewal

This permit is effective on date of issuance and will expire five (5) years from that effective date (40 CFR 72.73(b)(2)). Application for renewal of this permit is due within six (6) months before the date of expiration, pursuant to 40 CFR 72.30(c).

State Acid Rain Permit

Issued By: New Mexico Environment Department – Air Quality Bureau
Issued To: Hobbs Generating Station
Issued For: Lea Power Partners LLC
ORIS code: 56458
Effective: Date of issuance for five year
Operating Permit No: P244-R2
Acid Rain Permit No: P244A-R3

Acid Rain Permit Contents

- 1) Statement of Basis.
- 2) Comments, notes and justifications regarding permit decisions and changes made to the permit application forms during the review process, and any additional requirements or conditions.
- 3) The permit applications submitted for this source, as corrected by New Mexico Environment Department. The owners and operators of the source must comply with the standard requirements and special provisions set forth in the applications.

1) Statement of Basis

Statutory and Regulatory Authorities: In accordance with NMSA 1978, Section 74-2-7 and Title IV and Title V of the Clean Air Act, the **New Mexico Environment Department** issues this permit pursuant to Title 20, New Mexico Administrative Code, Chapter 2, Part 84 (20.2.84 NMAC) - Acid Rain Permits.

2) Comments, Notes and Justifications:

- a) Please refer to 40 CFR Part 72 for any specific word definition.
- b) The NOx limitations in 40 CFR Part 76 are only applicable to coal-fired utility units and thus do not apply to this facility.
- c) Beginning with the first quarter of 2009, all industry sources **MUST** use the Emissions Collection and Monitoring Plan System (ECMPS) to submit monitoring plan, QA/cert test and emissions data to the EPA for the Acid Rain and CAIR programs. CAMD is strongly encouraging your sources to visit the EPA's ECMPS web page at <http://www.epa.gov/airmarkets/participants/business/>

3) Permit Application(s): Attached.



New Mexico Environment Department Air Quality Bureau
Acid Rain Program
Instructions for Phase II Permit Application
(20.2.84 NMAC and 40 CFR 72.30 – 72.31)

The Acid Rain Program requires the designated representative to submit an Acid Rain permit application for each source with an affected unit. A complete Certificate of Representation must be received by EPA before the permit application is submitted to the New Mexico Environment Department Air Quality Bureau (NMED/AQB). A complete Acid Rain permit application, once submitted, is binding on the owners and operators of the affected source and is enforceable in the absence of a permit until the NMED/AQB either issues a permit to the source or disapproves the application.

Please type or print. The alternate designated representative may sign in lieu of the designated representative. If assistance is needed, contact the New Mexico Environment Department Air Quality Bureau at (505) 476-4300.

STEP 1 Use the plant name and ORIS Code listed on the Certificate of Representation for the plant. An ORIS code is a 4 digit number assigned by the Energy Information Agency (EIA) at the U.S. Department of Energy to power plants owned by utilities. If the plant is not owned by a utility but has a 5 digit facility code (also assigned by EIA), use the facility code. If no code has been assigned or if there is uncertainty regarding what the code number is, contact EIA at (202) 287-1730 (for ORIS codes), or (202) 287-1927 (for facility codes).

STEP 2 For column "a," identify each affected unit at the affected source by providing the appropriate unit identification numbers, consistent with the unit identification numbers entered on the Certificate of Representation and with unit identification numbers used in reporting to DOE and/or EIA. For new units without identification numbers, owners and operators may assign such numbers consistent with EIA and DOE requirements.

For columns "c" and "d," enter the commence operation date(s) and monitor certification deadline(s) for new units in accordance with 40 CFR 72.2 and 75.4, respectively.

Submission Deadlines

For new units, an initial Acid Rain permit application must be submitted to the NMED/AQB 24 months before the date the unit commences operation. Acid Rain permit renewal applications must be submitted at least 12 months in advance of the expiration of the acid rain portion of a title V permit, or such longer time as provided for under the NMED/AQB operating permits regulation.

Submission Instructions

Mail this form to:

New Mexico Environment Department
Air Quality Bureau
525 Camino de los Marquez, Suite 1
Santa Fe, NM 87505-1816

Along with this application, include a copy of the Certificate of Representation Form and relevant permitting forms submitted to EPA (ie, Phase II NO_x Compliance Plan and Averaging Plan and New Unit Exemption Form).

