

**REQUEST FOR PUBLIC COMMENTS
ON DRAFT AIR PERMITS
REGULATING THE EMISSIONS OF AIR POLLUTANTS**

(Docket No. 19-CA-PA-05)

Pursuant to Hawaii Revised Statutes (HRS), Chapter 342B-13, and Hawaii Administrative Rules (HAR), Chapter 11-60.1, the Department of Health, State of Hawaii (DOH), is requesting public comments on **DRAFT PERMITS** presently under review for the following affected facilities subject to greenhouse gas (GHG) emission reductions:

A. Independent Power Producers (IPPs)

(1) Amendment of Covered Source Permit (CSP) No. 0087-02-C

Application for Significant Modification No. 0087-09
AES Hawaii, LLC (AES)
203 MW Coal-Fired Cogeneration Plant
Located At: 91-086 Kaomi Loop, Kapolei, Oahu

(2) Amendment of Covered Source Permit (CSP) No. 0243-01-C

Application for Significant Modification No. 0243-07
Hamakua Energy, LLC (Hamakua Energy)
Hamakua Energy Plant (HEP)
65 MW Cogeneration Facility
Located At: 45-300 Lehua Street, Honokaa, Hawaii

(3) Amendment of Covered Source Permit (CSP) No. 0214-01-C

Application for Significant Modification No. 0214-10
Kalaeloa Partners, L.P. (KPLP)
Kalaeloa Cogeneration Plant (KCP)
223.5 MW Kalaeloa Cogeneration Plant
Located At: 91-111 Kalaeloa Boulevard, Kapolei, Oahu

B. Hawaiian Electric Companies

(1) Amendment of Covered Source Permit (CSP) No. 0548-01-C

Application for Significant Modification No. 0548-09
Hawaiian Electric Company, Inc. (HECO)
Campbell Industrial Park (CIP) Generating Station
Located At: 91-196 Hanua Street, Kapolei, Oahu

(2) Amendment of Covered Source Permit (CSP) No. 0240-01-C

Application for Significant Modification No. 0240-08
Hawaiian Electric Company, Inc. (HECO)
Kahe Generating Station
Located At: 92-200 Farrington Highway, Waianae, Oahu

- (3) Amendment of Covered Source Permit (CSP) No. 0238-01-C**
Application for Significant Modification No. 0238-05
Hawaiian Electric Company, Inc. (HECO)
Honolulu Generating Station
Located At: 170 Ala Moana Boulevard, Honolulu, Oahu
- (4) Amendment of Covered Source Permit (CSP) No. 0239-01-C**
Application for Significant Modification No. 0239-06
Hawaiian Electric Company, Inc. (HECO)
Waiau Generating Station
Located At: 475 Kamehameha Highway, Pearl City, Oahu
- (5) Amendment of Covered Source Permit (CSP) No. 0234-01-C**
Application for Significant Modification No. 0234-05
Hawaii Electric Light Company, Inc. (HELCO)
Kanoiehua-Hill Generating Station
Located At: 54 Halekauila Street, Hilo, Hawaii
- (6) Amendment of Covered Source Permit (CSP) No. 0007-01-C**
Application for Significant Modification No. 0007-07 (0007-01-C)
Application for Significant Modification No. 0070-04 (0070-01-C)
Hawaii Electric Light Company, Inc. (HELCO)
Keahole Generating Station
Located At: 73-4249 Pukiawe Street, Kailua Kona, Hawaii
- (7) Amendment of Covered Source Permit (CSP) No. 0235-01-C**
Application for Significant Modification No. 0235-04
Hawaii Electric Light Company, Inc. (HELCO)
Puna Generating Station
Located At: Puna Mill Road, Keaau, Hawaii
- (8) Amendment of Covered Source Permit (CSP) No. 0232-01-C**
Application for Significant Modification No. 0232-06
Maui Electric Company, Ltd. (MECO)
Kahului Generating Station
Located At: 200 Hobron Avenue, Kahului, Maui
- (9) Amendment of Covered Source Permit (CSP) No. 0067-01-C**
Application for Significant Modification No. 0067-14 (0067-01-C)
Application for Significant Modification No. 0067-15 (0067-02-C)
Maui Electric Company, Ltd. (MECO)
Maalaea Generating Station
Located At: Maalaea Generating Station, Maalaea, Maui
- (10) Amendment of Covered Source Permit (CSP) No. 0031-04-C**
Application for Significant Modification No. 0031-08
Maui Electric Company, Ltd. (MECO)
Palaau Generating Station
Located At: 32 Ulili Street, Kaunakakai, Molokai

