

SUBJECT: Plan Approval Extension Application Review Memo
Renovo Energy Center
Renovo Borough, Clinton County
Plan Approval 18-00033B

TO: Muhammad Q. Zaman *MQZ*
Environmental Program Manager
Air Quality Program

THROUGH: David Shimmel, P.E. *DS*
Chief, New Source Review Section
Air Quality Program

FROM: Paul R. Waldman *PRW*
Project Manager
Air Quality Program

Renovo Energy Center, LLC (REC) submitted a completed and signed Plan Approval Extension Form (2700-FM-BAQ0114), an updated Compliance History Form (2700-PM-AQ0004) and a cover letter via e-mail attachment to the Department on June 28, 2022, requesting an extension to Plan Approval 18-00033B. The plan approval expiration date is October 28, 2022. REC followed up with the correct application fee via regular mail which was received on July 1, 2022. On June 30, 2022, the Department requested additional information from REC in support of the basis for their request for an extension. On July 19, 2022, REC sent supplemental information to the Department via e-mail pertaining to project planning, financing, procurement and construction issues to support their request for the extension.

REC stated in the supplemental information letter that due to the Appeal of the Plan Approval by the Clean Air Council in May 2021 (EHB Docket 2021-055-R), potential investors in the project were not willing to financially participate in the project until the appeal was resolved. REC provided a letter from the capital investment group, Marathon Capital, which is an independent advisory bank serving the global sustainable energy, technology and infrastructure markets, confirming REC's statement regarding the position of the equity investors that Marathon Capital serves. Although Marathon Capital noted that investors remain interested in the value they see in the project, until it is legally resolved they have suspended activities related to securing and providing project financing.

REC also stated that they need a valid Plan Approval to maintain their interconnect agreement with the Pennsylvania/New Jersey/Maryland (PJM) electrical grid system operator to be able to commence construction of the proposed plant, otherwise the project risks cancellation. REC has stated that the objective was to begin construction of the first unit, designed to dispatch to PJM and whose electrical Interconnect Agreement was expected to be completed in the near term, by the end of this year, with the second unit to follow once REC had secured its interconnection rights with NYISO.

In preparation for commencing with the project, REC stated they also performed a full site environmental investigation, which resulted in receipt of an Act 2 certification from the Department which will enable REC to re-purpose a contaminated site that has been underutilized for many years and which REC claims could pose health risks to the adjacent community if left in its current state.

At the core of the project commencement, REC states they have acquired additional major equipment vendor commitments, such as the turbine manufacturer General Electric (GE). REC provided a letter from General Electric dated July 19, 2022, in which GE re-asserts their compliance with the emission limits and operational parameters contained in the plan approval for the turbine engines.

REC states they have solidified the commitment from Bechtel Power to provide the balance of the major equipment in the powerblocks including the auxiliary boilers and emergency engines. REC provided a letter from Bechtel Power dated July 19, 2022, ensuring compliance with the emission limits and operational parameters contained in plan approval for the remaining sources.

Additionally, REC had Power Engineers, their permitting consultant, perform a review of existing federal, state, and local air quality agency databases and recent permit issuances to confirm that the Lowest Achievable Emission Rate (LAER), Best Available Control Technology (BACT) and Best Available Technology (BAT) levels contained in REC's Plan Approval 18-00033B remain valid. Based on their review of EPA's RACT/BACT/LAER Clearinghouse (RBLC) as well as other publicly available databases and permits issued for similar installations in the past five years, REC states they are confident the aggregate LAER/BACT/BAT levels included in Plan Approval 18-00033B are reflective of state-of-the-art emissions controls and limits at the time of this submittal. The Department conducted a review of the RBLC to ensure that the emission limits as specified in Plan Approval 18-00033B satisfied the requirements of LAER, BACT and BAT. Upon review, Plan Approval 18-00033B does satisfy the requirements of LAER, BACT and BAT. However, the terms and conditions of Plan Approval 18-00033B will be revised at a later date in accordance with the adjudication and final rulings resulting from the appeal of the plan approval in the Commonwealth of Pennsylvania Environmental Hearing Board (EHB) Docket 2021-055-R.

The Department reviewed the request for extension of the plan approval and found the explanations and justifications for an extension to be substantive and reasonable. REC has provided sufficient progress toward the development of the project and therefore, the plan approval merits extension.

Based on the justification provided, and pursuant to Section B, Condition #006 of the plan approval, I recommend an 18-month extension to the expiration date of Plan Approval 18-00033B from October 28, 2022, to April 27, 2024. The Department advised Renovo Energy Center that the terms and conditions of Plan Approval 18-00033B will be revised at a later date in accordance with the adjudication and final rulings resulting from the appeal of the plan approval in the Commonwealth of Pennsylvania Environmental Hearing Board Docket 2021-055-R. Any contractual, purchase or construction activities conducted shall be in accordance

with the terms and conditions of the plan approval, the future revised plan approval and in accordance with the adjudication and final rulings resulting from the appeal of the plan approval in the Commonwealth of Pennsylvania Environmental Hearing Board. Failure to comply with the plan approval, and the revised plan approval resulting from the EHB rulings, may be considered a violation of Air Quality regulations.

The Department will review the progress of the project during the extension period to determine if the project continues commencement in the planning and construction and therefore warrants any further extensions.

File: Renovo Energy Center, Permits, Plan Approval, 18-00033
Cc: US EPA Region III
Central Office, Air Quality Permits