If you have questions regarding this form, contact the New Mexico Environment Department Air Quality Bureau at (505) 476-4300 or call EPA's Acid Rain Hotline at (202) 343-9620.

Paperwork Burden Estimate

The burden on the public for collecting and reporting information under this request is estimated at 17 hours per response. Send comments regarding this collection of information, including suggestions for reducing the burden, to: Chief, Information Policy Branch (PM-223), U.S. Environmental Protection Agency, 1200 Pennsylvania Ave, NW, Washington, D.C. 20460; and to: Paperwork Reduction Project (OMB#2060-0258), Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503. *Do not submit forms to these addresses; see the submission instructions above.*

**NEW MEXICO ENVIRONMENT DEPARTMENT
AIR QUALITY BUREAU
ACID RAIN PROGRAM
PHASE II PERMIT APPLICATION**

For more information, see instructions and refer to 20.2.84 NMAC and 40 CFR 72.30 – 72.31

This submission is:

New

Revised

STEP 1: Identify the source by plant name, State, and ORIS code.

Plant Name	State	ORIS Code
Hobbs Generating Station	N.M.	56458

STEP 2: Enter the unit ID# for each affected unit at the affected source in column "A." For new units, enter the requested information in columns "C" and "D."

A	B	C	D
Unit ID #	Unit will hold Allowances in Accordance with 40 CFR Part 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deadline
HOBB-1	YES		
HOBB-2	YES		

STEP 3: Complete the additional information sheet and provide here or on the attached sheet a brief description of each unit.

Description of unit:

Natural Gas Combustion Turbines

Additional Information

Applicant:
(Facility Owner and Operator)

Name: Lea Power Partners, LLC
Mailing Address: 98 N. Twombly Lane, Hobbs, NM 88242

Phone: (575) 397-6706

Fax: (575) 397-6793

**Name and Location of
Proposed Facility:**

Facility Name: Hobbs Generating Station
Driving Directions: From Hobbs, drive approximately 7 miles west on the Carlsbad Highway, and turn north just before mile marker 95. Drive north for approximately 1.7 miles passing the Maddox Station on the left, and turn west for 0.3 miles. After passing through an access gate, drive north approximately 0.5 miles to the LPP site location.
Address: 98 N. Twombly Lane, Hobbs, NM 88242

Section: SW ¼ of Section 24
Range: 36E
Township: 18S
Elevation: 3,716 ft
Latitude: 32.7297 degrees N
Longitude: 103.3096 degrees W
UTM Zone: 13
UTMH: 658,413 mE
UTMV: 3,622,425 mN

SIC Code: (Primary, Secondary) 4911, 4931

**Designated Representative
(DR):** (Name, or provide copy of
EPA Certificate of Representation
form.)

Name: David Baugh
Title: Vice President Asset Management
Company: CAMS
Phone: (713) 358-9726 Fax: (713) 358-9730
Email address: dbaugh@camstex.com

Alternate DR:

Name: Matthew Lindsey
Title: Director of Environmental Health & Safety Compliance
Company: CAMS
Phone: (713) 358-9734 Fax: (713) 358-9730
Email address: mlindsey@camstex.com

Contact Person:

Name: John Schretlen
Title: Plant Manager
Company: NAES
Phone: (575) 397-6701 Fax: (575) 993-5301
Email address: John.Schretlen@naes.com

STEP 4: Read the standard requirements and certification, enter the name of the designated representative, sign and date

Permit Requirements

- (1) The designated representative of each affected source and each affected unit at the source shall:
 - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
 - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
 - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
 - (ii) Have an Acid Rain Permit.

Monitoring Requirements

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

- (1) The owners and operators of each source and each affected unit at the source shall:
 - (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
 - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
 - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

- (1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
- (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
 - (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
 - (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

- (1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
 - (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
 - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
- (3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
- (6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension

Liability, Cont'd.

plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

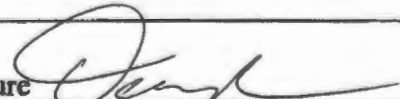
No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;
- (3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
- (4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 5: Read the certification statement, sign, and date.

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name: David Baugh	
Designated Representative Signature 	Date 7/27/2020