The **DRAFT PERMITS** are described as follows:

The permit amendments incorporate GHG emission caps in accordance with HAR Chapter 11-60.1, Subchapter 11, to limit GHG emissions from affected facilities. Affected facilities are permitted covered sources with potential carbon dioxide equivalent (CO₂e) emissions (biogenic plus nonbiogenic) equal to or greater than 100,000 short tons per year.

Pursuant to HAR Chapter 11-60.1, Subchapter 11, the amendments incorporate provisions for partnering between thirteen (13) electric plants to combine emissions for flexibility in achieving the GHG reductions. Three (3) affected facilities are IPPs owned and operated by AES, Hamakua Energy, and KPLP. The remaining ten (10) affected facilities are from the Hawaiian Electric Companies that include HECO, HELCO, and MECO.

The partnering facilities propose a total combined GHG emission baseline for establishing the facility-wide GHG emissions cap of 7,584,991 metric tons (8,361,021 short tons) per year. Partnering facilities used 2010 as the baseline year, except for the KCP cogeneration plant which used 2009 for its baseline year because 2010 was deemed unrepresentative due to an overhaul of its steam turbine generator. Emissions from HECO's Shipman Generating Station which closed at the end of 2015 were included in the baseline emissions. The total combined GHG emissions cap proposed for the partnering facilities is 6,371,392 metric tons (7,023,258 short tons) of CO₂e emissions per calendar year which is a sixteen percent (16%) reduction from the proposed total combined GHG emission baseline level.

The three (3) IPP permits and CSP No. 0548-01-C for HECO's CIP Generating Station will specify individual and total combined GHG emission caps established for the partnering facilities. Any GHG emission cap revision will require each of these facilities (AES, Hamakua Energy, KPLP, and HECO's CIP Generating Station) to submit a significant permit modification for the change.

The permits for the remaining partnering facilities operated by HECO, HELCO, and MECO will not specify individual and total combined GHG emission caps, but will instead reference GHG emission caps included in CSP No. 0548-01-C for HECO's CIP Generating Station. Designating CSP No. 0548-01-C as the main permit will reduce the burden of modifying all Hawaiian Electric Companies' permits should an emissions cap be revised. Only CSP No. 0548-01-C would require modification as the emission caps will not be incorporated separately into each facility's permit.

Individual and total combined GHG emission caps were established in each facility's GHG emission reduction plan. Each facility may exceed its individual cap as long as the total combined emissions are reduced sixteen percent (16%) or more from the total combined CO₂e baseline emissions level. Biogenic carbon dioxide emissions are excluded in determining compliance with the CO₂e emissions caps.

A. Independent Power Producers (IPPs)

- (1) The significant modification of **CSP No. 0087-02-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 1,534,598 metric tons (1,691,605 short tons) per calendar year that applies specifically to the AES cogeneration plant and a total combined CO₂e emissions cap of 6,371,392 metric tons (7,023,258 short tons) per calendar year in partnering with the other affected facilities.
- (2) The significant modification of **CSP No. 0243-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 139,433 metric tons (153,699 short tons) per calendar year that applies specifically to the Hamakua Energy cogeneration plant and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (3) The significant modification of **CSP No. 0214-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 993,198 metric tons (1,094,813 short tons) per calendar year that applies specifically to the KPLP cogeneration plant and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.

