

STATEMENT OF BASIS TO CONSTRUCT/RECONSTRUCT/MODIFY AN AIR CONTAMINANT SOURCE

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LLCHD Air Quality Section Facility Identification (FID) Number:	00240
LLCHD Air Quality Section Construction Permit Number:	26-109E
Effective Date of Permit:	XX – XX – 2026

Lincoln-Lancaster County Health Department (LLCHD) has made the preliminary determination to modify a construction permit to the following:

Permit Holder Name:	Lincoln Electric System (LES)
Address:	9445 Rokeby Road
City, County, State, ZIP:	Lincoln, Nebraska 68526

The proposed permit renewal allows for continued operation of the following source:

Facility Site Name:	Lincoln Electric System Terry Bundy Generating Station (LES TBGS)
Facility Address:	7707 Bluff Road
City, County, State, ZIP:	Lincoln, Lancaster County, Nebraska 68517
Facility NAICS:	221112: Fossil Fuel Electric Power Generation 221118: other Electric Power Generation

In accordance with requirements set forth under Article 2, Section 14 of the Lincoln-Lancaster County Air Pollution Control Programs Regulations and Standards (LLCAPCPRS), the LLCHD may not issue or significantly modify a construction permit until the public has been given the opportunity to comment on the draft permit.

Within the 30-day public comment period, any interested person, agency, group, or affected state may request or petition the Director of the LLCHD for a public hearing. All requests for public hearing must be made in writing and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.

A final determination on this permit will be made following the opportunity of the public to review and comment on the draft permit, and any/all comments received have been addressed. The conclusion of this document will include a recommendation to either approve or deny the issuance of a construction permit for this source.

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Section 1 – Introduction

This permit (Construction Permit 26-109E) is being issued as a modification of the previously issued Construction Permit (CP) No. 109D for the Lincoln Electric System (hereinafter referred to as 'LES' or 'the source') Terry Bundy Generating Station (TBGS). This facility was previously referred to as the 'Salt Valley Generating Station' (SVGS). On October 12, 2023, LES submitted a revised operating permit renewal application in which detailed requests require a modification of CP #109D. Additionally, LES submitted a request on February 24, 2026, to replace the existing limits on hours of operation to fuel use limits for the combustion turbines. LES is requesting a change to fuel use limits to ensure operational versatility amongst the combustion turbines because operational hour limits assume the 'worst case' emitting scenarios for the units, whereas fuel limits will better account for emissions while operating at different loads. This modification also corrects information regarding the rated capacity of the 'black start' generator, incorporates applicable federal regulations issued subsequent to issuance of CP No. 109D, includes federally enforceable facility-wide limits on hazardous air pollutant (HAP) emissions to establish the facility as an 'area source' of HAPs, and to revise previously established limits on hours of operation for certain turbine operating scenarios to fuel use limits. All such revisions have been incorporated into this permit.

In accordance with Title 129, Chapter 003.02, this permit modification is being processed as a 'significant permit revision' because the changes to the permit include modifications to previously established permit conditions and significant changes to existing monitoring, reporting, or recordkeeping requirements, and as such, do not qualify for a 'minor permit revision'.

While this permit is subject to Prevention of Significant Deterioration of Air Quality (PSD) requirements, this permitting action is not significant for purposes of PSD, because the modified permit requirements will not result in an increase of any criteria air pollutant in excess of the Significant Emissions Increase (SER) thresholds set forth in 40 CFR §52.21(b)(23)(i).

Additional revisions include formatting and organizational changes, as well as added 'General Conditions' to make the permit consistent with recently issued construction permits.

Note: Within this document, there are several references to the 'Salt Valley Generating Station' or 'SVGS', which was the original name for this facility. In 2009, the Lincoln Electric System changed the name of the facility to the 'Terry Bundy Generating Station', but the combustion turbines at

this facility retained the unit designations of SVGS2, SVGS3, and SVGS4 due to acid rain permitting rules.

Section 2 – Permitting History

2.01 – April 1, 2002: Construction Permit #109

This Prevention of Significant Deterioration (PSD) construction permit was issued to Lincoln Electric System to construct the following equipment:

- One simple cycle 45.0 Megawatt (MW), 439.0 million British Thermal Units per hour (MMBtu/hr) combustion turbine;
- A two by one (2 x 1) combined cycle unit consisting of two 45.0 MW (439 MMBtu/hr) combustion turbines each with a heat recovery steam generator (HRSG), two 22.0 MMBtu/hr duct burners, and a 28.0 MW steam turbine;
- Two 44.0 MMBtu/hr auxiliary boilers;
- One 1.75 MW internal combustion engine – “black start unit”; and
- Two forced-draft cooling towers.

