Date: December 19, 2018

From: Mark Stein and Danielle Gaito

To: Merrimack Station NPDES Permit File

Re: Memorandum Documenting December 18, 2018 Meeting Between EPA and Granite Shore Power Concerning the Merrimack Station NPDES Permit

On December 18, 2018, representatives of EPA Region 1 and Granite Shore Power LLC (GSP) met at EPA's offices in Boston to discuss the Merrimack Station permit. Mark Stein and Danielle Gaito prepared this memorandum to document the meeting for the Administrative Record for the permit.

I. Meeting Attended By:

See attendance sign-in sheet (attached).

EPA staff: from OEP: Damien Houlihan, Sharon DeMeo, Danielle Gaito, Eric Nelson; from ORC: Mark Stein, Cayleigh Eckhardt and Michael Curley.

Representatives of GSP: Elizabeth (Lynn) Tillotson, Environmental Manager, GSP (previously in the same post with Merrimack Station's prior owner, Public Service of New Hampshire); James Andrews, President of GSP; and Tom DeLawrence and P. Stephen Gidiere, III, of GSP's outside counsel, Balch & Bingham.

II. Agenda & Meeting Ground Rules:

EPA welcomed GSP and noted that the Agency was open to the company's suggestions regarding the agenda for the meeting, but that EPA was thinking that it would make sense to discuss progress made on the consideration of proposed thermal discharge limits, cooling water intake structure requirements under Section 316(b) of the Clean Water Act (CWA), and to have a brief discussion regarding limits under the Steam Electric Effluent Limitation Guidelines (ELGs) to end the meeting. Sharon DeMeo (EPA) would arrive late and Damien Houlihan (EPA) had to leave early, which dictated the order in which issues should be addressed.

EPA explained that the ground rules were the same as for the previous November 13, 2018 meeting: 1) the meeting was not confidential, 2) EPA would document the meeting for the administrative record for the Merrimack Station (Merrimack) permit, and 3) the meeting would be considered a "brainstorming" session – meaning that participants could offer ideas and comments and still be free to change their minds or positions later on. Again, the stated goal of taking this approach was to encourage a free exchange of ideas that might be more likely to reveal mutually acceptable ways of resolving the existing disputes over the permit that have been reflected in the comments on the permit. GSP expressed its understanding of these points. This meeting was held to follow up and discuss further the ideas and information presented during the November 13th meeting.

III. Thermal Effluent Limitations

EPA and GSP continued the discussion about thermal limits from the November 13, 2018 meeting. EPA and GSP began by re-capping a conversation about BTUs between Lynn Tillotson

of GSP and Damien Houlihan of EPA. EPA considered including a BTU limit at the plant that would ensure the protective limits at S4 are met, but it proved to be a challenge because there may not be sufficient data to define the relationship between the heat load from the plant and S4 temperatures. In addition, the environmental conditions that prevail during discharges (e.g., ambient river temperature, air temperature, river flow) are both changeable and a major influence on the S4 temperature and this increases the complexity of setting a BTU limit that protects the river while not being unnecessarily restrictive for the plant.

EPA reiterated that it continues to investigate a strategy calling for determining protective temperatures at Station S4 and that in place of BTU limits to achieve those temperatures, the plant could establish in-house options to ensure compliance with those temperatures based on environmental conditions. GSP again expressed concern that complying with ambient temperature limits in "real time" could be problematic because it might be difficult to anticipate and prevent problems in "real time." GSP was open to investigating Standard Operating Procedures (SOPs) that would trigger action to ensure thermal limits are met. GSP reiterated that with such an approach, it would likely need a compliance schedule that would allow for some period of time after the permit goes into effect but before the final thermal limits would apply in order to allow the plant to develop these SOPs. EPA responded that it is considering various options under the regulations that might allow for such a compliance schedule. The requirements may differ based on whether or not a statutory deadline for compliance has been set. EPA also noted that it would need to determine whether there is a statutory deadline applicable for compliance with a 316(a) variance. EPA also noted the option of using a non-penalty Administrative Compliance Order under CWA § 309(a) as a vehicle to provide for an enforceable compliance schedule outside of the permit.

