

**PERMIT APPLICATION REVIEW
GREENHOUSE GAS (GHG) EMISSION REDUCTION PLAN
Covered Source Permit (CSP) No. 0087-02-C
Application for Significant Permit Modification No. 0087-09**

Applicant: AES Hawaii, LLC
Facility: 203 MW Coal-Fired Cogeneration Plant
Located At: 91-086 Kaomi Loop, Kapolei, Oahu
UTM Coordinates: 2,355,920.4 meters N and 592,473.8 meters E

Mailing

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Responsible

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Background

AES Hawaii, LLC (AES) has applied for a significant modification to CSP No. 0087-02-C for its cogeneration plant to incorporate a facility-wide GHG emissions cap as defined in Hawaii Administrative Rules (HAR) §11-60.1-202. Site specific GHG emission limits were previously established in AES's GHG emission reduction plan for modifying the permit. Affected facilities subject to GHG reductions are existing stationary sources with maximum potential carbon dioxide equivalent (CO₂e) emissions (biogenic plus non-biogenic) equal to or greater than 100,000 tons per year. The requirements to cap GHG emissions are specified in HAR, Subchapter 11, pursuant to Hawaii Act 234, 2007, which directed the Department of Health to develop rules for regulating GHGs. Partnering will be used as a measure to comply with the cap in accordance with HAR §11-60.1-204(d)(6)(A).

AES is partnering with affected facilities of two (2) independent power producers (IPPs) and ten (10) affected plants from the Hawaiian Electric Companies to allow flexibility in dispatching generating units for meeting requirements to cap GHGs. The IPP affected facilities are cogeneration plants owned and operated by AES, Hamakua Energy, LLC, and Kalaeloa Partners, L.P. Hawaiian Electric Companies' affected plants include those from Hawaiian Electric Company, Inc. (HECO), Hawaii Electric Light Company, Inc. (HELCO), and Maui Electric Company, Limited (MECO). Flexibility for dispatching units is a concern in the event a facility has unplanned outages or there is reduced output from renewable generation such as solar (e.g., due to extended cloudy or rainy weather) or geothermal (e.g., deactivation of 38-megawatt (MW) geothermal plant due to volcanic activity on Hawaii Island).

The table below lists the affected facilities that have mutually agreed to partner.

| Partnering Facilities^a | | | |
|---|-------------------|--|---------------|
| IPP Plants | | | |
| Facility | Permit No. | Description | Island |
| AES Hawaii, LLC Cogeneration Plant | CSP No. 0087-02-C | 203 MW Coal Fired Generation Plant Consisting of Two (2) CFB Boilers and Two (2) Limestone Dryers. The Boilers are Each Equipped with Lime Injection, SNCR, and a Baghouse. | Oahu |
| Hamakua Energy, LLC Cogeneration Plant | CSP No. 0243-01-C | 65 MW Cogeneration Facility Consisting of Two (2) 23 MW CTs with Water Injection and SCR, Two (2) HRSGs, 1,250 kW Black Start DEG, and 19 MW Steam Turbine. | Hawaii |
| Kalaeloa Partners, L.P. Cogeneration Plant | CSP No. 0214-01-C | Two (2) 86 MW CTs with Steam Injection, Two (2) HRSGs, and 51 MW Steam Turbine. | Oahu |
| HECO Plants | | | |
| Facility | Permit No. | Description | Island |
| Campbell Industrial Park Generating Station | CSP No. 0548-01-C | 135 MW CT with Water Injection and Two (2) 2,250 kW Black Start DEGs. | Oahu |
| Honolulu Power Plant | CSP No. 0238-01-C | 56 MW Boiler and 57 MW Boiler. | Oahu |
| Kahe Power Plant | CSP No. 0240-01-C | Six (6) Boilers (92 MW to 142 MW) and Two (2) 2.5 MW Black Start DEGs. A 142 MW Boiler is Equipped with Low NO _x Burners. | Oahu |
| Waiau Power Plant | CSP No. 0239-01-C | Six (6) Boilers (49 MW to 92 MW), 50 MW CT and 52 MW CT. | Oahu |
| HELCO Plants | | | |
| Facility | Permit No. | Description | Island |
| Kanoelehua-Hill Power Plant | CSP No. 0234-01-C | 14.1 MW Boiler, 23 MW Boiler, 11.6 MW CT, 2.0 MW DEG with Oxidation Catalyst, and Three (3) 2.75 MW DEGs with Oxidation Catalyst. | Hawaii |
| Keahole Power Plant | CSP No. 0007-01-C | Two (2) 20 MW CTs with Water Injection and SCR, Two (2) HRSGs, Three (3) 2.5 MW DEGs with FITR and Oxidation Catalyst, 500 kW Black Start DEG, 16 MW Steam Turbine, and 18 MW CT with Water Injection. | Hawaii |
| Puna Power Plant | CSP No. 0235-01-C | 20 MW CT with water injection, 1,250 hp Black Start DEG, and 15.5 MW Boiler with Multicyclone Dust Collector. | Hawaii |
| MECO Plants | | | |
| Facility | Permit No. | Description | Island |
| Kahului Power Plant | CSP No. 0232-01-C | Two (2) 5.0 MW Boilers, One (1) 11.5 MW Boiler, and 12.5 MW Boiler. | Maui |
| Maalaea Power Plant | CSP No. 0067-01-C | Three (3) 2.5 MW DEGs with Oxidation Catalyst and Lube Oil Separator, Six (6) 5.6 MW DEGs with Oxidation Catalyst and Open Crankcase Filtration System, Two (2) 12.5 MW DEGs with Oxidation Catalyst and Open Crankcase Filtration System, Two (2) 12.5 MW DEGs with Oxidation Catalyst, Crankcase Filtration System, and FITR, Two (2) 20 MW CTs with Water Injection, Two (2) HRSGs, 18 MW Steam Turbine, Two (2) 20 MW CTs with Water Injection, HRSG, Two (2) 2.5 MW DEGs with Oxidation Catalyst, Lube Oil Separator, and FITR, and 600 kW Black Start DEG. | Maui |
| Palaau Power Plant | CSP No. 0031-04-C | Two (2) 1.25 MW DEGs with FITR and Oxidation Catalyst, Four (4) 1.0 MW DEGs with FITR and Oxidation Catalyst, Three (3) 2.2 MW DEGs with FITR, Oxidation Catalyst, and intake cooling, and 2.0 MW CT. | Molokai |

^aCFB-circulating fluidized bed, NO_x-nitrogen oxide, CT-combustion turbine, DEG-diesel engine generator, FITR-fuel injection timing retard, HRSG-heat recovery steam generator, kW-kilowatt, MW-megawatt, SCR-selective catalytic reduction, and SNCR-selective non-catalytic reduction.

The GHG emission reduction plan for the AES cogeneration plant was used to establish the following for the significant permit modification to CSP No. 0087-02-C to incorporate GHG emission caps:

1. A total combined limit on CO₂e emissions emitted from affected facilities operated by HECO, HELCO, MECO, and three (3) IPPs not to exceed 7,023,258 short tons (6,371,392 metric tons) per calendar year;
2. Individual facility-wide limit on CO₂e emissions from AES’s cogeneration plant not to exceed 1,691,605 short tons (1,534,598 metric tons) per calendar year that will not apply as long as the total combined cap among partnering facilities is met; and
3. An equation allocating GHG emissions in excess of the total combined cap for facilities violating the individual and total combined GHG emission caps.

Affected facilities of the IPPs have separate permits specifying individual and total combined GHG caps for all partnering facilities. Any GHG emissions cap revision will require each IPP to submit a single permit application for significant modification since caps have been incorporated separately into each affected facility’s permit.

For HECO, HELCO, and MECO affected facilities, CSP No. 0548-01-C for Campbell Industrial Park Generating Station will be the main permit specifying individual and total combined GHG emission caps that will be referenced in the other Hawaiian Electric Companies’ permits. This will enable modification of a single permit if CO₂e caps need to be revised and reduce the burden of modifying all of Hawaiian Electric Companies’ permits had the caps been incorporated separately into each facility’s permit.

AES’s cogeneration plant utilizes clean coal technology (eg., lime injection to control sulfur dioxide (SO₂), SNCR for NO_x control, baghouses for particulate control, etc.) to generate steam and electricity. According to the GHG emission reduction plan, AES is the single largest power generator on Oahu and provides 20% of the island’s electrical energy demand. Also, AES sells electricity to HECO under a 30-year power purchase agreement (PPA) that expires in October of 2022.

An opportunity for public comment on the draft GHG emissions reduction plan and revised permit for AES’s cogenerating plant will be provided in accordance with HAR §11-60.1-205.

The Standard Industrial Classification Code (SICC) for this facility is 4911 – Electric Services.

Permitted Equipment Subject to GHG Emissions Cap

The following permitted boilers and associated appurtenances are subject to GHG emission reductions specified in Subchapter 11 of the HAR for AES’s cogeneration plant:

| Equipment | Manufacturer | Capacity ^a |
|--|-------------------------------|-----------------------|
| Circulating Fluidized Bed Boiler A with Lime Injection | Alstrom Pyropower Corporation | 2,150 MMBtu/hr |
| Circulating Fluidized Bed Boiler B with Lime Injection | Alstrom Pyropower Corporation | |

^aTotal combined capacity based on a 215,000 lb/hr total combined coal feed rate to boilers and 10,000 Btu/lb heating value based on information supplied for the initial PSD application as follows: (215,000 lb/hr)(10,000 Btu/lb) = 2,150 MMBtu/hr.

The following permitted limestone dryers and associated appurtenances are subject to GHG emission reductions specified in Subchapter 11 of the HAR for the AES cogeneration plant:

| Equipment | Manufacturer | Capacity |
|--------------------|----------------------|---------------|
| Limestone Dryer 1A | Micro Powder Systems | 4.75 MMBtu/hr |
| Limestone Dryer 1B | Micro Powder Systems | 4.75 MMBtu/hr |

Permitted Equipment/Processes Not Subject to GHG Emissions Cap

The following permitted cooling tower and other permitted equipment for coal processing, ash handling, and limestone process are not subject to GHG emission reductions specified in HAR Subchapter 11 because this equipment does not emit GHGs or is below the 3,500 ton per year (TPY) permitting threshold specified in HAR §11-60.1-82(f)(7).

| Equipment/Process | Description |
|-------------------------|--|
| Cooling Tower | GEA Integrated Cooling Technologies, Inc., Five-Cell Cooling Tower with Fiberglass Counter Flow and Maximum Water Circulating Rate of 104,000 gal/min and Maximum Drift Rate of 0.02%. |
| 275 TPY Coal Processing | Overland Coal Conveyor, Two (2) Lowering Wells, Four (4) Coal Conveyors, 275 TPY Coal Crusher, Four (4) Coal Storage Silos, and Two (2) Mikro-Pulsaire Baghouses. |
| Ash Handling | Fly Ash Reinjection Surge Hopper, Bed Ash Storage Hopper, Fly Ash Silo, Bed Ash Silo, and Conditioned Ash Mixer. |
| Limestone Processing | Limestone Storage Hopper with Mikro-Pulsaire Baghouse (Model No. 100S-8-20 "C"), Two (2) 22 TPH Micron Powder Systems Each with 22 Ton per Hour Limestone Feeder, Mikro Pulverizer (Model No. 300 ACM), Mikro-Pulsaire Baghouse (Model No. 420S-10-50 "C"), and Conveyors. |

The following permitted storage tank is not subject to GHG emission reductions specified in HAR Subchapter 11 because GHG emissions reporting under 40 Code of Federal Regulations (CFR) Part 98 is not required for this tank. Also, GHG emissions from this tank are below the 3,500 TPY CO_{2e} permitting threshold specified in HAR §11-60.1-82(f)(7), assuming all volatile organic compound (VOC) emissions are methane (CH₄) with a global warming potential (GWP) of 25.

| Tank Number ^{a,b} | Volume (gallons) | Tank Description |
|----------------------------|------------------|--------------------------|
| Fuel Oil No.2 Storage Tank | 60,000 | Vertical Fixed Roof Tank |

^aHawaii Act 234, 2007 amended the Hawaii Revised Statutes, §342B-B, to require an endeavor to make state emission reporting requirements consistent with international, federal, and other state's GHG reporting requirements. The AES cogeneration plant is subject to 40 CFR Part 98 – Mandatory Greenhouse Gas Reporting, Subpart C – General Fuel Combustion Sources. Storage tanks do not meet the definition of the source category specified in §98.30 of this subpart. Therefore, the above permitted storage tank was excluded from GHG reporting and emission reduction requirements specified in HAR Chapter 11-60.1, Subchapter 11.

^bIf all VOCs emitted from this tank were methane, maximum potential GHG emissions would be (ton VOC/year)(GWP for methane of 25)= (ton CH₄/yr)(25) = 560 TPY CO_{2e} of GHGs. This is below the 3,500 CO_{2e} permitting threshold specified in HAR §11-60.1-82(f)(7). Tank VOC emissions are based on estimates in permit application review No. 0087-07 indicating the total VOC emissions from this tank are 36.72 pounds per year for storing fuel oil No. 2.

Air Pollution Controls

CFB Boilers

1. SNCR with Ammonia Injection (70% NO_x reduction)

NO_x emissions are controlled with SNCR using ammonia injection, or an alternative reducing agent like urea, at the inlet to the hot cyclone. This process breaks down the NO_x into water and atmospheric nitrogen. The SNCR system with Ammonia/Urea Injection (Thermal DeNO_x), designed and manufactured by Alhstrom Pyropower, can meet the permitted NO_x emission limits. The optimum combustion temperatures for the efficient use of ammonia injection are 1,400 to 1,900 degrees Fahrenheit. Ammonia injection is typically not used when the temperatures are below 1,400 degrees.