The permit included various emission limits, as well as monitoring, record keeping, and reporting requirements.

2.02 – July 3, 2003: Modified Construction Permit #109A

This modified permit was issued as the result of several proposed changes submitted by Lincoln Electric System. The changes were made as minor permit modifications and did not require a public comment period.

2.03 – January 14, 2004: Modified Construction Permit #109B

This modified construction permit was required because emission testing on units SVGS2 and SVGS4 (combustion turbines) revealed that the turbines did not comply with the PM₁₀ emission limits contained in the construction permit. Because the turbines were unable to meet the emission limits, LES applied to revise the PM₁₀ emission limits. The proposed revisions were accepted, and the revised permit was issued.

2.04 – November 12, 2004: Modified Construction Permit #109C

This modified construction permit was required because the manufacturer guarantee on PM₁₀ emissions had been revised, and the permit was revised to include the new emission limits, as well as new air quality analysis.

2.05 – August 26, 2005: Modified Construction Permit #109D

This modified construction permit was issued to allow CT-4 (SVGS4) to operate up to 500 hours per year using the bypass stack while operating on natural gas. Previously, the unit was allowed to operate up to 500 hours per year using the bypass stack using fuel oil. The modification allowed the 500-hour limit to be extended to natural gas use. The modification resulted in an increase of carbon monoxide emissions of 8.97 tons per year, and an increase of volatile organic compounds of 0.25 tons per year. Emissions of particulate matter, oxides of nitrogen, and oxides of sulfur were all reduced as a result of this change.

2.06 – Proposed Issuance of CP26-109E

This document serves as the factual and legal basis for the proposed issuance of a modified construction permit for the LES TBGS. The sections that follow provide more information on the source, the nature of emissions from the source, evaluation of the potential to emit, and a discussion of conditions set forth in the draft permit.

Section 3 – Source Characterization

3.01 – Source Description

The Lincoln Electric System Terry Bundy Generating Station (LES TBGS) is a fossil fuel fired steam electric plant. In addition to the steam electric plant, LES operates three stationary reciprocating internal combustion (RICE) generator engines.

The LES TBGS facility is considered an “Intermediate Load Plant” because of its operational versatility. It can be used as a peaking facility, and as a base-load facility. This facility has the potential to emit (PTE) oxides of nitrogen (NO_x), carbon monoxide (CO), volatile organic compounds (VOC), and particulate matter less than 10 microns aerodynamic diameter (PM₁₀) at greater than major source thresholds. The requirements of PSD have been applied to these four pollutants, and Best Available Control Technology (BACT), as well as an air quality impact analysis, were both required prior to construction.

3.02 – Permitted Emission Units

For the purpose of the proposed construction permit, the following emission units constitute the ‘Permitted Emission Units’:

Emission Unit (EU)	SCC Code	Stack ID	Emission Point Description	Emission Segment Description
1-1	2-01-002-01	C3	Combustion Turbine Unit 3 (SVGS3) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
1-2	2-01-001-01	C3	Combustion Turbine Unit 3 (SVGS3) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
2-1a	2-01-002-01	C4	Combustion Turbine Unit 3 (SVGS3) Main Stack	Natural Gas
2-1b	2-01-002-01	C4	Combustion Turbine Unit 3 (SVGS3) Duct Burner (22.0 MMBtu/hr)	Natural Gas
3-1	2-01-002-01	C1	Combustion Turbine Unit 2 (SVGS2) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
3-2	2-01-001-01	C1	Combustion Turbine Unit 2 (SVGS2) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
4-1a	2-01-002-01	C2	Combustion Turbine Unit 2 (SVGS2) Main Stack	Natural Gas
4-1b	2-01-002-01	C2	Combustion Turbine Unit 2 (SVGS2) Duct Burner (22.0 MMBtu/hr)	Natural Gas
5-1	2-01-002-01	C2	Combustion Turbine Unit 4 (SVGS4) Main Stack	Natural Gas
6-1	1-01-006-02	C6	Auxiliary Boiler #1 (44.0 MMBtu/hr)	Natural Gas
7-1	1-01-006-02	C7	Auxiliary Boiler #2 (44.0 MMBtu/hr)	Natural Gas
8-1	2-01-001-02	C8	IC Engine Black Start Unit (1.75 MW)	No 2 Fuel Oil
11-1	2-01-002-01	C11	Combustion Turbine Unit 4 (SVGS4) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
11-2	2-01-001-01	C11	Combustion Turbine Unit 4 (SVGS4) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
COOL1&2	3-85-001-01	---	Forced Mechanical Draft Cooling Towers (2 cells)	Process Cooling