Next, GSP handed out and discussed data it collected for condenser temperatures, river temperatures, and MWh for the two units for May 31, 2013 [included in Record]. GSP indicated that they are focusing on days that the plant was operating at full load and found 43 such dates between May and September over the past five years. GSP indicated that it would compile this data in an electronic file and provide it to EPA. GSP and EPA again weighed the benefits of establishing a BTU limit in place of a plant operating capacity limit.

EPA presented a chart illustrating the average operating capacity between May 1 and September 30 for the years 2013-2018 both as annual 30-day rolling averages and as seasonal averages [included in Record]. The meeting participants discussed what level of capacity is representative of current operations, how a capacity factor might be included in the permit (e.g., as a limit not to be exceeded or as a trigger for additional thermal limits), and how limiting capacity factor might affect GSP's obligations to the ISO New England. GSP indicated that it might have some air permit language that would be helpful and EPA responded that it would be interested in seeing that language. GSP and EPA brainstormed on the challenges of complying with and enforcing an operating capacity limitation and discussed whether such a limit might, at times, be too restrictive or not restrictive enough. The two parties also discussed the challenges of choosing an appropriate averaging period and what years should be protective of the environment. For instance, GSP indicated that it may be difficult to respond to acute limits enforced as an hourly average because of the lag time between changes in plant operations and changes in river temperatures and

indicated a preference for a 3-hour averaging period to account for this lag time. GSP noted that it appeared that EPA had included some conservative assumptions in establishing the acute temperature limits in the Draft Permit's Determination Document. EPA indicated that if acute temperature limits are included in the Final Permit, it will review the derivation of the limits proposed in the Determination Document to confirm that they are appropriately protective, but not unreasonably conservative.

Finally, EPA and GSP discussed the proposed chronic temperature limit in winter and whether 1) the proposed limit is appropriate, 2) what the compliance averaging period should be, and 3) whether it is feasible to monitor at S4 in the winter. GSP indicated that it would have to investigate the feasibility of keeping a temperature monitor at Station S4 throughout the winter, whereas it currently pulls the S4 probe in November. EPA and GSP also discussed the extent of ice cover downstream of the plant in winter and whether that has changed with the current pattern of operations. GSP indicated that they did not know but could ask staff and do more visual inspections this coming winter.

IV. Cooling Water Intake Structure Discussion:

EPA noted that it has been working to review and consider public comments submitted during the various comment periods held in connection with the Merrimack Station permit. Specifically, EPA noted that PSNH's comments and site-specific studies present compelling new information to suggest that wedgewire screens (WWS) are an available technology to enable Merrimack Station to satisfy CWA § 316(b).

EPA presented a slide that compared potential entrainment reductions from April through September based on the estimated effectiveness of WWS from Normandeau's 2017 Merrimack River study to reductions achieved from 2013 through 2017 based on intake flow data provided by GSP. EPA suggested that, if WWS were chosen as the BTA for Merrimack Station, the permit could potentially provide two pathways for compliance: (1) install WWS screens within an appropriate compliance schedule, or (2) reduce actual intake flows to levels commensurate with the reductions that could be achieved with WWS. EPA and GSP discussed whether a flow limit would be established if they were to choose option 2, the confidence in the proposed values for the entrainment reductions achieved with WWS based on the 2017 report, and whether the permit could include time for GSP to evaluate the two options and then select and implement one. GSP asked if it were to choose option 2 (flow reductions) initially, could GSP nonetheless decide at some later date to install the screens. EPA indicated that if WWS were determined to satisfy CWA § 316(b)'s BTA standard at Merrimack Station, then it saw no reason why GSP would be prevented from installing the screens at any time during the permit term, even if it had initially chosen to satisfy the BTA standards via flow reductions.

V. Steam Electric Guidelines

GSP and EPA briefly discussed any changes in the proposed timeline for promulgation of the new Steam Electric ELGs. EPA indicated that the Agency is unlikely to meet the proposed December 2018 deadline, but continues to work towards publishing Draft Guidelines in early 2019. GSP inquired whether EPA had contacted NHDES about the water quality-based limitations in the Draft Permit because some of the flows and outfalls may change for the Final Permit. EPA responded that there may be some changes to the water quality limitations and the antidegradation/technology requirements and that it will consult with NHDES.

VI. Next Steps

GSP will provide the additional thermal data it presented electronically. We discussed the possibility of meeting again in mid-January, but no date was set.

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