2. Limestone Injection (75% to 90% SO₂ reduction)

SO₂ emissions are controlled with the injection of pulverized limestone into the combustion zone. The SO₂ is absorbed by the limestone and forms gypsum. The heavier particles fall to a hopper while the lighter particles are carried by the flue gas and then captured by the baghouse. Pursuant to PSD HI 88-02 review, 90% reduction can be met when high sulfur fuel is used.

3. Good Combustion

Proper boiler operation and good combustion practices will help control particulate, carbon monoxide (CO), and VOC emissions. Also, low temperature-staged combustion design of the boilers reduces NO_x emissions. In addition, SO₂ is controlled by using coal with a maximum sulfur content of 1.5% by weight.

4. Clean Coal Technology

As indicated by AES, CFB technology for the boilers is considered a clean coal technology because of the nature of its combustion process. In CFBs, crushed coal and pulverized limestone (for SO₂ capture) are fed into a bed of ash, then made highly mobile by a high velocity stream of preheated air. Internal circulation of solids provides longer residence time for the fuel and limestone, resulting in good combustion and improved sulfur capture. The air is fed into the combustor at two (2) levels. This staged combustion and the low combustion temperature reduce NO_x. Additional control is from SNCR using ammonia injection. The combustion gas from the combustor flows upward with entrained solids that are separated from the combustion gas in a cyclone that continuously returns these solids to the combustion chamber by a recycle loop. Particulate left in the flue gas is controlled by baghouses servicing each boiler.

Baghouses (99.99% PM/PM₁₀ reduction)

Particulate and opacity are controlled using baghouses shown in the table below.

| Emissions Unit | Baghouse (No./Manufacturer/Model) | Operating Pressure |
|---|--------------------------------------|-----------------------|
| Boilers * | 2/Asea Brown Boveri/ Flakt Model 2 | 1-9" H ₂ O |
| Limestone Driers/Crushers | 2/Mikro-Pulsaire/420S-10-50 "C" | 1-7" H ₂ O |
| Limestone Feeders ** | 4/AEROPULSE/SB-9-4-H-N | 1-7" H ₂ O |
| Limestone Storage Hoppers ** | 1/Mikro-Pulsaire/100-S-8-20 "C" | 1-7" H ₂ O |
| Coal Crusher | 1/Mikro-Pulsaire/64S-8-40 "C" | 1-7" H ₂ O |
| Coal Storage Silos and Coal Conveyor 4 ** | 1/Mikro-Pulsaire/100S-8-20 "C" | 1-7" H ₂ O |
| Fly Ash Silo ** | 1/Mikro-Pulsaire/64S-8-20 TRH "B" | 1-7" H ₂ O |
| Fly Ash Reinjection ** | 1/Mikro-Pulsaire/25S-8-30 "B" | 1-7" H ₂ O |
| Bed Ash Silo ** | 1/Mikro-Pulsaire/64S-8-20 TRH "B" | 1-7" H ₂ O |
| Bed Ash Hopper ** | 1/Mikro-Pulsaire/25S-8-30 "B" | 1-7" H ₂ O |
| Ash Mixer ** | 1/Dalamatic Unimaster/DLMV20F | 1-7" H ₂ O |

* Hot exhaust gases from each boiler pass through individual (each boiler has its own baghouse) fabric filter baghouse. After leaving the baghouse, exhaust gases from both boilers join into a common stack exiting to the atmosphere.

**Baghouses that are insignificant since estimated emissions are small.

Fugitive Dust Suppression

Fugitive dust is controlled using the methods shown in the table below throughout the facility:

| Emissions Unit | Control | Expected |
|---|---|----------|
| Coal Processing: | | |
| Conveyors | covers | 70% |
| Lowering wells | partial enclosures | 75% |
| Active storage piles and mobile equipment | water | 50% |
| Limestone Processing: | | |
| Conveyors | covers | 70% |
| Active storage piles and mobile equipment | water | 50% |
| Ash Handling: | | |
| Fly ash silo | mechanical pre-separator/telescopic chute | 97% |
| Bed ash silo | mechanical pre-separator/telescopic chute | 97% |
| Aggregate ash mixer | partial enclosure | 85% |
| Handling of aggregate ash | water | 50-90% |

Applicable Requirements

State Requirements:

Hawaii Administrative Rules

| | |
|------------------------|--|
| Title 11, Chapter 60.1 | Air Pollution Control |
| Subchapter 1 | General Requirements |
| HAR 11-60.1-1 | Definitions |
| Subchapter 2 | General Prohibitions |
| HAR 11-60.1-31 | Applicability |
| HAR 11-60.1-32 | Visible Emissions |
| HAR 11-60.1-38 | Sulfur Oxides from Fuel Combustion |
| HAR 11-60.1-39 | Storage of Volatile Organic Compounds |
| Subchapter 5 | Covered Sources |
| HAR 11-60.1-81 | Definitions |
| HAR 11-60.1-104 | Applications for Significant Modification |
| Subchapter 6 | Fees for Covered Sources, Noncovered Sources, & Agricultural Burning |
| HAR 11-60.1-111 | Definitions |
| HAR 11-60.1-112 | General Fee Provisions for Covered Sources |
| HAR 11-60.1-113 | Application Fees for Covered Sources |
| HAR 11-60.1-114 | Annual Fees for Covered Sources |
| HAR 11-60.1-115 | Basis of Annual Fees for Covered Sources |
| Subchapter 8 | Standards of Performance for Stationary Sources |
| Subchapter 9 | Maximum Achievable Control Technology (MACT) Emission Standards |
| Subchapter 11 | Greenhouse Gas Emissions |

HAR Chapter 11-60.1, Subchapter 11, §11-60.1-204 GHG Emission Reduction Plan.

1. Applicability to Subchapter 11 pursuant to HAR §11-60.1-204(a).

HAR §11-60.1-204 is applicable to the AES cogeneration plant since this facility is a permitted covered source with potential CO₂e emissions (biogenic plus non-biogenic) equal to or above 100,000 tons per year.

2. Baseline Emission Rate and Cap.

Pursuant to HAR §11-60.1-204(b) and (c), AES is proposing to establish an annual facility-wide GHG emissions cap for its cogeneration plant as shown in the table on page 9 of this permit application review. As provisioned in HAR §11-60.1-204(d)(6)(A), AES is proposing to combine its facility's GHG emissions cap with other GHG caps established for partnering facilities to leverage emission reductions. The combined emissions cap was determined by multiplying the total combined baseline GHG emissions (less any biogenic CO₂ emissions) for partnering facilities by 0.84 (1.0-0.16).

AES uses a continuous emissions monitoring system (CEMS) to monitor carbon dioxide (CO₂) emissions from its boilers, however, in 2010 the CEMS was not setup to use the stack exhaust flow monitor for measuring CO₂ emissions. Therefore, the CO₂e emissions from Boilers A and B for establishing the facility's 2010 GHG baseline level were based on calculations using fuel data from 2010.

According to AES, the stack exhaust flow monitor has historically over-reported flow which would increase (greater than 20%) the emissions of CO₂ reported. As indicated by AES, annual GHG emissions from years 2011 to 2015, based on fuel data for the boilers, were recalculated manually using CEMS stack flow data and resubmitted to EPA. However, since CEMS flow was not adjusted, GHG emissions reported for these years is bias high.

In 2016 AES performed a CEMS audit which found the current system to over-report boiler exhaust flow since there is no coefficient in the CEMS setup to correlate response of the system to test methods or algorithm to correct for gas molecular weight and pressure variations. Calendar year 2018 will be the the first year that bias high CO₂ readings are corrected in the CEMS data for reporting GHG emissions.

As indicated in an October 4, 2017, RMB Consulting & Research, Inc., Memorandum to AES, CEMS adjustments were completed to implement the following corrections:

- a. Made software modifications to incorporate a correction factor of 0.76 to the CEMS exhaust flow monitor setup on each boiler that adjust bias high CO₂ readings due to wall effects from rectangular ducts. The 0.76 CEMS exhaust flow monitor correction factor was determined using EPA reference Test Method 2F in conjunction with Conditional Test Method 041 (CTM-041);
- b. Established a wall effects adjustment factor (WAF) using CTM-041 test results that will be applied to each CEMS exhaust flow monitor performance evaluation and calibration check with EPA Method 2F, since CTM-041 is a one-time test that will not be used with Method 2F to check the CEMS exhaust flow monitors in future performance evaluations. The WAFs for Boilers A and B were determined to be 0.9147 and 0.9148, respectively, based on results from the 2016 CEMS audit; and

- c. Made software modifications to incorporate the following dilution ratio correction algorithm:

$$MW = 28 + 0.16 (\%CO_2) - K_1 \left[\begin{array}{l} -0.836 \\ + 0.10836 (\%H_2O) \\ + 0.00836 (\%CO_2) \frac{F}{F_c} \end{array} \right]$$

MW = Molecular weight of the sample (prior to dilution)

%CO₂ = Flue gas (or calibration gas) CO₂ concentration

%H₂O = Flue gas moisture concentration

K₁ = Operating mode variable/switch

(1 = normal sampling; 0 = calibration, linearity or maintenance)

F = F-factor (9780 dscf/MMBtu for bituminous coal)

F_c = F_c-factor (1800 scf CO₂/MMBtu for bituminous coal)

AES's 2010 CO₂e baseline level of 1,681,605 tons per year was established using 2010 GWPs and fuel data. In 2014, the GWPs increased from 21 to 25 for CH₄ and decreased from 310 to 298 for N₂O. If AES had used the 2014 GWPs, slightly higher total CO₂e emissions would result.

To determine the 2010 baseline, AES used a Tier 3 methodology for the coal-fired boilers. Note that the "Dry, Ash Free" coal carbon content from analysis of the coal received must be used to determine emissions. It was found for 2010 that the average "As Received" carbon content was about twenty-four percent (24%) less than the "Dry, Ash Free" coal carbon content. Also, the "Fixed Carbon" carbon content used in 2013 was incorrect since the fixed carbon only represents the carbon that will be left after driving off volatile matter from the coal. The appropriate value to use is the ultimate coal carbon content on an "As Received"/"As Fired" basis which includes the fixed and volatile carbon.

For review of AES's proposed facility-wide baseline GHG emissions level of 1,681,605 tons per year, the Department of Health Clean Air Branch (CAB) requested and received additional coal shipment information. The CAB's review found the 1,681,605 CO₂e emissions level to be well supported by the available fuel data. The CAB's estimate of 2010 GHG emissions was 1,686,648 tons per year which is about 0.3% higher than AES's proposed baseline value. The baseline proposed by AES is slightly, though insignificantly, conservative. The CAB, therefore, found AES's 1,681,605 CO₂e baseline level acceptable for establishing the GHG emissions cap.

Partnering facilities used 2010 as the baseline year to establish the cap, except for the Kalaeloa Partners, L.P Cogeneration Plant which used 2009 for its baseline because year 2010 was deemed unrepresentative due to an overhaul of this facility's steam turbine generator.

Each facility may exceed its individual cap as long as the total combined sixteen percent (16%) GHG reduction from the established GHG baseline is met.

The combined emissions cap will be made part of the permit for each partnering facility pursuant to HAR §11-60.1-204(d)(6)(C) and must be achieved by 2020 and maintained thereafter. Pursuant to HAR §11-60.1-202, a “facility-wide GHG emissions cap” means a permit emissions limitation, applicable to a covered source, limiting the entire source’s annual non-biogenic greenhouse gas, and biogenic nitrous oxide and methane emissions. In accordance with HAR §11-60.1-202, a facility-wide GHG emissions cap may also be defined in multiple covered source permits to identify partnering facilities with an approved combined GHG emissions cap as described in HAR §11-60.1-204(d)(6)(A).

The total combined GHG baseline and GHG emission caps proposed for the partnering facilities are as follows:

Actual GHG Baseline and Proposed CO₂e Facility Emission Caps

| Plant | CSP Permit No. | Emissions (Short Tons) | | | | % Reduction |
|----------------------------|----------------|----------------------------|-----------------------------------|--|------------------------|----------------------|
| | | Baseline CO ₂ e | Baseline Biogenic CO ₂ | Baseline CO ₂ e Less Biogenic CO ₂ | CO ₂ e Cap | |
| | | (a) | (b) | (c)=(a)-(b) | Proposed | |
| AES | 0087-02-C | 1,681,605 | 0 | 1,681,605 | 1,691,605 | -0.6% |
| Hamakua | 0243-01-C | 182,975 | 0 | 182,975 | 153,699 | 16.0% |
| Kalaelo | 0214-01-C | 1,094,813 | 0 | 1,094,813 | 1,094,813 | 0% |
| HECO CIP | 0548-01-C | 19,179 | 4,233 | 14,946 | 53,740 | -259.6% |
| HECO Honolulu ^a | 0238-01-C | 133,609 | 0 | 133,609 | 0 | 100.0% |
| HECO Kahe | 0240-01-C | 2,776,073 | 0 | 2,776,073 | 2,133,752 | 23.1% |
| HECO Waiau | 0239-01-C | 1,074,359 | 0 | 1,074,359 | 808,286 | 24.8% |
| HELCO Hill | 0234-01-C | 222,784 | 0 | 222,784 | 172,456 | 22.6% |
| HELCO Keahole | 0007-01-C | 191,387 | 0 | 191,387 | 242,208 | -26.6% |
| HELCO Puna | 0235-01-C | 99,691 | 0 | 99,691 | 31,747 | 68.2% |
| HELCO Shipman | 0236-01-C | 10,192 | 0 | 10,192 | 0 | 100% Plant Closed |
| MECO Kahului | 0232-01-C | 230,839 | 0 | 230,839 | 154,633 | 33.0% |
| MECO Maalaea | 0067-01-C | 620,654 | 1,142 | 619,512 | 459,864 | 25.8% |
| MECO Palaau | 0031-04-C | 28,236 | 0 | 28,236 | 26,454 | 6.3% |
| Combined | | 8,366,396 | 5,375 | 8,361,021 ^b | 7,023,257 ^b | 16.0% |

^aThe HECO Honolulu Generating Station is currently deactivated (not operating but could restart if necessary).

