



ELECTRONICALLY TRANSMITTED CORRESPONDENCE

July 7, 2025

Gary R. Cline
Homer City Redevelopment LLC
1750 Power Plant Road
Homer City, PA 15748

Re: Technical Deficiency
NO_x Emission Reduction Credit Application
Homer City Generation LP
Title V Permit # 32-00055
Center Township, Indiana County

Dear Gary:

The Department of Environmental Protection (Department) has discovered a procedural error in the original calculations to properly determine the NO_x Emission Reduction Credits (ERC) for the coal fired plant that we are now bringing to your attention.

In August of 2022, EPA issued a Federal Implementation Plan, or FIP, setting Reasonably Available Control Technology, or RACT II, limits for NO_x emissions from multiple facilities, including Homer City. This FIP set both a 30-day rolling average NO_x emission limit, and a maximum daily NO_x emission limit, as follows:

- 0.096 lb NO_x/MMBtu facility-wide on a 30-day rolling average; and
- Daily NO_x mass emission limits of 15,649 lbs, 15,649 lbs, and 16,727 lbs, for Units 1, 2, and 3, respectively.

To properly calculate the NO_x ERCs in accordance with 25 Pa. Code §127.207, the analysis needs to include compliance with both FIP standards. DEP does not interpret these standards as being equivalent. Homer City's original ERC application and supplemental information did not consider the 30-day rolling average limit.

Homer City Generating's ERC calculations must use the source's actual daily NO_x emission rate or the allowable emission rate, whichever is less. **Homer City Generating must use the day's actual heat input when calculating the allowable *Facility-wide 30-Day Rolling Average NO_x Emission Rate* (lb NO_x/MMBtu).** Homer City Generating must apply the *Facility-wide 30-Day Rolling Average NO_x Emission Rate* to each day of the calendar year when calculating the allowable lb/MMBtu emission rates. The previous 29 operating days shall be used when calculating the *Facility-wide 30-Day Rolling Average NO_x Emission Rate*. **The first 30 days of operation are not excluded from the *Facility-wide 30-Day Rolling Average NO_x Emission Rate* and allowable emission rates must be calculated using the previous 29 operating days.**

In light of the above, DEP hereby rescinds its approval of the 2,436.3 tpy of NO_x ERCs as presented in its November 22, 2024 memo entitled “Review of Emission Reduction Credit Application”, and as listed in the Homer City Generation LP, 32-00055 Title V Significant Modification draft permit, as published in the April 5, 2025 *Pennsylvania Bulletin*. **Therefore, Homer City Generation must submit a new NO_x Emission Reduction Credit Application, as specified above for DEP review and approval, to receive NO_x ERCs.**

Please submit a response fully addressing each of the significant technical deficiencies set forth above within 15 business days of receipt of this letter. If additional time is needed, please send your request to dbalog@pa.gov.

Should you have any questions , please contact myself at (814) 332-6328, or Jacob Chemsak of my staff at (814) 332-6638, and refer to ERC application 32-00055 to discuss your concerns.

Sincerely,

David G. Balog

David G. Balog, P.E
New Source Review Section Chief
Air Quality Program

cc: J. Chemsak, AQE
L. McNabb, EPM
M. Williams, EGM