Emission Unit (EU)	SCC Code	Stack ID	Emission Point Description	Emission Segment Description
COOL3,4,5	3-85-001-01	---	Forced Mechanical Draft Cooling Towers (3 cells)	Process Cooling

3.03 – Permitted Source

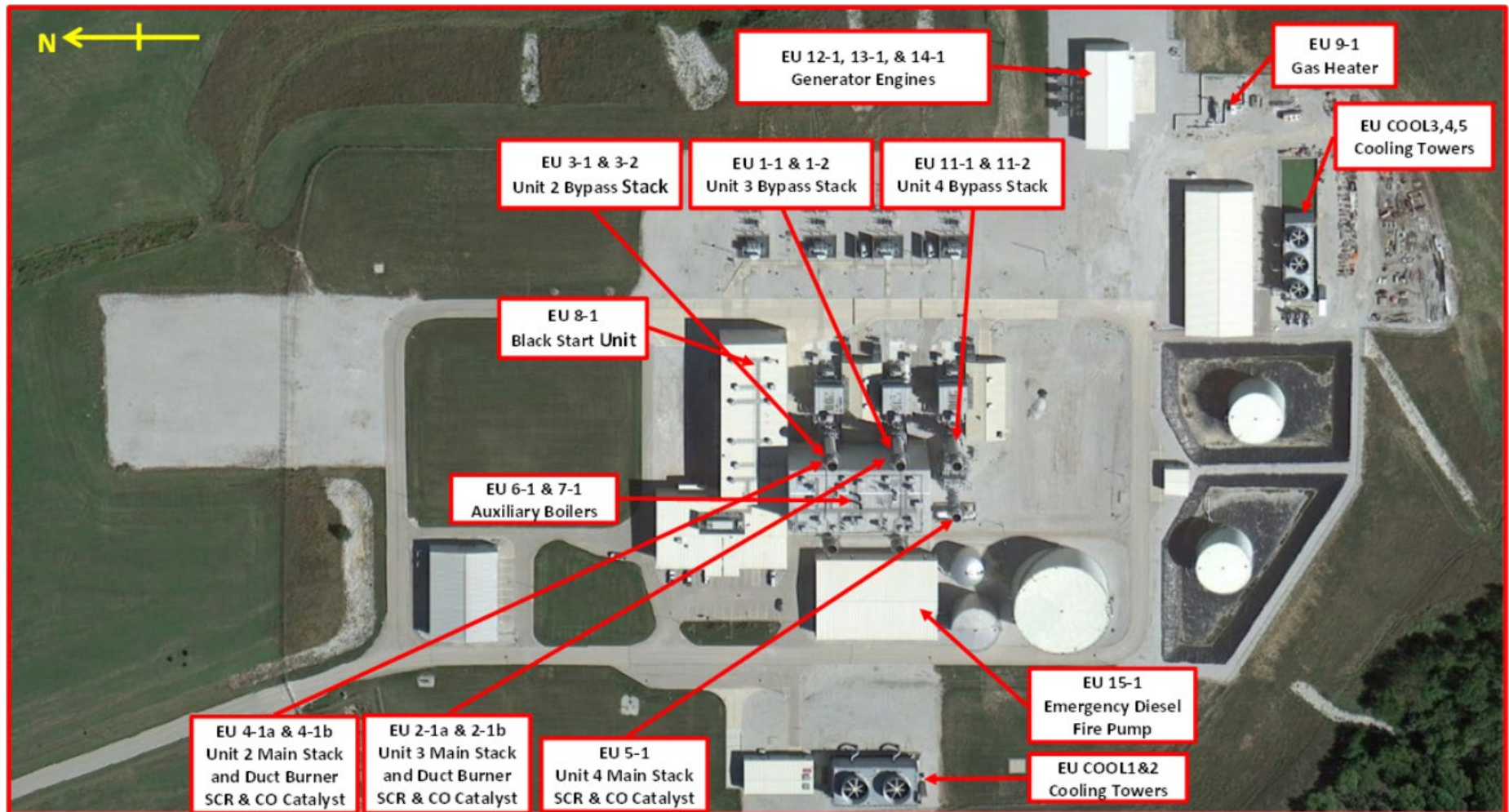
The following emission units constitute the Permitted Source and include the Permitted Emission Units as well as additional units at this source that are not Permitted Emission Units under this permit, but the emissions from which are included in the facility-wide limits on HAP emissions:

