



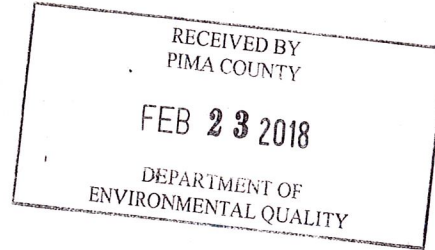
Tucson Electric Power

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Tucson, AZ 85701-1720

Area Code 520
Telephone 571-4000

February 23, 2018

Mr. Rupesh Patel
Pima County Department of Environmental Quality
33 North Stone Avenue, Suite 700
Tucson, AZ 85701



Dear Rupesh:

The purposes of this letter are to formalize TEP's request for PDEQ to make the voluntarily proposed NO_x emission cap more stringent than was previously requested in the permit application, to formalize the notification previously provided to PDEQ by TEP regarding confidentiality of information provided in support of the permit application, and to provide one comment regarding the draft permit.

First, regarding the voluntarily proposed NO_x emission cap: The limit requested in Section 4.5.3 of the permit application was 179.0 tons per year. Based on that proposed limit, the net NO_x emissions increase as documented in Table 4-1 of the permit application, was 39.4 tons per year. Concerns were expressed by the governmental agencies regarding the small compliance margin relative to the PSD significant level of 40 tons per year. In order to alleviate these concerns, TEP informally requested that PDEQ reduce the NO_x emission cap to a more restrictive level of 170.0 tons per year. This results in a net NO_x emissions increase of 30.4 tons per year, which provides a 24 percent compliance margin relative to the PSD significant level of 40 tons per year. The more stringent NO_x emission cap of 170.0 tons per year is already reflected in Condition II.A.1.a of the draft permit currently available for public notice and comment. With this letter, TEP formally requests the more stringent NO_x emission cap of 170.0 tons per year.

Second, regarding confidential business information (CBI): As you know, certain information provided to PDEQ in support of the permit application was claimed by TEP as CBI. In general, the information claimed as CBI had been provided to TEP by Wärtsilä, the equipment supplier, prior to TEP's final selection of Wärtsilä technology for the RICE project. TEP notified PDEQ by email on December 5, 2017, that all CBI claims will be withdrawn. With this letter, TEP formalizes this notification and withdraws all CBI claims with respect to information provided to PDEQ in support of the permit application for the RICE project.

Third, regarding the draft PSD permit: TEP notes that one of the ten new engines covered by the draft permit, identified as RICE01, appears to have been inadvertently omitted from Attachment 2 of the draft permit. TEP requests correction of this drafting error. All ten engines are correctly listed throughout the draft technical support document, in the summary on pp. 4-5 of the draft permit, in Condition I.N of the draft permit, and in all permit terms specific to the ten new engines on pp. 21, 22, 23, 24, 25, 26, 27, 29, and 47 of the draft permit.

Thank you for your consideration and your assistance.

Sincerely yours,

Conrad Spencer
Director, Sundt Generation Modernization Project