

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8960

September 13, 2007

Mr. Bryan D. Collins, P.E., DEE
Chief, Energy and Transportation
Mississippi Department of Environmental Quality
Office of Pollution Control
P.O. Box 10385
Jackson, Mississippi 39289-0385

Dear Mr. Collins:

Thank you for sending the draft prevention of significant deterioration (PSD) permit and preliminary determination for a modification of Mississippi Power Company's (MPC's) Watson Electric Generating Plant in Gulfport (Harrison County), Mississippi. The modification consists of adding low-NO_x burners and overfire air systems on the existing Unit 4 and Unit 5 electric utility steam generating units (EUSGU's). The U.S. Environmental Protection Agency (EPA) has the following comment on the evaluation supporting the draft permit.

In its assessment of PSD applicability for the regulated new source review (NSR) pollutants emitted by Units 4 and 5, MPC used the actual-to-projected-actual approach in accordance with Mississippi's PSD rules. Calculation of past actual (baseline) emissions for all pollutants was done using a 12-month period from March 2004 through February 2005. However, the applicable PSD rule in 40 CFR 52.21(b)(48)(i) (which Mississippi has incorporated by reference) defines baseline emissions for EUSGU's to be "the average rate, in tons per year, at which the unit actually emitted the pollutant during any consecutive 24-month period selected by the owner or operator within the 5-year period immediately preceding when the owner or operator begins actual construction of the project." [Emphasis added.] The next sentence in the definition of baseline emissions provides that the reviewing authority "shall allow the use of a different time period upon a determination that it is more representative of normal source operation." EPA interprets the phrase "different time period" to mean a period other than the 5-year period immediately preceding project construction, not a period shorter than 24 consecutive months. This interpretation is based on, among other things, EPA's statements in the rulemaking notices concerning NSR baseline emissions. See 61 Fed. Reg. 38250, 38259/2 (July 23, 1996); Fed. Reg. 80186, 80195/1 (December 31, 2002).

In your role as the reviewing authority with a SIP-approved NSR permitting program, we request that you consider EPA's interpretation before issuing a final PSD permit for the proposed project.

Sincerely,

/s/

Gregg M. Worley
Chief
Air Permits Section