

**WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**

Memorandum

TO: Dan Olson, Administrator *[Signature]*
Bob Gill, SSC Program Manager *[Signature]*

FILED

FROM: Mike Warren, District Engineer (E-mailed)
Stacy Froelich, Air Quality Engineer

APR 24 2014

Jim Ruby, Executive Secretary
Environmental Quality Council

DATE: August 23, 2002

RE: Annual Inspection: American Colloid Company - Upton Plant
Field Inspection: Two Elk Generation Partners - Two Elk Plant

August 22, 2002

On this date, Stacy and I traveled to Upton in order to conduct an annual inspection at American Colloid Company's Upton Plant, and we also traveled to the proposed Two Elk power plant site in order to observe the status of construction.

American Colloid Company - Upton Plant, Weston County

At the office we met with John Strong and Dave Strong to conduct an inspection of the facility. While in the office we discussed the contents of the inspection and went over an inspection checklist created from Operating Permit No. 30-150-1. They informed us that the facility was probably going to be shutting down around the first part of October.

The facility is fulfilling all applicable requirements for monitoring, record keeping, and reporting. Records of weekly observations for the presence of visible emissions from all point sources were produced and looked through. No problems were noted. Daily Method 9 observations are performed and recorded for dryer #3 which is subject to 40 CFR 60 Subpart UUU. Records of hours of operation, production, and coal consumption which includes sulfur content are monitored and logged onto monthly spreadsheets. The daily Method 9 observation had been conducted and showed 0% opacity.

After looking through the records, we were escorted to the plant. During the inspection, the #3 dryer was operating and no visible emissions were observed. The tower #2 granular system was operating and a train was being loaded. All operating baghouses were pointed out and no visible emissions were observed.

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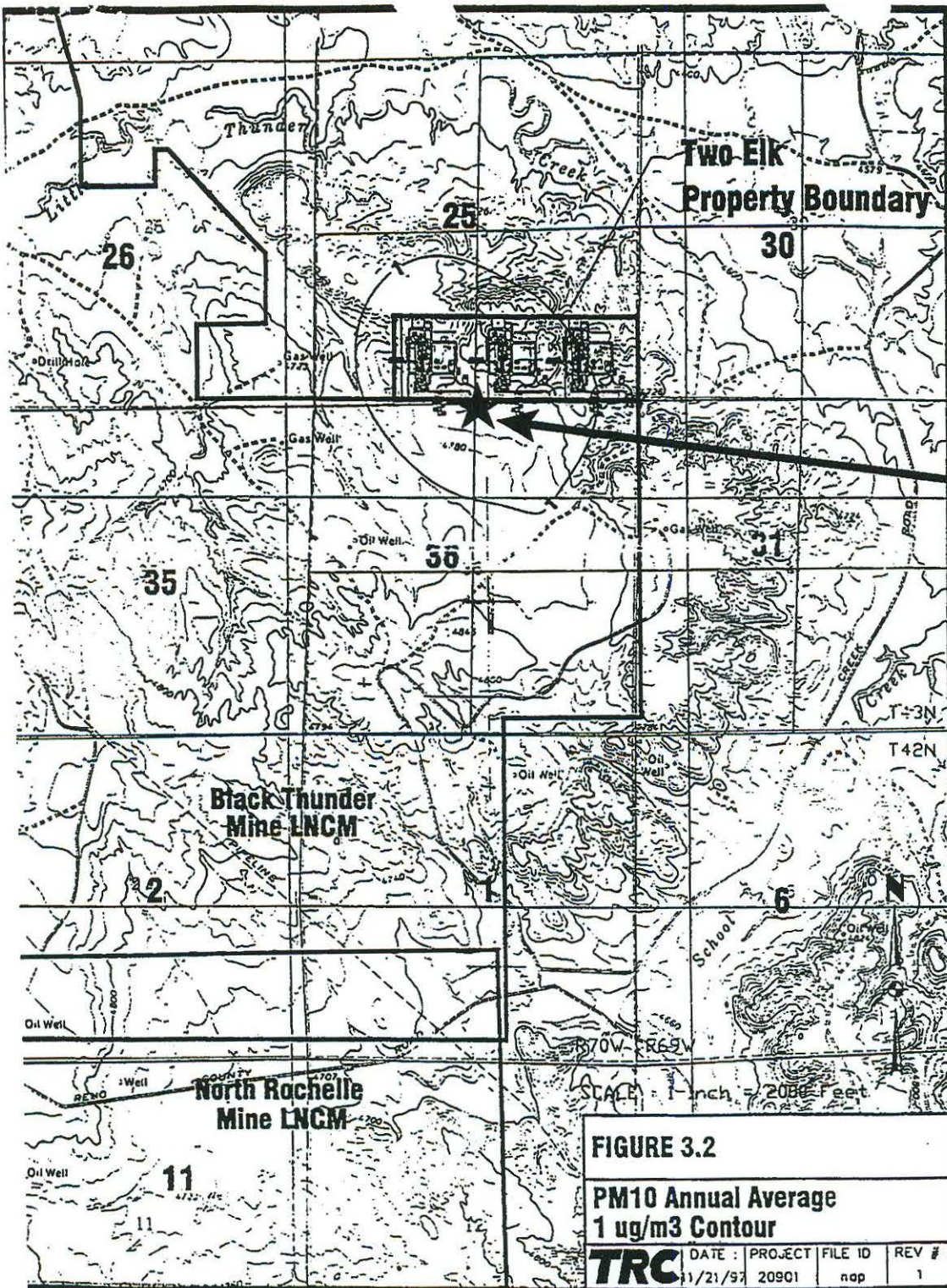
We left the Upton facility and drove to the Two Elk power plant site.