^bTotal combined partnering facility proposed GHG baseline and GHG emission cap are 8,361,022 and 7,023,258 short tons, respectively. Totals may not sum due to independent rounding.

For information, the table below titled “Actual GHG Baseline and Notional 16% CO₂e Facility Emission Caps” shows the total combined baseline and GHG emissions cap if a sixteen percent (16%) reduction had been applied to each partnering facility separately. The total combined emissions cap in the table below is the same as that proposed by partnering facilities that have combined their facility-wide emission caps in meeting a combined GHG emission cap in accordance with HAR Subparagraph 11-60.1-204(d)(6)(A). Please refer to the table titled “Actual Baseline and Proposed CO₂e Facility Emission Caps” on Page 10 of this permit application review. The total combined CO₂e emissions in the table below for the notional cap are 7,023,258 short tons per year. The total combined CO₂e emission level proposed, as shown in the table on Page 10, is 7,023,258 short tons per year.

Actual GHG Baseline and Notional 16% CO₂e Facility Emission Caps

| Plant | CSP Permit No. | Emissions (Short Tons) | | | | % Reduction |
|----------------------------|----------------|----------------------------|-----------------------------------|--|-----------------------|-------------|
| | | Baseline CO ₂ e | Baseline Biogenic CO ₂ | Baseline CO ₂ e Less Biogenic CO ₂ | CO ₂ e Cap | |
| | | (a) | (b) | (c)=(a)-(b) | Notional | |
| AES | 0087-02-C | 1,681,605 | 0 | 1,681,605 | 1,412,548 | 16.0% |
| Hamakua | 0243-01-C | 182,975 | 0 | 182,975 | 153,699 | 16.0% |
| Kalaeloa | 0214-01-C | 1,094,813 | 0 | 1,094,813 | 919,643 | 16.0% |
| HECO CIP | 0548-01-C | 19,179 | 4,233 | 14,946 | 12,555 | 16.0% |
| HECO Honolulu ^a | 0238-01-C | 133,609 | 0 | 133,609 | 112,232 | 16.0% |
| HECO Kahe | 0240-01-C | 2,776,073 | 0 | 2,776,073 | 2,331,901 | 16.0% |
| HECO Waiiau | 0239-01-C | 1,074,359 | 0 | 1,074,359 | 902,462 | 16.0% |
| HELCO Hill | 0234-01-C | 222,784 | 0 | 222,784 | 187,139 | 16.0% |
| HELCO Keahole | 0007-01-C | 191,387 | 0 | 191,387 | 160,765 | 16.0% |
| HELCO Puna | 0235-01-C | 99,691 | 0 | 99,691 | 83,740 | 16.0% |
| HELCO Shipman | 0236-01-C | 10,192 | 0 | 10,192 | 8,561 | 16.0% |
| MECO Kahului | 0232-01-C | 230,839 | 0 | 230,839 | 193,905 | 16.0% |
| MECO Maalaea | 0067-01-C | 620,654 | 1,142 | 619,512 | 520,390 | 16.0% |
| MECO Palaau | 0031-04-C | 28,236 | 0 | 28,236 | 23,718 | 16.0% |
| Combined | | 8,366,396 | 5,375 | 8,361,021 | 7,023,258 | 16.0% |

^aThe HECO Honolulu Generating Station is currently deactivated (not operating but could restart if necessary).

The CAB also used a Tier 1 methodology in 40 Code of Federal Regulations (CFR) Part 98, §98.33, to validate the proposed individual and total combined GHG emission caps. Enclosure 1 provides a bar chart of solid fuel and limestone sorbent consumption. Enclosure 2 provides data on liquid fuel consumption. Solid fuel and limestone sorbent consumption data is shown in Enclosure 3 for bar chart in Enclosure 1 and for GHG emission curves in Enclosure 6. Liquid fuel consumption data is shown in Enclosure 4 for bar chart in Enclosure 2 and GHG emission curves in Enclosure 6. Total combined emissions for curves in Enclosure 6 are provided in Enclosure 5. Total combined partnering facility emissions from 2005 to 2016 are provided in Enclosure 7. Enclosure 8 provides total combined GHG emission curves for all partnering facilities based on a Tier 1 calculation methodology.

Enclosure 5 shows that baseline GHG emissions proposed for the AES coal-fired cogeneration plant are about 0.855% higher than that estimated by CAB using the Tier 1 methodology. The CAB used default heating values and fuel consumption data to estimate GHGs, whereas AES used a Tier 1 methodology as applicable as well as a Tier 3 methodology with actual carbon content data from fuel sampling coal. Since actual carbon content from burning coal was used, AES's Tier 3 estimates are more representative of actual emissions.

3. Proposed Control Strategy.

AES is proposing as its control strategy, to partner with the Hawaiian Electric Companies and other IPPs for combining emission caps to leverage the emissions reductions among partnering facilities. In the event there is an energy shortfall from unplanned outages or other issues, AES may be required to generate additional electricity. Therefore, the adjusted individual cap for AES allows for the possible generation of more electricity than had been generated in 2010. The total combined partnership cap, however, represents a sixteen percent (16%) reduction in GHG emissions from the total combined partnership baseline emissions.

Federal Requirements:

40 CFR Part 98, Subpart A, Mandatory Greenhouse Gas Reporting is applicable to this facility because actual CO₂e emissions from stationary fuel combustion units at the coal-fired cogeneration plant are greater than 25,000 metric tons per year.

40 CFR Part 98, Subpart C, General Stationary Fuel Combustion Sources is applicable to this facility because the boilers and limestone dryers are stationary fuel combustion sources as defined in §98.30 and the AES cogeneration plant meets the applicability requirements of 40 CFR §98.2(a)(2).

Pursuant to 40 CFR §98.33, a Tier 4 calculation methodology using data from a continuous emission monitoring system (CEMS) is required for determining CO₂ emissions from the boilers since:

1. The boilers have a maximum rated heat input capacity greater than 250 MMBtu/hr;
2. The units combust solid fossil fuel as the primary fuel;
3. These units have operated for more than 1,000 hours in any calendar year since 2005;
4. The boilers have an installed CEMS;
5. The installed CEMS include a gas monitor; and
6. The gas monitors are required by the operating permit to undergo periodic quality assurance testing in accordance with Appendix F to Part 60 of 40 CFR.

In accordance with 40 CFR §98.33 (b)(5)(ii), AES is required to use a Tier 4 calculation methodology involving a CEMS for the coal-fired boilers no later than January 1, 2011.

The CEMS measures CO₂ emissions from fuel combustion that include coal as the primary fuel, tire derived fuel (TDF), activated carbon, fuel oil No. 2, and specification used oil. Additional CO₂ emissions will result in the boiler exhaust stream due to the reaction between acid gas and sorbent from limestone injection. The total combined CO₂ emissions from combustion and sorbent is measured by the CEMS.

According to Relative Accuracy Test Audit and Annual Compliance Test Program Report No. 11-2075, each boiler unit is monitored by their own CEMS. As indicated by AES personnel, emissions are added from both CEMS servicing each boiler and compared to the total combined emission limits specified for the boilers in Attachment IIA of the permit.

Calculation of methane (CH₄) and nitrous oxide (N₂O) mass emissions from the boilers and dryers is performed using Equation C-8 in 40 CFR §98.33.

Calculation of CO₂ mass emissions from the two (2) limestone dryers fired on fuel oil No. 2 is performed in accordance with a Tier 1 methodology.

Calculation of CO₂ emissions from sorbent is performed using Equation C-11 in 40 CFR §98.33, except when those CO₂ emissions are monitored by a CEMS.

The following National Emission Standards for Hazardous Air Pollutants (NESHAP) apply:

40 CFR Part 63 - NESHAP

Subpart A – General Provisions

Subpart UUUUU – National Emission Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units

The following New Source Performance Standards (NSPS) apply:

40 Code of Federal Regulations (CFR) Part 60 - NSPS

Subpart A - General Provisions

Subpart Da - Standards of Performance for Electric Utility Steam Generating Units for Which Construction is Commenced After September 18, 1978

Subpart Kb - Standards of Performance for Volatile Organic Liquid Storage Vessels

Subpart Y - Standards of Performance for Coal Preparation Plants

Subpart OOO - Standards of Performance for Nonmetallic Mineral Processing Plants

40 CFR Part 68 - Accidental Release Prevention Requirements was listed as an applicable requirement for the AES's coal-fired cogeneration plant.

Non-Applicable Requirements

State Requirements:

Hawaii Administrative Rules (HAR)

| | |
|------------------------|--|
| Title 11, Chapter 60.1 | Air Pollution Control |
| Subchapter 7 | Prevention of Significant Deterioration Review |
| Subchapter 9 | Hazardous Air Pollution Sources |
| HAR 11-60.1-180 | National Emission Standards for Hazardous Air Pollutants |
| Subchapter 11 | |
| HAR 11-60.1-204(d)(2) | GHG Control Assessment |
| HAR 11-60.1-204(d)(3) | Available Control Measures |
| HAR 11-60.1-204(d)(4) | The Technically Feasible Measures |
| HAR 11-60.1-204(d)(5) | Control Effectiveness and Cost Evaluation |

GHG Control Assessment.

AES has proposed a total combined GHG emissions reduction of sixteen percent (16%) from the total combined baseline emissions estimated for partnering facilities. Pursuant to HAR §11-60.1-202, a facility-wide GHG emissions cap may be defined in multiple covered source permits to identify partnering facilities with an approved combined GHG emissions cap as described in HAR §11-60.1-204(d)(6)(A). As specified in HAR §11-60.1-204(d)(B)(2), if the required GHG emissions cap requiring a sixteen percent (16%) emissions reduction from baseline year is deemed unattainable, the permittee shall conduct a GHG control assessment. Since the facility-wide GHG emissions cap (total combined GHG cap for partnering facilities) is 16% below the total combined baseline GHG emissions level, AES is not required to perform a GHG control assessment for determining whether the required GHG emissions cap is attainable.

Although a GHG control assessment is not required, AES addressed GHG emission control options pursuant to HAR §11-60.1-204(d)(3). AES found that the technically feasible options in the table below were not cost effective. The average annual cost effectiveness ranged from \$51 per ton for soot blowing to \$397 for turbine blade upgrade to \$1,792 per ton for air heater temperature reduction. It was concluded that GHG control options having a cost effectiveness of greater than \$23 per ton were not cost effective. Co-firing options were also found by AES to increase HAP emissions and change fly ash composition and delivery-related emissions.

| GHG Control Option | GHG Control Effectiveness % Removal | Expected GHG Emission Rate | | Expected |
|--|-------------------------------------|-----------------------------------|--------------------------------------|----------|
| | | Short Tons CO ₂ e/year | Pounds CO ₂ e/kWh (gross) | |
| Pelletized Biomass Co-firing @ 25% Heat Input | 16% | 1,412,549 | 1.780 | 269,056 |
| Local Eucalyptus Biomass Co-firing – 150,000 tons per year | 12.6% | 1,469,480 | 1.777 | 212,125 |
| Fuel Oil Co-firing @ 30% Heat Input | 6.3% | 1,575,411 | 1.905 | 106,194 |
| Heat Rate Improvement Combination (all options) | 3.1% | 1,629,055 | 1.970 | 52,550 |
| Fuel Oil Co-firing @ 10% Heat Input | 2.1% | 1,646,361 | 1.991 | 35,245 |
| Turbine Upgrade | 1.25% | 1,660,585 | 2.008 | 21,020 |
| Heat Improvement Combination (lowest cost options) | 1.00% | 1,664,789 | 2.013 | 16,816 |
| Air Heater Temperature Reduction | 0.75% | 1,668,993 | 2.018 | 12,612 |
| Sootblower Improvements | 0.70% | 1,669,834 | 2.019 | 11,771 |
| DCS Upgrade | 0.50% | 1,673,197 | 2.023 | 8,408 |
| VFD Motors | 0.30% | 1,676,560 | 2.028 | 5,045 |
| Baseline Emissions | ---- | 1,681,605 | 2.034 | ----- |

Federal Requirements:

The following NESAP does not apply to the coal-fired cogeneration plant:

40 CFR Part 63 - NESHAP

Subpart Q – NESHAP for Industrial Process Cooling Towers

The cooling tower is not subject to NESHAP, Subpart Q, because it did not use chromium-based water chemicals at the time this NESHAP was promulgated, nor does AES use this chemical at the present time.

40 CFR Part 61, NESHAP. There are no standards in 40 CFR Part 61 that apply to this facility.

Best Available Control Technology (BACT)

The BACT analyses from the previous permit application review is still valid. A BACT analysis is required for new or modified sources that have the potential to emit or increase emissions above significant amounts as defined in HAR 11-60.1-1. Since this is not a new source, nor are any modifications proposed that have the potential to cause a significant increase in air emissions, a BACT analysis is not required.