Emission Unit (EU)	SCC Code	Stack ID	Emission Point Description	Emission Segment Description
1-1	2-01-002-01	C3	Combustion Turbine Unit 3 (SVGS3) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
1-2	2-01-001-01	C3	Combustion Turbine Unit 3 (SVGS3) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
2-1a	2-01-002-01	C4	Combustion Turbine Unit 3 (SVGS3) Main Stack	Natural Gas
2-1b	2-01-002-01	C4	Combustion Turbine Unit 3 (SVGS3) Duct Burner (22.0 MMBtu/hr)	Natural Gas
3-1	2-01-002-01	C1	Combustion Turbine Unit 2 (SVGS2) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
3-2	2-01-001-01	C1	Combustion Turbine Unit 2 (SVGS2) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
4-1a	2-01-002-01	C2	Combustion Turbine Unit 2 (SVGS2) Main Stack	Natural Gas
4-1b	2-01-002-01	C2	Combustion Turbine Unit 2 (SVGS2) Duct Burner (22.0 MMBtu/hr)	Natural Gas
5-1	2-01-002-01	C2	Combustion Turbine Unit 4 (SVGS4) Main Stack	Natural Gas
6-1	1-01-006-02	C6	Auxiliary Boiler #1 (44.0 MMBtu/hr)	Natural Gas
7-1	1-01-006-02	C7	Auxiliary Boiler #2 (44.0 MMBtu/hr)	Natural Gas
8-1	2-01-001-02	C8	IC Engine Black Start Unit (1.75 MW)	No 2 Fuel Oil
9-1	1-05-001-06	---	Gas Heater (2.5 MMBtu/hr)	Natural Gas
11-1	2-01-002-01	C11	Combustion Turbine Unit 4 (SVGS4) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	Natural Gas
11-2	2-01-001-01	C11	Combustion Turbine Unit 4 (SVGS4) Bypass Stack (45.0 MW – 439.0 MMBtu/hr)	No 2 Fuel Oil
12-1	2-01-008-02	C12	Generator #1 (14.6 MMBtu/hr – 2,242 hp)	Natural Gas
13-1	2-01-008-02	C13	Generator #2 (14.6 MMBtu/hr – 2,242 hp)	Natural Gas
14-1	2-01-008-02	C14	Generator #3 (14.6 MMBtu/hr – 2,242 hp)	Natural Gas
15-1	2-01-001-02	---	Emergency Diesel Fire Pump (0.76 MMBtu/hr – 300 hp)	Diesel

Emission Unit (EU)	SCC Code	Stack ID	Emission Point Description	Emission Segment Description
COOL1&2	3-85-001-01	---	Forced Mechanical Draft Cooling Towers (2 cells)	Process Cooling
COOL3,4,5	3-85-001-01	---	Forced Mechanical Draft Cooling Towers (3 cells)	Process Cooling

3.03 – Source Aerial View

The following image is an aerial view of the LES TBGS.



Section 4 – Emission Characterization

4.01 – Emission Calculation Factors and Methods

The procedures for performing emission calculations are provided in the Class I permit application, as well as Appendix C to the application package submitted on October 12, 2023, and the permit modification request submitted on February 24, 2026.

4.02 – Change in Maximum Potential to Emit (MPTE)

4.02.01 – MPTE: Pre-Modification MPTE – Criteria Air Pollutants

The following figures represent the MPTE under the operational limits set forth in Construction Permit No. 109D.