Two Elk Generation Partners - Two Elk Plant, Campbell County

In a letter dated May 15, 2002, the Division extended Permit No. CT-1352A for a six month period. The letter stated that construction must be initiated and meet the regulatory definition of "commenced" construction by August 20, 2002 or the permit will expire.

We found the site and took several photographs from the location shown on the attached map. The photographs will be coming at a later date. There has been no work done at the site including any removal of OB or other dirt work. Therefore, Permit No. CT-1352A has expired and no construction may take place until Two Elk Generation Partners receives a new air quality permit for the Two Elk facility.

We left the site and returned to Sheridan at approximately 4:00 p.m.



Map: Initial 1997 Site for Two Elk

**TWO ELK GENERATION PARTNERS,
Limited Partnership**

8480 East Orchard Road, Suite 4000 Greenwood Village, Colorado 80111
Telephone: (303) 796-8600 Facsimile: (303) 773-0461

August 21, 2002

Via Overnight Courier

Mr. Dan Olson, Administrator
Air Quality Division
Wyoming Department of Environmental Quality
The Herschler Building 4-W
122 West 25th Street,
Cheyenne, WY 82002



**Two Elk Generating Station – Unit 1
Permit No. CT-1352A (Corrected)
Commencement of Construction**

Dear Mr. Olson:

In accordance with our Notice of Commencement of Construction sent to your offices on July 30, 2002, Two Elk Generation Partners, Limited Partnership ("TEGP") is pleased to provide Wyoming Department of Environmental Quality – Air Quality Division ("WYDEQ") with this advisory and update on the commencement of continuous construction of Two Elk Generating Station, Unit 1 ("Facility"), pursuant to the requirements of WYDEQ Permit No. CT-1352A (Corrected) issued on February 17, 2000 and in accordance with (but not limited to) Wyoming Air Quality Standards and Regulations and other applicable Wyoming State Regulations. Construction began with preconstruction activities and mobilization on August 5, 2002 and continues in accordance with the enclosed construction schedule and plan. On-site construction will continue through the 2002 construction season and continuously thereafter.

Evidencing construction, we enclose the following documents for your review and inspection:

- 1) Photographs of boiler foundation pile installation at the site along with right-of-way stakes for the main access road.
- 2) Two Elk Unit 1 Construction Schedule
- 3) Bechtel Drawing C2-0000-00004 Rev. C "Topographic Survey Limits"

- 4) GRL Engineers, Inc. Engineering Report on field data accumulated during foundation pile installation.

As described in WYDEQ letter of August 2, 2002, the definition of "commenced construction" as contained in Chapter 6, Section 4(a)(ii) of the WAQSR and in 40CFR Part 51.166(b)(9) of the Code of Federal Regulations:

" . . . the owner or operator has . . . (i) begun, or caused to begin, a continuous program of actual on-site construction of the facility or (ii) entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of construction of the facility to be completed within a reasonable time."

We submit that TEGP has commenced its continuous program of actual on-site construction of the Facility. Based upon the fact pattern presented and the applicable regulations cited, we request WYDEQ confirmation that the requirements for commencement of construction have been achieved.

Should you have any questions, please feel free to contact us.

Sincerely,

TWO ELK GENERATION PARTNERS,
Limited Partnership



Daniel D. Yueh, Vice President
North American Power Group, Ltd. for
Two Elk Power Company, its
General Partner

Enclosures