Prevention of Significant Deterioration (PSD)

The PSD determination from the previous permit application review is still valid and additional PSD review is not required. This facility is not a new major stationary source, nor does this application propose any major modifications to a major stationary source as defined in 40 CFR Part 52.21. A major modification is defined as a project at an existing major source that will result in a significant and a significant net emissions increase above specified emission thresholds for pollutants subject to regulation.

Major Source/ Synthetic Minor Applicability

The facility's classification as a major source remains unchanged from the previous permit application review.

Compliance Assurance Monitoring (CAM), 40 CFR Part 64

The purpose of CAM is to provide reasonable assurance that compliance is being achieved with large emission units that rely on air pollution control device equipment to meet an emissions limit or standard. Pursuant to 40 CFR, Part 64, for CAM to be applicable, the emissions unit must: (1) be located at a major source; (2) be subject to an emissions limit or standard; (3) use a control device to achieve compliance; (4) have potential pre-control emissions that are greater than the major source level; and (5) not otherwise be exempt from CAM.

The application for permit modification to incorporate the GHG emissions cap provides a CAM plan for monitoring particulate emitted by the boilers that rely on baghouses to meet the particulate emission limits.

CAM requirements will be addressed when processing the permit renewal application.

Air Emissions Reporting Requirements (AERR)

40 CFR Part 51, Subpart A – AERR, is based on emissions of criteria pollutants from point sources (as defined in 40 CFR Part 51, Subpart A), which exceeds AERR thresholds as shown below.

| Pollutant ¹ | Potential Emissions (TPY) | AERR (Total Facility) | | | DOH In-House Annual Emissions Reporting (Total Facility) | |
|--------------------------|---------------------------|-----------------------|---------------------|-------------------|--|-------------------|
| | | Thresholds (TPY) | | Exceeds Threshold | Thresholds (TPY) | Exceeds Threshold |
| | | 1 yr Cycle (Type A) | 3 yr Cycle (Type B) | | | |
| NO _x | 1,040 | 2,500 | 100 | Yes | 25 | Yes |
| SO ₂ | 2,846 | 2,500 | 100 | Yes | 25 | Yes |
| CO | 1,790 | 2,500 | 1,000 | Yes | 250 | Yes |
| PM ₁₀ | 388 | 250 | 100 | Yes | 25 | Yes |
| PM _{2.5} | 388 | 250 | 100 | Yes | ---- | NA |
| VOC | 141 | 250 | 100 | Yes | 25 | Yes |
| Pb (Actual) ² | 0.0088 | | 0.5 | No | 5 | No |
| HAPs | 61 | | --- | NA | 5 | Yes |

¹ Criteria pollutants include NO_x, sulfur dioxide (SO₂), carbon monoxide (CO), particulate matter less than 10 microns in diameter (PM₁₀), particulate matter less than 2.5 microns in diameter (PM_{2.5}), ozone (formed from precursor VOCs), and lead (Pb).

² Actual lead emissions are from State and Local Emissions Inventory System (SLEIS) for year 2016.

Since the facility-wide emission levels of one or more air pollutant(s) exceeds the reporting threshold(s), the AERR and DOH In-House Annual Emissions Reporting requirements remain unchanged from the previous permit application review and annual emissions reporting for the facility is still required for in-house recordkeeping purposes.

Insignificant Activities

The following storage tanks at the AES cogeneration plant are insignificant activities:

| Tank Description | Tank Contents | Capacity (gallons) | Justification |
|--------------------------------|---------------|--------------------|-----------------------|
| Three (3) Above Ground Storage | ----- | 300 each | HAR §11-60.1-82(f)(1) |
| Fuel Storage Tank | Spec Used Oil | 17,631 | HAR §11-60.1-82(f)(1) |
| Pressurized Tank | Ammonia | 25,000 | HAR §11-60.1-82(f)(1) |

The following fuel burning equipment at the AES cogeneration plant are insignificant activities:

| Unit Description | Capacity | Justification |
|--|--------------|-----------------------|
| Other than Smoke House Generators and Gasoline Fired Industrial Equipment, Fuel Burning Equipment Less than one (1) MMBtu/hr, or Combination of Fuel Burning Equipment Operating as a Single Unit with a Capacity Less Than 1MMBtu/hr. | < 1 MMBtu/hr | HAR §11-60.1-82(f)(2) |
| Emergency Engine Generator and Emergency Boiler Feed Water Pump.* | Various | HAR §11-60.1-82(f)(5) |

*Emergency diesel engine generator used exclusively to provide electricity, standby sewage pump drives, and other emergency equipment used to protect the health and welfare of personnel and the public, all of which are used only during power outages, emergency equipment maintenance and testing, and which:

- (1) Are fired exclusively by natural or synthetic gas; or liquefied petroleum gas; or fuel oil No. 1 or No. 2; or diesel fuel oil No. 1D or No. 2D; and
- (2) Does not trigger a PSD or covered source review, based on their potential to emit regulated or hazardous air pollutants.

Mobile generators, air compressors, welders, and pressure washer are insignificant per HAR §11-60.1-82(d)(4).

Four (4) limestone feeders, each equipped with a baghouse, are insignificant activities pursuant to HAR §11-60.1-82(f)(7).

One (1) pulverized limestone storage hopper with baghouse is an insignificant pursuant to HAR §11-60.1-82(f)(7).

Fabric filter/baghouses associated with solid fuel conveyance are insignificant activities in accordance with HAR §11-60.1-82(f)(7).

Biomass handling operations are insignificant activities pursuant to HAR §11-60.1-82(f)(7).

Project Emissions

Potential emissions of particulate matter (PM), SO₂, NO_x, CO, VOCs and hazardous air pollutants (HAPs) were estimated for coal combustion in boilers A and B. The pound per hour emission limits listed in the table below were used to determine maximum potential emissions based on 8,760 hours per year operation.

The following table provides maximum permitted emission rates for the one stack servicing both boilers.

| Compound | Maximum Emission Limits ¹ | | | |
|---|--------------------------------------|--|----------------------------|-------------------------------------|
| | lb/hr | lb/mmBtu | ppmvd @ 15% O ₂ | gr/dscf @ 12% CO ₂ , dry |
| SO ₂ | 645.0 | 1.2 | 48 | -- |
| NO _x baseload ² | 236.5 | 0.5 | 25 | -- |
| NO _x low load ^{2,3} | 236.5 | 0.5 | 59 | -- |
| CO | 408.4 | -- | 70 | -- |
| VOC ⁴ | 32.2 | -- | 3.5 | -- |
| Lead (Pb) | 5.7 | -- | -- | 1.2E-3 |
| PM/PM ₁₀ ⁵ | 32.2 | 0.03 | -- | 7.0E-3 |
| Fluorides | 0.20 | 9.3E-5 | -- | -- |
| Mercury | 0.17 0.0026 | 8.1E-5 (prior to 4/16/2015) 1.2E-6 (on and after 4/16/2015) | -- | -- |
| Beryllium | 0.067 | 3.1E-5 | -- | -- |
| Sulfuric Acid Mist | 4.10 | 1.9E-3 | -- | -- |
| Hydrogen Chloride (HCl) | 4.30 | 0.002 | | |

Notes:

¹ 3-hour average with standard conditions assumed to be 68°F and 29.92 inches Hg. Stack concentrations assumed to be 5% H₂O, 6.5% O₂ and 12% CO₂. Stack temperature and pressure at outlet is 265°F and 29.92 inches Hg respectively.

² Molecular weight of NO_x taken to be that of NO₂ (46).

³ Low load is an individual boiler heat input of less than 450 mmBtu/hr.

⁴ Molecular weight of VOC taken to be that of propane (44).

⁵ PM₁₀ emission rate assumed to be 100% of the total particulate matter emission rate.

Other potential emissions for fuel oil combustion in the boilers and limestone dryers, coal and limestone processing, ash handling, and the cooling tower were based on AP-42 emission factors. The coal and ash emissions include metal HAPs that are part of the coal and ash dust. All emissions account for the use of air pollution controls. The calculations were based on those in permit application Nos. 0087-09 and 0087-10.

The GHG emissions cap will not increase emissions of criteria pollutants and HAPs. The table below provides facility-wide maximum potential annual emissions based on operating 8,760 hr/yr with air pollution controls and permit emission limits. Emissions from the dryers were based on the maximum 34 gallon per hour fuel combustion for each dryer, 8,760 hours per year operation, and AP-42 emission factors.

The CAB updated mercury emissions in this table based on the emission limit that applies on and after 4/16/2015, for the CFB boilers.

| Pollutant | Steam Boilers ¹ (TPY) | Coal Processing (TPY) | Limestone Processing (TPY) | Ash Handling (TPY) | Cooling Tower (TPY) | Storage Tanks (TPY) | Total (TPY) |
|----------------------------|----------------------------------|-----------------------|----------------------------|--------------------|---------------------|---------------------|-------------|
| SO _x | 2,825 | | 21.15 | | | | 2,846 |
| NO _x | 1,036 | | 5.66 | | | | 1,040 |
| PM | 141 | 5.37 | 1.81 | 2.66 | 237 | | 388 |
| CO | 1,789 | | 1.49 | | | | 1,790 |
| VOC | 141 | | 0.07 | | | 1.84 E-02 | 141 |
| Fluorides | 0.876 | | | | | | 0.876 |
| Lead | 25 | 1.07E-05 | 9.99E-05 | 1.88E-04 | | | 25 |
| Mercury | 1.13E-02 ² | 1.61E-07 | 1.34E-06 | 2.70E-05 | | | 1.15E-02 |
| Beryllium | 0.293 | 5.37E-07 | 1.43E-06 | 4.85E-05 | | | 0.293 |
| Sulfuric Acid Mist | 18 | | | | | | 18 |
| Hydrogen Chloride (HCL) | 18.83 | | 0.388 | | | | 19.22 |
| Antimony | 8.48E-03 | 4.30E-07 | 6.13E-07 | 2.7E-05 | | | 8.51E-03 |
| Arsenic | 0.193 | 1.50 E-05 | 1.43 E-04 | 2.85 E-04 | | | 0.193 |
| Cadmium | 2.40 E-02 | 1.07 E-07 | 1.18 E-05 | 2.85 E-04 | | | 2.40E-02 |
| Chromium | 0.122 | 3.22 E-05 | 3.58 E-05 | 6.60 E-04 | | | 0.123 |
| Cobalt | 4.71E-02 | 1.56E-05 | 3.79E-06 | | | | 4.71E-02 |
| Manganese | 0.231 | 3.76 E-05 | 1.90 E-04 | | | | 0.231 |
| Nickel | 0.132 | 4.30 E-05 | 2.64 E-05 | 1.97 E-03 | | | 0.134 |
| Selenium | 0.612 | 1.61 E-06 | 6.96 E-06 | 1.66 E-04 | | | 0.612 |
| 2,4-Dinitrophenol | 1.70E-04 | | | | | | 1.70E-04 |
| 2-Chloroacetophenone | 3.30E-03 | | | | | | 3.30E-03 |
| 4-Nitrophenol | 1.04E-04 | | | | | | 1.04E-04 |
| Acetaldehyde | 0.782 | | | | | | 0.782 |
| Acetophenone | 7.06E-03 | | | | | | 7.06E-03 |
| Acrolein | 3.77 | | | | | | 7.06E-03 |
| Benzene | 3.96 | | 3.18 E-05 | | | | 3.96 |
| Benzyl chloride | 0.330 | | | | | | 0.330 |
| Bis(2-Ethylhexyl)phthalate | 3.44E-02 | | | | | | 3.44E-02 |
| Bromoform | 1.84E-02 | | | | | | 1.84E-02 |
| Carbon disulfide | 6.12E-02 | | | | | | 6.12E-02 |
| Carbon tetrachloride | 4.24E-02 | | | | | | 4.24E-02 |
| Chlorobenzene | 3.11E-02 | | | | | | 3.11E-02 |
| Chloroform | 2.64E-02 | | | | | | 2.64E-02 |
| Cumene | 2.50E-03 | | | | | | 2.50E-03 |
| Chlorobenzene | 3.11E-02 | | | | | | 3.11E-02 |
| Chloroform | 2.64E-02 | | | | | | 2.64E-02 |
| Cumene | 2.50E-03 | | | | | | 2.50E-03 |
| Cyanide | 1.18 | | | | | | 1.18 |
| Dimethyl sulfate | 2.26E-02 | | | | | | 2.26E-02 |
| Ethyl benzene | 2.92 E-02 | | 9.45 E-06 | | | | 2.92E-02 |
| Ethyl chloride | 1.98E-02 | | | | | | 1.98E-02 |
| Ethyl dibromide | 5.65E-04 | | | | | | 5.65E-04 |
| Formaldehyde | 4.14 | | | | | | 4.14 |
| Hexane | 3.15E-02 | | | | | | 3.15E-02 |
| Hexane | 3.15E-02 | | | | | | 3.15E-02 |
| Isophorone | 0.273 | | | | | | 0.273 |
| Methyl bromide | 7.53E-02 | | | | | | 7.53E-02 |
| Methyl chloride | 0.250 | | | | | | 0.250 |
| Methyl Ethyl Ketone | 0.184 | | | | | | 0.184 |
| Methyl hydrazine | 8.00E-02 | | | | | | 8.00E-02 |
| Methyl methacrylate | 9.42E-03 | | | | | | 9.42E-03 |
| Methyl tert butyl ether | 1.65E-02 | | | | | | 1.65E-02 |
| Methylene chloride | 0.137 | | | | | | 0.137 |
| Pentachlorophenol | 4.80E-05 | | | | | | 4.80E-05 |
| Phenol | 4.80E-02 | | | | | | 4.80E-02 |
| Phosphorus | 2.54E-02 | | | | | | 2.54E-02 |
| Propionaldehyde | 5.74E-02 | | | | | | 5.74E-02 |
| Styrene | 1.79 | | | | | | 1.79 |