B. Hawaiian Electric Companies

- (1) The significant modification of **CSP No. 0548-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 48,752 metric tons (53,740 short tons) per calendar year that applies specifically to the HECO CIP Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (2) The significant modification of **CSP No. 0238-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap 0 metric tons (0 short tons) per calendar year that applies specifically to the HECO Honolulu Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (3) The significant modification of **CSP No. 0240-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap 1,935,707 metric tons (2,133,752 short tons) per calendar year that applies specifically to the HECO Kahe Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (4) The significant modification of **CSP No. 0239-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 733,265 metric tons (808,286 short tons) per calendar year that applies specifically to the HECO Waiiau Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.

- (5) The significant modification of **CSP No. 0234-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 156,449 metric tons (172,456 short tons) per calendar year that applies specifically to the HECO Kanoelehua-Hill Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (6) The significant modification of **CSP No. 0007-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 219,727 metric tons (242,208 short tons) per calendar year that applies specifically to the HELCO Keahole Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (7) The significant modification of **CSP No. 0235-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 28,800 metric tons (31,747 short tons) per calendar year that applies specifically to the HELCO Puna Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (8) The significant modification of **CSP No. 0232-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 140,281 metric tons (154,633 short tons) per calendar year that applies specifically to the MECO Kahului Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (9) The significant modification of **CSP No. 0067-01-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 417,182 metric tons (459,864 short tons) per calendar year that applies specifically to the MECO Maalaea Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.
- (10) The significant modification of **CSP No. 0031-04-C** will grant conditional approval to incorporate an individual CO₂e emissions cap of 23,999 metric tons (26,454 short tons) per calendar year that applies specifically to the MECO Palaau Generating Station and a total combined CO₂e emission cap of 6,371,392 metric tons (7,023,258 short tons) in partnering with all other affected facilities.

The **ADMINISTRATIVE RECORDS**, consisting of the **APPLICATIONS, GHG EMISSION REDUCTION PLANS**, and non-confidential supporting material from the applicant, the permit review summary, and the **DRAFT PERMITS**, are available for public inspection during regular office hours, Monday through Friday, 7:45 a.m. to 4:15 p.m., at the following locations:

Oahu:

State of Hawaii
Clean Air Branch
2827 Waimano Home Road, #130
Pearl City, HI 96782

Hawaii:

Hilo: Hawaii District Health Office, Department of Health
1582 Kamehameha Avenue, Hilo, Hawaii 96720

Kona: Sanitation Branch, Department of Health
79-1020 Haukapila Street, Room 115, Kona, Hawaii 96750

Maui:

Maui District Health Office, Department of Health
54 High Street, Wailuku, Maui 96793

Kauai:

Kauai District Health Office, Department of Health
3040 Umi Street, Lihue, Kauai 96766

All comments on the draft permits and any request for a public hearing must be in writing, addressed to the Clean Air Branch at the above address on Oahu and must be postmarked or received by **May 15, 2019**.

Any person may request a public hearing by submitting a written request that explains the party's interest and the reasons why a hearing is warranted. The DOH may hold a public hearing if a hearing would aid in DOH's decision. If a public hearing is warranted, a public notice for the hearing will be published at least thirty (30) days in advance of the hearing.

Interested persons may obtain copies of the administrative record or parts thereof by paying **five (5) cents per page copying costs**. Please send written requests to the Oahu office of the Clean Air Branch listed above or call Mr. Dale Hamamoto (CSPs for Hamakua Energy and KPLP facilities) or Mr. Michael Madsen (CSPs for AES, HECO, HELCO, and MECO facilities) at the Clean Air Branch office at (808) 586-4200. Electronic copies of the draft permits, permit reviews, and GHG emission reduction plans may be found online at <http://health.hawaii.gov/cab/public-notices/>.

Comments on the draft permits should address, but need not be limited to, the permit conditions and the facility's compliance with federal and state air pollution laws, including: (1) the National and State Ambient Air Quality Standards; and (2) HRS, Chapter 342B and HAR, Chapter 11-60.1.

DOH will make a final decision on the permits after considering all comments and will send notice of the final decision to each person who has submitted comments or requested such notice.

Bruce S. Anderson, Ph.D.
Director of Health