| Pollutant | Steam Boilers ¹ (TPY) | Coal Processing (TPY) | Limestone Processing (TPY) | Ash Handling (TPY) | Cooling Tower (TPY) | Storage Tanks (TPY) | Total (TPY) |
|---|----------------------------------|-----------------------|----------------------------|--------------------|---------------------|---------------------|-------------|
| Tetrachloroethene | 3.58E-02 | | | | | | 3.58E-02 |
| Tetrachloroethylene | 2.02E-02 | | | | | | 2.02E-02 |
| Toluene | 0.866 | | | | | | 0.866 |
| Trichloroethene | 2.83E-02 | | | | | | 2.83E-02 |
| Vinyl acetate | 3.58E-03 | | | | | | 3.58E-03 |
| Xylenes | 2.35 E-02 | | 3.24E-05 | | | | 2.35E-02 |
| HAPs: (Polycyclic Organic Matter Including Polycyclic Aromatic Hydrocarbons) | | | | | | | |
| 5-Methyl chrysene | 1.04E-05 | | | | | | 1.04E-05 |
| Acenaphthene | 8.57E-04 | | 6.28E-06 | | | | 8.63E-04 |
| Acenaphthylene | 4.71E-03 | | 7.52E-06 | | | | 4.72E-03 |
| Anthracene | 2.83E-03 | | 3.62E-07 | | | | 2.83E-03 |
| Benz(a)anthracene | | | 5.96E-07 | | | | 5.96E-07 |
| Benzo(a)anthracene | 6.12E-05 | | | | | | 6.12E-05 |
| Benzo(a)pyrene | 2.45E-03 | | | | | | 2.45E-03 |
| Benzo(b,j,k)fluoranthene | 2.79E-04 | | 4.40E-07 | | | | 2.79E-04 |
| Benzo(g,h,i)perylene | 8.76E-05 | | 6.72E-07 | | | | 8.83E-05 |
| Biphenyl | 8.00E-04 | | | | | | 8.00E-04 |
| Chrysene | 3.58E-05 | | 7.08E-07 | | | | 3.65E-05 |
| Dibenzo(a,h)anthracene | 8.57E-06 | | 2.48E-07 | | | | 8.82E-06 |
| Fluoranthene | 1.51E-03 | | 1.44E-06 | | | | 1.51E-03 |
| Indeno(1,2,3,c,d)pyrene | 8.19E-05 | | 3.18E-07 | | | | 8.22E-05 |
| Naphthalene | 9.13E-02 | | 1.68E-04 | | | | 9.15E-02 |
| HAPs: (Other Polycyclic Organic Matter – Polychlorinated Biphenyls) | | | | | | | |
| Decachlorobiphenyl | 2.54E-07 | | | | | | 2.54E-07 |
| Dichlorobiphenyl | 6.97E-07 | | | | | | 6.97E-07 |
| Heptachlorobiphenyl | 6.22E-08 | | | | | | 6.22E-08 |
| Hexachlorobiphenyl | 5.18E-07 | | | | | | 5.18E-07 |
| Monochlorobiphenyl | 2.07E-07 | | | | | | 2.07E-07 |
| Pentachlorobiphenyl | 1.13E-06 | | | | | | 1.13E-06 |
| Tetrachlorobiphenyl | 2.35E-06 | | | | | | 2.35E-06 |
| Trichlorobiphenyl | 2.45E-06 | | | | | | 2.45E-06 |
| HAPs: (Dioxin & Furans) | 3.06E-06 | | 3.01E-09 | | | | 3.07E-06 |
| Total HAPs→ | | | | | | | 61 |

¹ Potential to emit from burning coal TDF, spent activated carbon, and wood.

² Based on mercury emissions limit after 4/16/2015, a maximum hourly capacity of 2,150 MMBtu/hr for firing 100% coal as follows:

$$(2,150 \text{ MMBtu/hr}) \times (1.2\text{E-}06 \text{ lb/MMbtu}) \times (8,760 \text{ hr/yr}) \times (\text{ton}/2,000 \text{ lb}) = 1.13\text{E-}2 \text{ tons per year}$$

Maximum potential CO₂e emission estimates determined in Enclosure 9 are provided in the following table:

MAXIMUM POTENTIAL CO₂e EMISSIONS FOR CIP GENERATING STATION

| Description → | ΣGHG Mass-Based Emissions | GWP | CO ₂ e Emissions Rate | |
|---|---------------------------|----------------------|----------------------------------|--------------------|
| Source Reference or Derivation → | Enclosure 9 | 40 CFR §98 Table A-1 | (a)*(b) | [(a)*(b)]/1.10231 |
| Unit of Measure → | (tons/year) | None | (tons/year) | (Metric tons/year) |
| GHG Pollutant ↓ | (a) | (b) | (c) | (d) |
| Carbon Dioxide (CO ₂) | 2,174,660 | 1 | 2,174,660 | 1,972,818 |
| Methane (CH ₄) | 229 | 25 | 5,725 | 5,194 |
| Nitrous Oxide (N ₂ O) | 33.3 | 298 | 9,923 | 9,002 |
| Maximum Potential CO ₂ e Emissions | | | 2,190,308 | 1,987,014 |

AES is proposing an individual CO₂e emissions cap of 1,691,605 short tons (1,534,598 metric tons) per calendar year for its coal fired cogeneration plant. This individual cap is an approximate 0.6% increase from the facility's baseline level of 1,681,605 short tons (1,534,598 metric tons). While this individual limit may be exceeded, the proposed total combined GHG emissions limit is expected to reduce overall GHG emissions among partnering facilities by sixteen percent (16%) from the total combined baseline emissions level by the start of 2020.

Ambient Air Quality Assessment

An ambient air quality impact assessment was not performed since there are no increases in emissions for the modification to incorporate GHG emission caps.

Significant Permit Conditions

1. Each partnering facility shall not emit or cause to be emitted carbon dioxide equivalent (CO₂e) emissions in excess of the following individual caps, except as specified in, Attachment II – GHG, Special Condition No. C.1.c.iv.

| Generating Station | CSP Permit No. | CO ₂ e Emission Cap | |
|--|----------------|--------------------------------|------------------------------|
| | | Metric Tons per Calendar Year | Short Tons per Calendar Year |
| AES Coal-Fired Cogeneration Plant | 0087-02-C | 1,534,598 | 1,691,605 |
| Hamakua Energy, LLC Cogeneration Plant | 0243-01-C | 139,433 | 153,699 |
| Kalaeloa Partners, L.P. Cogeneration Plant | 0214-01-C | 993,198 | 1,094,813 |
| HECO Campbell Industrial Park Generating Station | 0548-01-C | 48,752 | 53,740 |
| HECO Honolulu Generating Station | 0238-01-C | 0 | 0 |
| HECO Kahe Generating Station | 0240-01-C | 1,935,707 | 2,133,752 |
| HECO Waiiau Generating Station | 0239-01-C | 733,265 | 808,286 |
| HELCO Kanoelehua-Hill Generating Station | 0234-01-C | 156,449 | 172,456 |
| HELCO Keahole Generating Station | 0007-01-C | 219,727 | 242,208 |
| HELCO Puna Generating Station | 0235-01-C | 28,800 | 31,747 |
| MECO Kahului Generating Station | 0232-01-C | 140,281 | 154,633 |
| MECO Maalaea Generating Station | 0067-01-C | 417,182 | 459,864 |
| MECO Palaau Generating Station | 0031-04-C | 23,999 | 26,454 |

^a Metric Tons = (0.90718474) x (Short Tons)

Reason: Required by HAR §11-60.1-204(d)(6)(A).

2. All partnering facilities shall not emit or cause to be emitted total combined CO₂e emissions in excess of 6,371,392 metric tons (7,023,258 short tons) per calendar year.

Reason: Required by HAR §11-60.1-204(d)(6)(A).

3. For purposes of the CO₂e emission limits in Attachment II – GHG, Special Condition Nos. C.1.a and C.1.b:
 - a. The CO₂e emissions shall have the same meaning as that specified in HAR §11-60.1-1;
 - b. In accordance with HAR §11-60.1-204(d)(6)(B), biogenic carbon dioxide (CO₂) emissions are not included when determining compliance with the emissions limit;
 - c. The permittee shall be in compliance with the emissions limits by the end of 2019, and each calendar year thereafter;
 - d. The permittee may exceed the emissions cap specified in Attachment II – GHG, Special Condition No. C.1.a, if the GHG emissions limit specified in Attachment II – GHG, Special Condition No. C.1.b., is met; and

- e. At no time shall the permittee exceed Attachment II – GHG, Special Condition Nos. C.1.a and C.1.b, simultaneously over a calendar year. For incidences when Attachment II – GHG, Special Condition Nos. C.1.a and C.1.b of this permit, are exceeded simultaneously, emissions in excess of the total combined cap shall be allocated according to the following equation for compliance purposes:

$$X = XG \frac{(A - C)}{\sum_{A_i > C_i} (A_i - C_i)}$$

Where:

X = Adjusted portion in metric tons or short tons of GHG emissions that are in excess of total combined cap specified in Attachment II – GHG, Special Condition No. C.1.b. The equation applies to all affected facilities that do not meet the individual and total combined GHG emission caps specified in Attachment II – GHG, Special Condition Nos. C.1.a and C.1.b, respectively.

XG = Total combined actual GHG emissions from affected facilities minus total combined GHG emissions cap. Total combined emissions cap cannot be less than sixteen percent (16%) of total combined baseline emission.

A = Actual GHG emissions from the affected facility.

C = GHG emissions cap for the affected facility.

$\sum_{A_i > C_i} (A_i - C_i)$ = The sum of the difference between the actual emissions and cap emissions for all facilities that did not achieve the individual facility-wide GHG emissions cap.

Reason: Required by HAR §11-60.1-3, §11-60.1-90, §11-60.1-204.

4. By **August 29, 2019**, and **within sixty (60) days** following the end of each semi-annual calendar period (January 1 – June 30 and July 1 – December 31) thereafter, the AES coal-fired cogeneration plant shall submit written reports to the Department for monitoring CO₂e emissions to verify compliance with:
- The individual GHG emissions cap and allocating excess emissions pursuant to Attachment II – GHG, Special Condition No. C.1.c.v; and
 - The total combined GHG emissions limit and allocating excess emissions pursuant to Attachment II – GHG, Special Condition No. C.1.c.v.

Reason: Required by HAR §11-60.1-3, §11-60.1-11, §11-60.1-90.

Conclusion and Recommendation

AES applied for significant permit modification to incorporate the proposed GHG emissions caps and significant permit conditions. These permit additions are required for implementing GHG reduction measures in the GHG emissions reduction plan for the 203 MW coal-fired cogeneration plant pursuant to HAR §11-60.1-204.

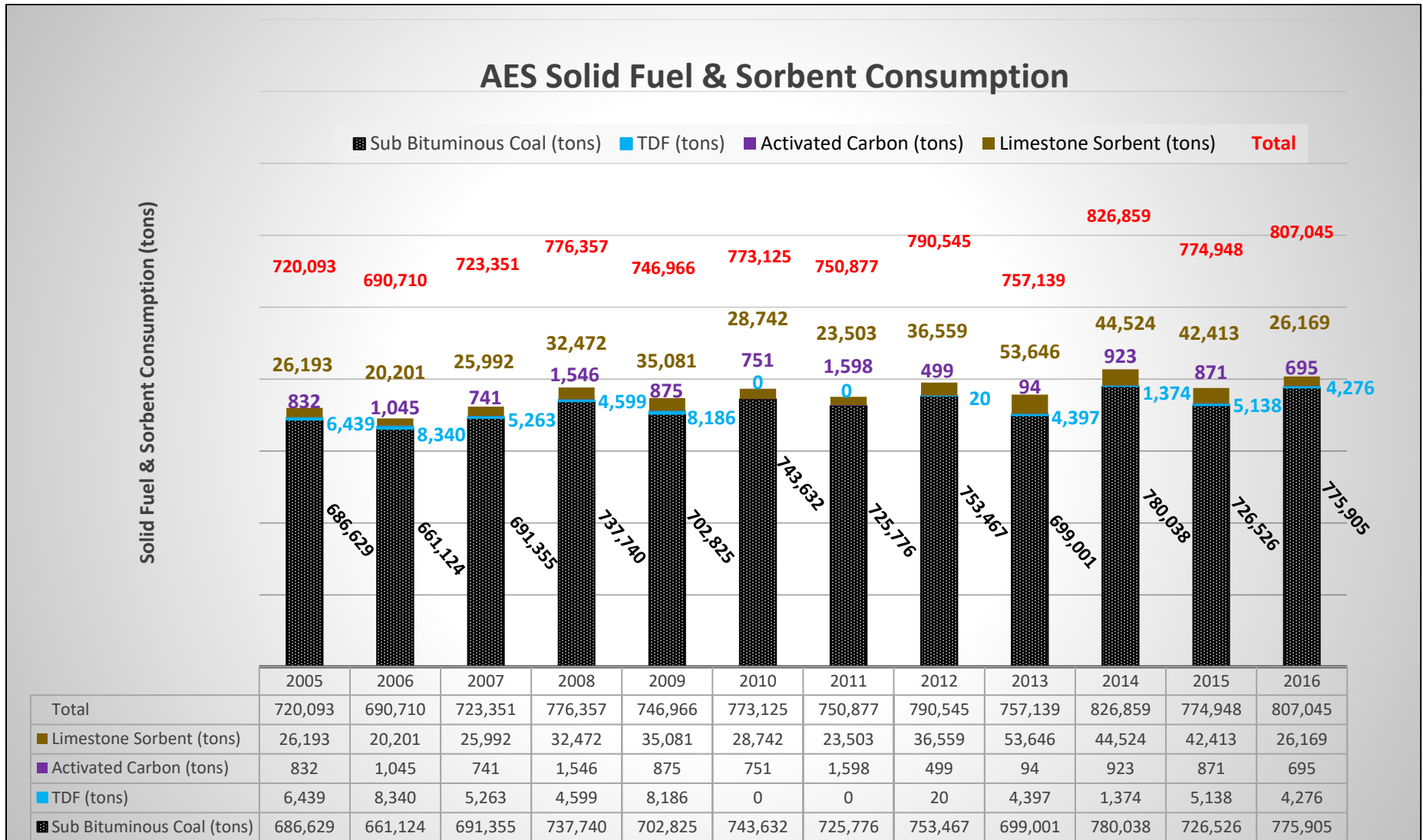
The HECO, HELCO, MECO, and IPP plants are proposing a sixteen percent (16%) GHG emissions reduction from the total combined baseline GHG emissions; and to use a total combined GHG emission cap by partnering pursuant to HAR §11-60.1-204(d)(6)(A).

AES's GHG emissions reduction plan for the 203 MW cogeneration plant was reviewed and determined to be in compliance with HAR §11-60.1-204. The proposed baseline emission rate and emission caps were evaluated using past fuel consumption data and determined to be reasonably representative as documented in Enclosures 1 through 6. Further review in Enclosure 8 shows total combined GHG emissions from partnering facilities following calendar year 2005 have steadily declined slightly more than sixteen percent (16%) below a 2010 baseline emissions level as of the end of calendar year 2016 based on a Tier 1 calculation methodology. As specified in HAR §11-60.1-204(g), once a facility-wide GHG emission cap is established and incorporated into the covered source permit, the GHG emission reduction plan shall become part of the permit application process for renewals and any required modifications.

Recommend issuance of the significant modification to the covered source permit subject to thirty-day (30-day) public review and comment period in accordance with HAR §11-60.1-205, forty-five day (45-day) Environmental Protection Agency review period, and incorporation of the significant permit conditions.

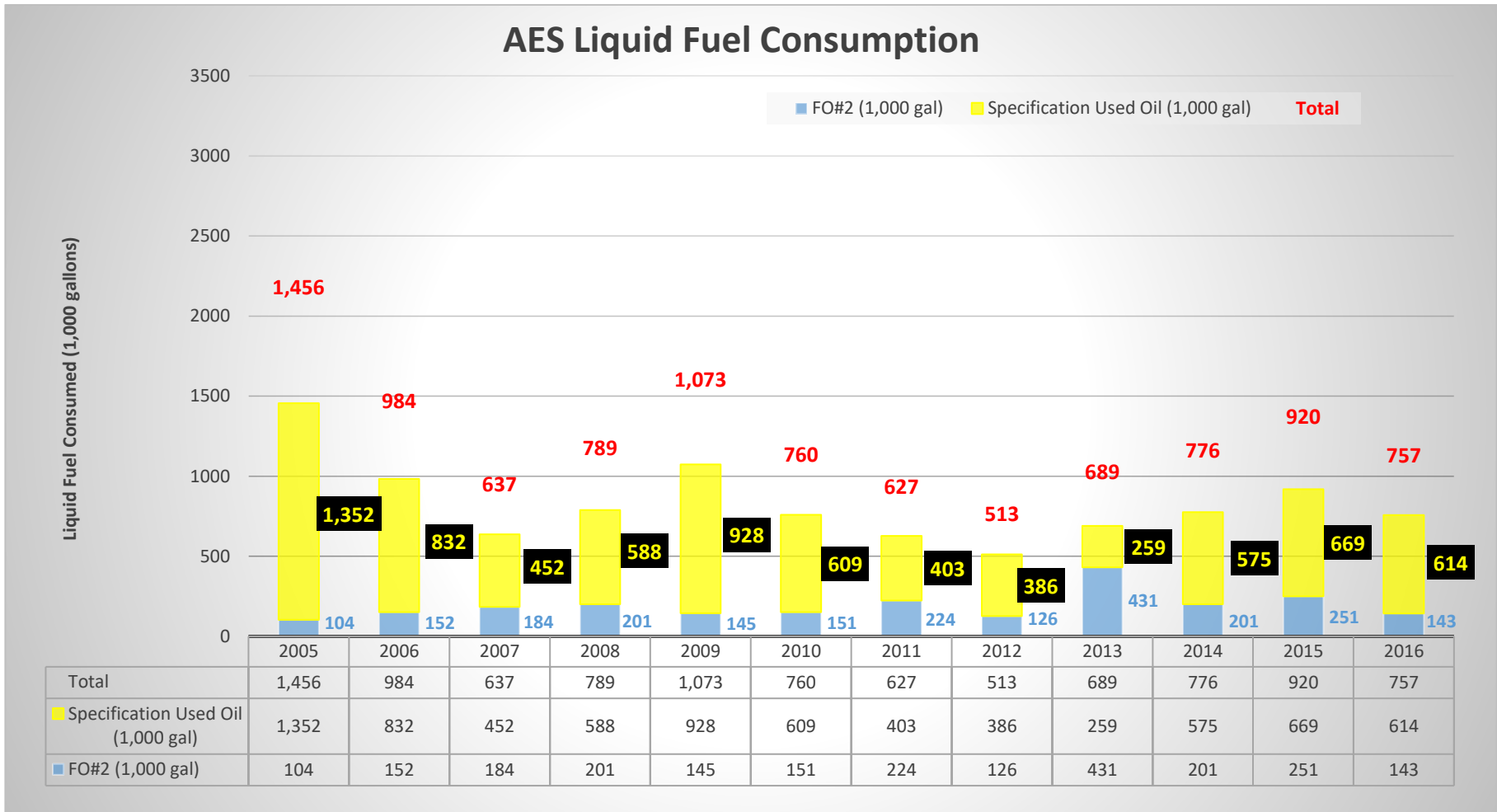
Review By: Michael "Mike" Madsen
March 14, 2019

ENCLOSURE 1



Enclosure 1 Bar chart showing the total combined solid fuel consumption in short tons for Boilers A and B and the total combined short tons of limestone injected into the combustion zone of the boilers from years 2005 to 2016.

ENCLOSURE 2



Enclosure 2 Bar chart of the total combined liquid fuel consumption at the AES cogeneration plant from years 2005 to 2016. Fuel consumption includes liquid fuel for Boilers A and B and two (2) limestone dryers. The facility uses fuel oil for boiler startup. Oil-fired dryers are also used to reduce limestone moisture content prior to injecting limestone into the boiler combustion zone for removing SO₂ and acid gases.

ENCLOSURE 3

| AES | | | | | | | | | | | | | | |
|---|--|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| SOLID FUEL-LIME SORBENT CONSUMPTION DATA | | | | | | | | | | | | | | |
| Ref | Source or Derivation | Calendar Year→ | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| (a) | See Data Source | Sub Bituminous Coal (tons) | 686,629 | 661,124 | 691,355 | 737,740 | 702,825 | 743,632 | 725,776 | 753,467 | 699,001 | 780,038 | 726,526 | 775,905 |
| (b) | See Data Source | TDF (tons) | 6,439 | 8,340 | 5,263 | 4,599 | 8,186 | 0 | 0 | 20 | 4,397 | 1,374 | 5,138 | 4,276 |
| (c) | See Data Source | Activated Carbon (tons) | 832 | 1,045 | 741 | 1,546 | 875 | 751 | 1,598 | 499 | 94 | 923 | 871 | 695 |
| (d) | See Data Source | Limestone Sorbent (tons) | 26,193 | 20,201 | 25,992 | 32,472 | 35,081 | 28,742 | 23,503 | 36,559 | 53,646 | 44,524 | 42,413 | 26,169 |
| | (a) + (b) + (c) + (d) | Total | 720,093 | 690,710 | 723,351 | 776,357 | 746,966 | 773,125 | 750,877 | 790,545 | 757,139 | 826,859 | 774,948 | 807,045 |
| DATA SOURCE→ | | | Emission Inventory Fuel Consumption Data | | | | | | SLEIS | | | | | |
| PARAMETERS FOR DETERMINING CO ₂ e EMISSIONS | | | | | | | | | | | | | | |
| (e) | 40CFR98 Table C-1 [Emission Factors] | Heating Value Sub Bituminous Coal (MMBtu/ton) ^a | 21.39 | 21.39 | 21.39 | 21.39 | 21.39 | 21.39 | 19.73 | 19.73 | 19.73 | 21.39 | 21.39 | 21.39 |
| (f) | | Heating Value TDF (MMBtu/ton) | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 |
| (g) | | Heating Value Activated Carbon (MMBtu/ton) ^b | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| (h) | | CO ₂ EF Sub Bituminous Coal (kg/MMBtu) | 94.27 | 94.27 | 94.27 | 94.27 | 94.27 | 94.27 | 94.27 | 95.52 | 95.52 | 95.52 | 94.27 | 94.27 |
| (i) | | CO ₂ EF TDF (kg/MMBtu) | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 | 85.97 |
| (j) | | CO ₂ EF Activated Carbon (kg/MMBtu) | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 | 102.41 |
| (k) | Equation C-11 from 40 CFR §98.33 | CO ₂ Limestone (metric tons) | 10,488 | 8,088 | 10,407 | 13,002 | 14,046 | 11,508 | 9,411 | 14,638 | 21,480 | 17,827 | 16,982 | 10,478 |
| (l) | | CO ₂ Limestone (kg) | 10,489 | 8,089 | 10,411 | 13,004 | 14,051 | 11,511 | 9,412 | 14,641 | 21,483 | 17,830 | 16,985 | 10,481 |
| (m) | 40CFR98 Table C-2 [Emission Factors] | CH ₄ EF Sub Bituminous Coal (kg/MMBtu) | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 | 0.011 |
| (n) | | CH ₄ EF TDF (kg/MMBtu) | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 |
| (o) | | CH ₄ EF Activated Carbon (kg/MMBtu) | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 | 0.032 |
| (p) | | N ₂ O EF Sub Bituminous Coal (kg/MMBtu) | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 | 0.0016 |
| (q) | | N ₂ O EF TDF (kg/MMBtu) | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 |
| (r) | | N ₂ O EF Activated Carbon (kg/MMBtu) | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 | 0.0042 |
| (s) | 40CFR98 Table A-1 [Global Warming Potential] | GWPP CO ₂ | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| (t) | | GWPP CH ₄ | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| (u) | | GWPP N ₂ O | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 |
| CALCULATE FUEL CONSUMPTION IN MMBTU | | | | | | | | | | | | | | |
| (v) | (a)*(e) | Sub Bituminous Coal (MMBtu) | 14,686,990 | 14,141,452 | 14,788,091 | 15,780,258 | 15,033,419 | 15,906,294 | 14,319,560 | 14,865,904 | 13,791,296 | 16,685,022 | 15,540,382 | 16,596,615 |
| (w) | (b)*(f) | TDF (MMBtu) | 180,289 | 233,518 | 147,364 | 128,769 | 229,200 | 0 | 0 | 560 | 123,123 | 38,463 | 143,853 | 119,740 |
| (x) | (c)*(g) | Activated Carbon (MMBtu) | 24,960 | 31,350 | 22,320 | 46,380 | 26,250 | 22,530 | 47,941 | 14,974 | 2,834 | 27,684 | 26,130 | 20,850 |
| (y) | (v)+(w)+(x) | Total (MMBtu) | 14,892,239 | 14,406,320 | 14,957,685 | 15,955,407 | 15,288,869 | 15,928,824 | 14,367,501 | 14,881,438 | 13,917,253 | 16,751,170 | 15,710,365 | 16,737,205 |
| CALCULATE MASS EMISSIONS | | | | | | | | | | | | | | |
| (z) | [(h)*(v) + (i)*(w) + (j)*(x) + (l)] | CO ₂ Mass Emissions (kg) | 1,402,598,177 | 1,356,400,822 | 1,409,018,841 | 1,503,425,015 | 1,439,593,050 | 1,501,793,648 | 1,372,714,023 | 1,421,572,746 | 1,328,219,707 | 1,579,038,870 | 1,480,034,872 | 1,576,992,223 |
| (aa) | [(m)*(v) + (n)*(w) + (o)*(x)] | CH ₄ Mass Emissions (kg) | 168,125 | 164,032 | 168,096 | 179,188 | 173,542 | 175,690 | 159,049 | 164,022 | 155,735 | 185,652 | 176,384 | 187,062 |
| (bb) | [(p)*(v) + (q)*(w) + (r)*(x)] | N ₂ O Mass Emissions (kg) | 24,361 | 23,739 | 24,373 | 25,984 | 25,126 | 25,545 | 23,113 | 23,851 | 22,595 | 26,974 | 25,579 | 27,145 |
| CALCULATE CO ₂ e EMISSIONS AND COMPARE WITH BASELINE IN GHG REDUCTION PLAN | | | | | | | | | | | | | | |
| (cc) | (z)*(s) + (aa)*(t) + (bb)*(u) | CO ₂ e Emissions (kg) | 1,414,060,945 | 1,367,575,770 | 1,420,484,467 | 1,515,647,949 | 1,451,419,257 | 1,513,798,222 | 1,383,577,824 | 1,432,780,801 | 1,338,846,416 | 1,591,718,377 | 1,492,066,868 | 1,589,757,993 |
| (dd) | (cc)/10 ³ | CO ₂ e Emissions (metric-tons) | 1,414,061 | 1,367,576 | 1,420,484 | 1,515,648 | 1,451,419 | 1,513,798 | 1,383,578 | 1,432,781 | 1,338,846 | 1,591,718 | 1,492,067 | 1,589,758 |
| (gg) | (gg)*1.10231 | CO ₂ e Emissions (tpy) | 1,558,734 | 1,507,492 | 1,565,814 | 1,670,714 | 1,599,914 | 1,668,675 | 1,525,132 | 1,579,369 | 1,475,824 | 1,754,567 | 1,644,720 | |
| CALCULATE CO ₂ e CAP AND COMPARE WITH INDIVIDUAL CAP IN GHG REDUCTION PLAN | | | | | | | | | | | | | | |
| (hh) | 0.237*(w)*(i)*(1/1,000) | Biogenic CO ₂ e Emissions (metric-tons) ^d | 3,673.373 | 4,757.913 | 3,002.525 | 2,623.658 | 4,669.931 | 0.000 | 0.000 | 11.410 | 2,508.623 | 783.686 | 2,930.985 | 2,439.684 |
| (ii) | (kk)*1.10231 | Biogenic CO ₂ e Emissions (tons) | 4,049 | 5,245 | 3,310 | 2,892 | 5,148 | 0 | 0 | 13 | 2,765 | 864 | 3,231 | |

a: Heating value of 21.39 MMBtu/ton was from 40 CFR Part 98 Table C-1 to Subpart C for mixed coal (Commercial Sector). Heating value of 19.73 MMBtu/ton was from 40 CFR Part 98 Table C-1 to Subpart C for mixed coal (Electric Power Sector).
 b: Heating value of 30.00 MMBtu/ton was from 40 CFR Part 98 Table C-1 to Subpart C for Petroleum Coke.
 c: Based on E.q. C-11 from 40 CFR Part 98 in §98.33(d)(1) to get metric tons of CO₂ emitted from sorbent. Metric tons of CO₂ was converted to kg of CO₂.
 d: Based on information from <https://w.w.w.betalabservices.com/renewable-carbon/tire-derived-fuels.html> that biomass fraction of scrap tires are 18.3% on average for used passenger car tires and 29.1% on average for used truck tires. The average of the two percent averages is 23.7%. The percentages of biomass in the tire derived fuel (TDF) was based on ASTM D6866 test methods to measure biogenic carbon fraction of TDF.

1 metric-ton=1.10231 tons
 1 metric-ton=1000 Kg

Enclosure 3 Solid fuel and limestone sorbent consumption data for bar chart in Enclosure 1 and spreadsheet calculations of GHG emissions for the AES plant between years 2005 and 2016 for GHG emission curves shown in Enclosure 6.

ENCLOSURE 4

| AES | | | | | | | | | | | | | | |
|--|-------------------------------|---|--|---------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| LIQUID FUEL CONSUMPTION DATA | | | | | | | | | | | | | | |
| Ref | Source or Derivation | Calendar Year→ | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| (a) | See Data Source | FO#2 (1,000 gal) | 104 | 152 | 184 | 201 | 145 | 151 | 224 | 126 | 431 | 201 | 251 | 143 |
| (b) | See Data Source | Specification Used Oil (1,000 gal) | 1,352 | 832 | 452 | 588 | 928 | 609 | 403 | 386 | 259 | 575 | 669 | 614 |
| | (a) + (b) | Total | 1,456 | 984 | 637 | 789 | 1,073 | 760 | 627 | 513 | 689 | 776 | 920 | 757 |
| | DATA SOURCE→ | | Emission Inventory Fuel Consumption Data | | | | | SLEIS | | | | | | |
| PARAMETERS FOR DETERMINING CO ₂ e EMISSIONS | | | | | | | | | | | | | | |
| (c) | | Heating Value FO#2 (MMBtu/gal) | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 |
| (d) | | Heating Value Specification Used Oil (MMBtu/gal) | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 | 0.138 |
| (e) | | CO ₂ EF FO#2 (kg/MMBtu) | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 | 73.96 |
| (f) | | CO ₂ EF Specification Used Oil (kg/MMBtu) | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 | 74.00 |
| (g) | | CH ₄ EF FO#2 (kg/MMBtu) | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 |
| (h) | | CH ₄ EF Specification Use Oil (kg/MMBtu) | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 | 0.003 |
| (i) | | N ₂ O EF FO#2 (kg/MMBtu) | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 |
| (j) | | N ₂ O EF Specification Used Oil (kg/MMBtu) | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 | 0.0006 |
| (k) | 40CFR98 Table A-1 | GWP CO ₂ | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| (l) | [Global Warming Potential] | GWP CH ₄ | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| (m) | | GWP N ₂ O | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 |
| CALCULATE FUEL CONSUMPTION IN MMBTU | | | | | | | | | | | | | | |
| (n) | (a)*(c)*10 ³ | FO#2 (MMBtu) | 14,370 | 20,966 | 25,453 | 27,755 | 20,034 | 20,795 | 30,857 | 17,443 | 59,437 | 27,798 | 34,597 | 19,762 |
| (o) | (b)*(d)*10 ³ | Specification Used Oil (MMBtu) | 186,535 | 114,808 | 62,413 | 81,085 | 128,046 | 84,054 | 55,628 | 53,309 | 35,706 | 79,342 | 92,313 | 84,725 |
| (p) | (n)+(o) | Total (MMBtu) | 200,904 | 135,774 | 87,866 | 108,840 | 148,080 | 104,850 | 86,485 | 70,753 | 95,144 | 107,140 | 126,909 | 104,487 |
| CALCULATE MASS EMISSIONS | | | | | | | | | | | | | | |
| (q) | [(n)*(e) + (o)*(f)] | CO ₂ Mass Emissions (kg) | 14,866,331 | 10,046,452 | 6,501,044 | 8,053,043 | 10,957,083 | 7,758,042 | 6,398,626 | 5,234,995 | 7,038,245 | 7,927,249 | 9,389,901 | 7,731,225 |
| (r) | [(n)*(g) + (o)*(h)] | CH ₄ Mass Emissions (kg) | 603 | 407 | 264 | 327 | 444 | 315 | 259 | 212 | 285 | 321 | 381 | 313 |
| (s) | [(n)*(i) + (o)*(j)] | N ₂ O Mass Emissions (kg) | 121 | 81 | 53 | 65 | 89 | 63 | 52 | 42 | 57 | 64 | 76 | 63 |
| CALCULATE CO ₂ e EMISSIONS | | | | | | | | | | | | | | |
| (t) | (q)*(k) + (r)*(l) + (s)*(m) | CO ₂ e Emissions (kg) | 14,917,320.01 | 10,080,911.51 | 6,523,344.29 | 8,080,666.73 | 10,994,665.71 | 7,784,652.39 | 6,420,575.92 | 5,252,951.68 | 7,062,392.49 | 7,954,441.10 | 9,422,110.69 | 7,757,744.06 |
| (u) | (t)/10 ³ | CO ₂ e Emissions (metric-tons) | 14,917 | 10,081 | 6,523 | 8,081 | 10,995 | 7,785 | 6,421 | 5,253 | 7,062 | 7,954 | 9,422 | 7,758 |
| (v) | u*1.10231 | CO ₂ e Emissions (tons) | 16,444 | 11,112 | 7,191 | 8,907 | 12,120 | 8,581 | 7,077 | 5,790 | 7,785 | 8,768 | 10,386 | 8,551 |

1 metric-ton=1.10231 tons

1 metric-ton=1000 Kg

Enclosure 4 Liquid fuel consumption data for bar chart in Enclosure 2 and spreadsheet calculations of GHG emissions for the AES plant between years 2005 and 2016 for GHG emission curves shown in Enclosure 6.

ENCLOSURE 5

| CALCULATE CO ₂ e EMISSIONS AND COMPARE WITH BASELINE IN GHG REDUCTION PLAN | | | | | | | | | | | | | | |
|---|----------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Ref | Source Derivation | Calendar Year -> | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| (a) | | CO ₂ e Emissions Solid Fuel & Sorbent (kg) | 1,414,060,945 | 1,367,575,770 | 1,420,484,467 | 1,515,647,949 | 1,451,419,257 | 1,513,798,222 | 1,383,577,824 | 1,432,780,801 | 1,338,846,416 | 1,591,718,377 | 1,492,066,877 | 1,589,757,993 |
| (b) | | CO ₂ e Emissions Liquid Fuel (kg) | 14,917,320 | 10,080,912 | 6,523,344 | 8,080,667 | 10,994,666 | 7,784,652 | 6,420,576 | 5,252,952 | 7,062,392 | 7,954,941 | 9,422,111 | 7,757,744 |
| (c) | (a)+(b) | Total CO ₂ e Emissions (kg) | 1,428,978,265 | 1,377,656,682 | 1,427,007,811 | 1,523,728,616 | 1,462,413,922 | 1,521,582,875 | 1,389,998,400 | 1,438,033,753 | 1,345,908,808 | 1,599,673,319 | 1,501,488,988 | 1,597,515,737 |
| (d) | (c)/10 ³ | Total CO ₂ e Emissions (metric-tons) | 1,428,978 | 1,377,657 | 1,427,008 | 1,523,729 | 1,462,414 | 1,521,583 | 1,389,998.400 | 1,438,033.753 | 1,345,909 | 1,599,673 | 1,501,489 | 1,597,516 |
| (c) | AES GHG Plan | AES CO₂e Emissions (metric-tons) | | | | | | 1,534,598 | | | | | | |
| (d) | | Deviation from CAB Calculations | | | | | | 0.855% | | | | | | |
| (e) | (d)*1.10231 | CO ₂ e Emissions (tpy) | 1,575,177 | 1,518,605 | 1,573,005 | 1,679,621 | 1,612,033 | 1,677,256 | 1,532,209 | 1,585,159 | 1,483,609 | 1,763,336 | 1,655,106 | 1,760,958 |
| CALCULATE CO ₂ e CAP AND COMPARE WITH INDIVIDUAL CAP IN GHG REDUCTION PLAN | | | | | | | | | | | | | | |
| (f) | | Biogenic CO ₂ e Emissions TDF (metric-tons) | 3,673 | 4,758 | 3,003 | 2,624 | 4,670 | 0 | 0 | 11 | 2,509 | 784 | 2,931 | 2,439.68 |
| (g) | (f)*1.10231 | Biogenic CO ₂ e Emissions TDF (tons) | 4,049 | 5,245 | 3,310 | 2,892 | 5,148 | 0 | 0 | 13 | 2,765 | 864 | 3,231 | 2,689 |
| (h) | (e)-(g) | Total CO ₂ e Emissions Excluding Biogenic TDF (tons) | 1,571,128 | 1,513,360 | 1,569,695 | 1,676,729 | 1,606,886 | 1,677,256 | 1,532,209 | 1,585,146 | 1,480,843 | 1,762,472 | 1,651,875 | 1,758,268 |
| (i) | (h)/1.10231 | Total CO ₂ e Emissions Excluding Biogenic TDF (metric tons) | 1,425,305 | 1,372,899 | 1,424,005 | 1,521,105 | 1,457,744 | 1,521,583 | 1,389,998 | 1,438,022 | 1,343,400 | 1,598,890 | 1,498,558 | 1,595,076 |
| (j) | (i)*(1,000) | Total CO ₂ e Emissions Excluding Biogenic TDF (kg) | 1,425,304,892 | 1,372,898,769 | 1,424,005,286 | 1,521,104,958 | 1,457,743,991 | 1,521,582,875 | 1,389,998,400 | 1,438,022,343 | 1,343,400,185 | 1,598,889,633 | 1,498,558,003 | 1,595,076,053 |
| (i) | (1.00+0.006)*(e)-(g) | 2020 CO ₂ e Emissions Cap (tons) | 1,580,555 | 1,522,440 | 1,579,113 | 1,686,790 | 1,616,527 | 1,687,320 | 1,541,402 | 1,594,657 | 1,489,729 | 1,773,047 | 1,661,787 | 1,768,818 |
| (j) | AES GHG Plan | AES CO₂e Emissions CAP (tons) | | | | | | 1,691,605 | | | | | | |
| | (i)-(j) | Low er (-) or Higher than CAB Estimate (tons) | | | | | | 4,285 | | | | | | |

a: Based on information from <https://www.betalabservices.com/renew-able-carbon/tire-derived-fuels.html> that biomass fraction of scrap tires are 18.3% on average for used passenger car tires and 29.1% on average for used truck tires. The average of the two percent averages is 23.7%. The percentages of biomass in the tire derived fuel (TDF) was based on ASTM D6866 test methods to measure the biogenic carbon fraction of TDF.

1 metric-ton=1.10231 tons

1 metric-ton=1,000 kg

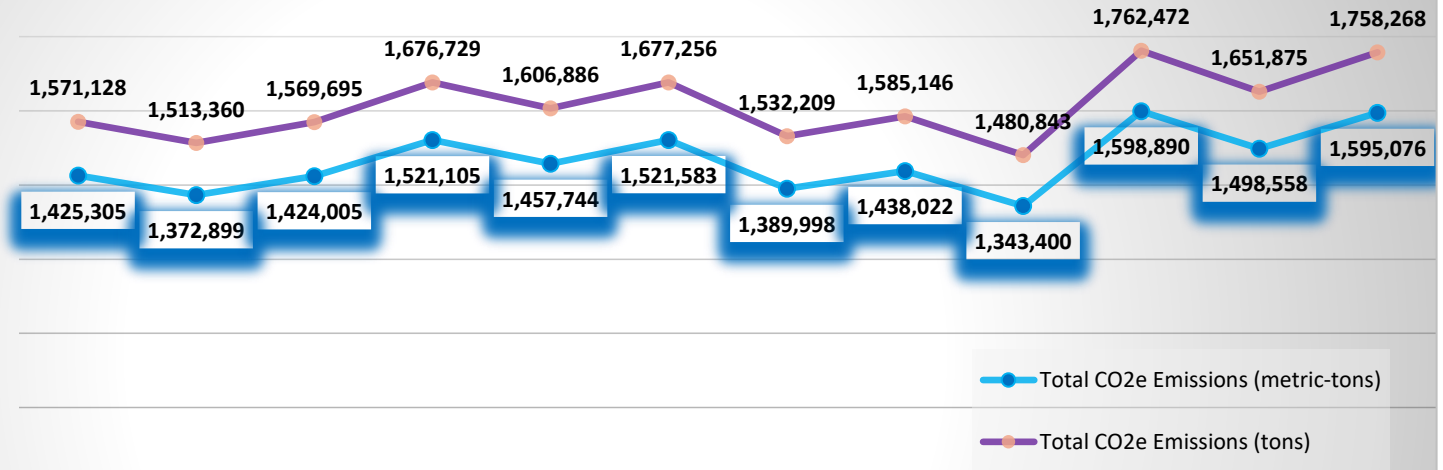
Enclosure 5 Total combined solid fuel, limestone sorbent, and liquid fuel consumption data and spreadsheet calculations of GHG emissions for the AES plant between years 2005 and 2016 to prepare GHG emission curves shown in Enclosure 6.

ENCLOSURE 6

Data Source: CAB estimates based on reported fuel consumption

Total AES Facility CO₂e Emissions

CO₂e EMISSIONS



| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total CO ₂ e Emissions (metric-tons) | 1,425,305 | 1,372,899 | 1,424,005 | 1,521,105 | 1,457,744 | 1,521,583 | 1,389,998 | 1,438,022 | 1,343,400 | 1,598,890 | 1,498,558 | 1,595,076 |
| Total CO ₂ e Emissions (tons) | 1,571,128 | 1,513,360 | 1,569,695 | 1,676,729 | 1,606,886 | 1,677,256 | 1,532,209 | 1,585,146 | 1,480,843 | 1,762,472 | 1,651,875 | 1,758,268 |

Enclosure 6 Total AES facility GHG emissions between years 2005 and 2016. Blue curve provides emissions in metric tons with numbers that are highlighted in blue. Purple curve shows GHG emissions in short tons with numbers that are not highlighted.

ENCLOSURE 7

| TOTAL COMBINED CO ₂ e FACILITY-WIDE EMISSIONS | | | | | | | | | | | | | | |
|--|----------------------|---|-----------|-----------|-----------|-----------|-----------|------------------|------------------|-----------|-----------|-----------|-----------|-----------|
| Ref | Source or Derivation | Calendar Year→ | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| (a) | CAB estimates | AES Total CO ₂ e Emissions Excluding Biogenic CO ₂ Portion from Burning TDF (metric-tons) | 1,425,305 | 1,372,899 | 1,424,005 | 1,521,105 | 1,457,744 | 1,521,583 | 1,389,998 | 1,438,022 | 1,343,400 | 1,598,890 | 1,498,558 | 1,595,076 |
| (b) | (a)*1.10231 | AES Total CO ₂ e Emissions Excluding Biogenic CO ₂ Portion from Burning TDF (tons) | 1,571,128 | 1,513,360 | 1,569,695 | 1,676,729 | 1,606,886 | 1,677,256 | 1,532,209 | 1,585,146 | 1,480,843 | 1,762,472 | 1,651,875 | 1,758,268 |
| (c) | (1.00+0.006)*(a) | 2020 CO ₂ e Emissions Cap (metric-tons) | | | | | | 1,530,712 | | | | | | |
| (d) | (1.00+0.006)*(b) | 2020 CO ₂ e Emissions Cap (tons) | | | | | | 1,687,320 | | | | | | |
| (e) | AES GHG Plan | AES Baseline Emissions (tons) | | | | | | | 1,681,605 | | | | | |
| (f) | AES GHG Plan | AES CO₂e Emissions CAP (tons) | | | | | | | 1,691,605 | | | | | |
| (g) | (f)-(d) | Higher or Lower (-) than CAB Estimated Cap (tons) | | | | | | | 4,285 | | | | | |
| (h) | (g)/(d) | Higher or Lower (-) than CAB Estimated Cap (%) | | | | | | | 0.25% | | | | | |

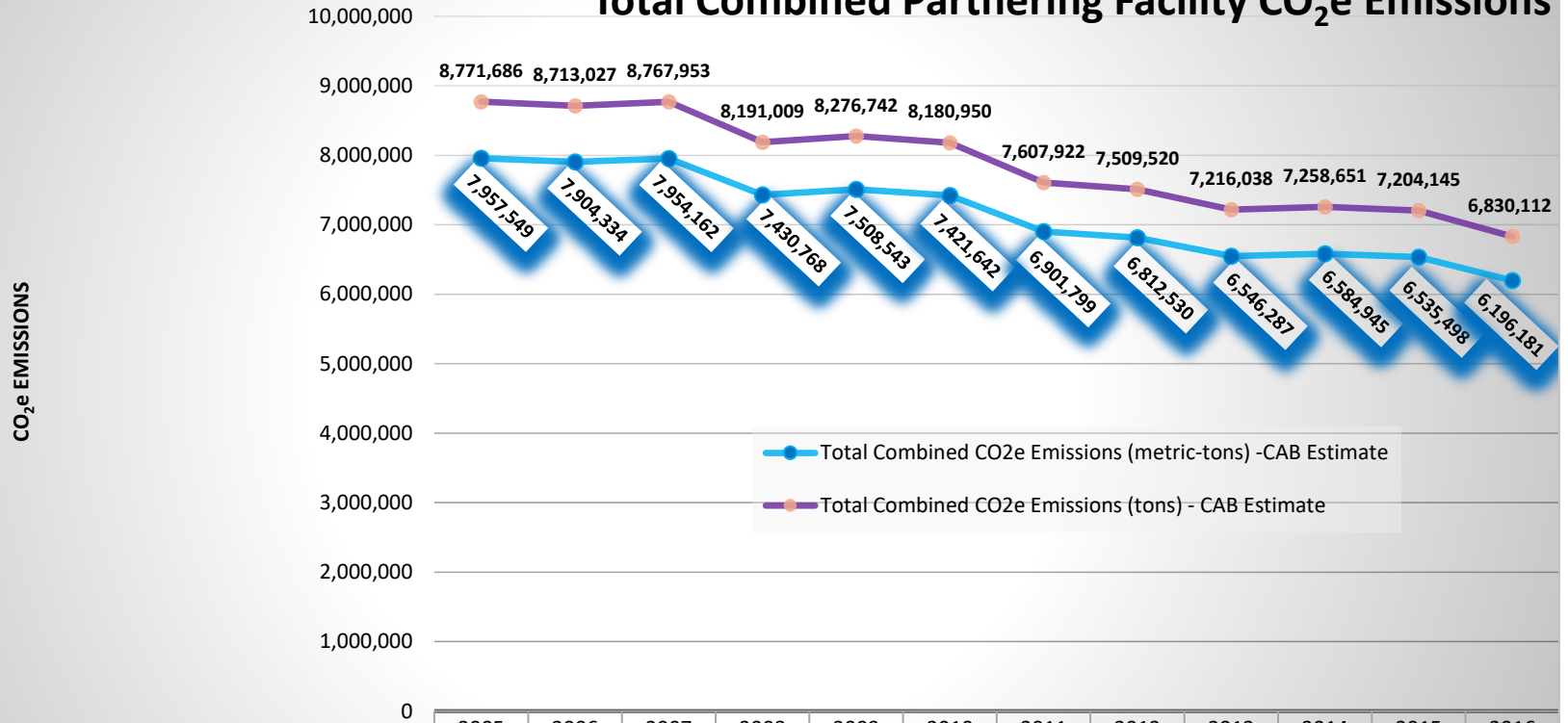
1 metric-ton=1.10231 tons

1 metric-ton=1000 Kg

Enclosure 7 Total combined AES facility-wide GHG emissions between years 2005 and 2016. The data from Enclosure 7 was used to prepare curves in Enclosure 6.

Data Source: CAB estimates based on reported fuel consumption

Total Combined Partnering Facility CO₂e Emissions



| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Combined CO ₂ e Emissions (metric-tons) - CAB Estimate | 7,957,549 | 7,904,334 | 7,954,162 | 7,430,768 | 7,508,543 | 7,421,642 | 6,901,799 | 6,812,530 | 6,546,287 | 6,584,945 | 6,535,498 | 6,196,181 |
| Total Combined CO ₂ e Emissions (tons) - CAB Estimate | 8,771,686 | 8,713,027 | 8,767,953 | 8,191,009 | 8,276,742 | 8,180,950 | 7,607,922 | 7,509,520 | 7,216,038 | 7,258,651 | 7,204,145 | 6,830,112 |

Enclosure 8 Curves showing total combined GHG emissions from Shipman Generating Station and all partnering facilities that include three (3) IPPs and ten (10) facilities operated by the Hawaiian Electric Companies. Blue curve shows GHG emissions with numbers in metric tons that are outlined in blue. Purple curve shows GHG emissions with numbers in short tons that are not highlighted.

| Enclosure (9): Maximum Potential Greenhouse Gas Emissions | | | | | | |
|--|---|-----------------|------------------|---|-----|---|
| AES Cogeneration Plant GHG Emissions | | | | | | |
| Unit | Heat Input (MMBtu/hr) | Fuel | GHG | GHG Mass-Based Emissions ^{a,b} (TPY) | GWP | GHG CO ₂ e Based Emissions (TPY) |
| Boiler A & B | 2,150 | Anthracite Coal | CO ₂ | 2,152,679 | 1 | 2,152,679 |
| | | | CH ₄ | 228.4 | 25 | 5,709 |
| | | | N ₂ O | 33.2 | 298 | 9,899 |
| Limestone Dryer 1A | 4.75 | fuel oil No. 2 | CO ₂ | 3,392 | 1 | 3,392 |
| | | | CH ₄ | 0.1 | 25 | 3 |
| | | | N ₂ O | 0.03 | 298 | 8 |
| Limestone Dryer 1B | 4.75 | fuel oil No. 2 | CO ₂ | 3,392 | 1 | 3,392 |
| | | | CH ₄ | 0.1 | 25 | 3 |
| | | | N ₂ O | 0.03 | 298 | 8 |
| Lime Injection Boiler A & B ^{c, d, and e} | N/A | Sorbent | CO ₂ | 15,197 | 1 | 15,197 |
| Total -----> | | | | | | 2,190,292 |
| a: Emission Factors are from 40 CFR Part 98, Mandatory Reporting of Greenhouse Gases. | | | | | | |
| b: Limestone CO ₂ Emissions-Sorbent Methodology: | | | | | | |
| Limestone CO ₂ Emissions-Sorbent Methodology | | | | | | |
| From 98.33(d)(1): (Eq. C-11) | | | | | | |
| where: | | | | | | |
| CO ₂ = | CO ₂ emitted from sorbent for the reporting year (metric tons) | | | | | |
| S= | Limestone or other sorbent used in the reporting year, from company records (short tons) | | | | | |
| R = | The number of moles of CO ₂ released upon capture of one mole of the acid gas species being removed (R=1.00 when the sorbent is CaCO ₃ and the targeted acid gas species is SO ₂) | | | | | |
| MWCO ₂ = | Molecular weight of carbon dioxide (44) | | | | | |
| MWS= | Molecular weight of sorbent (100 if calcium carbonate) | | | | | |
| 0.91= | Conversion factor from short tons to metric tons | | | | | |
| c: For 2010 operating year, 6,219 and 5,289 metric tons (6,855 and 5,830 short tons) of CO ₂ was emitted by lime injection from Boiler A and B, respectively. Total sorbent CO ₂ is 12,685 short tons. | | | | | | |
| d: Total MMBtu/yr for 2010 based on coal consumption for the boilers is as follows: | | | | | | |
| Coal: | | | | | | |
| Boiler A (371,062 ton/yr)(21.14 MMBtu/ton) = 7,844,251 MMBtu/yr | | | | | | |
| Boiler B (372,570 ton/yr)(21.14 MMBtu/ton) = 7,876,130 MMBtu/yr | | | | | | |
| Total = 15,720,381 MMBtu/yr | | | | | | |
| e: Maximum potential CO ₂ from sorbent based on proportioning is: (12,685 short tons of sorbent CO ₂ based on 2010 data)/(18,834,000 MMBtu/15,720,381 MMBtu) = 15,197 tons | | | | | | |

Enclosure 9 Spreadsheet calculations of maximum potential GHG emissions from the AES cogeneration plant.