Emission Unit	SCC Code	Max. Annual Hours	PM ₁₀ (tons/yr)	PM _{2.5} (tons/yr)	NO _x (tons/yr)	SO _x (tons/yr)	VOC (tons/yr)	CO (tons/yr)	CO ₂ e (tons/yr)	LEAD (tons/yr)	Total HAP (tons/yr)
1-1	2-01-002-01	1,500	8.25	8.25	30.23	0.28	-	60.00	38,523.5	-	< 25.0
1-2	2-01-001-01	500	6.25	6.11	16.89	2.69	-	-	17,955.4	1.56E-3	
2-1a	2-01-002-01	6,510	35.81	35.81	18.36	1.22	35.04	40.56	167,191.9	-	
2-1b	2-01-002-01	6,760	0.57	0.57	-	0.04	0.53	1.25	8,700.4	-	
2-2	2-01-001-01	250	3.13	3.06	8.50	1.35	-	-	8,977.7	7.80E-4	
3-1	2-01-002-01	1,500	8.25	8.25	30.23	0.28	-	60.00	38,523.5	-	
3-2	2-01-001-01	500	6.25	6.11	16.89	2.69	-	-	17,955.4	1.56E-3	
4-1a	2-01-002-01	6,510	35.81	35.81	18.36	1.22	35.04	40.56	167,191.9	-	
4-1b	2-01-002-01	6,760	0.57	0.57	-	0.04	0.53	1.25	8,700.4	-	
4-2	2-01-001-01	250	3.13	3.06	8.50	1.35	-	-	8,977.7	7.80E-4	
5-1	2-01-002-01	8,260	45.43	45.43	33.29	1.55	35.04	49.56	212,136.0	-	
6-1	1-01-006-02	8,760	1.46	1.46	32.57	0.12	1.06	63.43	22,548.9	-	
7-1	1-01-006-02	8,760	1.46	1.46	32.57	0.12	1.06	63.43	22,548.9	-	
8-1	2-01-001-02	500	0.45	0.45	25.33	0.40	0.71	6.73	1,294.9	-	
11-1	2-01-002-01	-	-	-	-	-	-	-	-	-	
11-2	2-01-001-01	500	6.25	6.11	16.89	2.69	-	6.03	17,955.4	1.56E-3	
COOL1&2	3-85-001-01	8,760	10.74	5.37	-	-	-	-	-	-	
COOL3&4	3-85-001-01	8,760	3.22	1.61	-	-	-	-	-	-	
Total Emissions (tons per year)			177.03	169.49	288.61	16.04	109.01	392.80	759,181.90	0.01	< 25.0

4.02.02 – MPTE: Post-Modification MPTE – Criteria Air Pollutants

The following figures represent the MPTE under the revised operational limits that will be set forth in Construction Permit (CP)26-109E.

Emission Unit	Maximum Annual Process Rate	PM ₁₀ (lbs/yr)	PM _{2.5} (lbs/yr)	NO _x (lbs/yr)	SO _x (lbs/yr)	VOC (lbs/yr)	CO (lbs/yr)	CO ₂ e (lbs/yr)	LEAD (lbs/yr)	Total HAP (lbs/yr)
1-1	2,800.00 MMcf	51,637.98	51,637.98	189,183.09	1,766.42	53,576.31	401,822.32	2.41E+08	-	49,980
3-1										
11-1										
1-2	6,325.00 Mgal	50,066.91	50,066.91	135,279.31	21,568.83	Emissions included in main stacks	Emissions included in main stacks	1.44E+08	12.31	
3-2										
11-2										
2-1a	2,729.18 MMcf*	71,804.19	71,804.19	36,829.08	2,480.51	52,221.23	84,859.50	3.36E+08	-	
2-1b	136.77 MMcf*	54.70	54.70	Emissions accounted for at turbine	4.32	39.58	Emissions accounted for at turbine	8.43E+05	-	
4-1a	2,729.18 MMcf*	71,804.19	71,804.19	36,829.08	2,480.51	52,221.23	84,859.50	3.36E+08	-	
4-1b	136.77 MMcf*	54.70	54.70	Emissions accounted for at turbine	4.32	39.58	Emissions accounted for at turbine	8.43E+05	-	
5-1	2,729.18 MMcf*	71,804.19	71,804.19	52,612.97	2,456.26	52,221.23	84,859.50	3.36E+08	-	
6-1	367.09 MMcf	2,789.85	2,789.85	36,708.57	220.25	2,018.97	30,835.20	4.51E+07	-	
7-1	367.09 MMcf	2,789.85	2,789.85	36,708.57	220.25	2,018.97	30,835.20	4.51E+07	-	
8-1	62.59 Mgal	498.51	483.51	27,840.00	439.35	783.00	7,395.00	1.42E+06	-	
COOL 1&2	8,760 hours	12,414.08	6,207.04**	-	-	-	-	-	-	
COOL 3,4,5	8,760 hours	25,073.64	12,536.82**	-	-	-	-	-	-	
Total Emissions (lbs/yr)		360,792.80	342,048.94	551,990.67	31,641.02	215,140.11	725,466.22	1.49E+09	12.31	49,980.00
Total Emissions (tons/yr)		180.40	171.02	276.00	15.82	107.57	362.73	742,611.94	<0.01	24.99

* - The maximum annual process rate for the combustion turbine main stacks and associated duct burners is intended to demonstrate the MPTE resulting from the mutually exclusive operating scenarios of the main stack and bypass stack operations. The maximum annual process rate reflects the maximum amount of fuel that can exhaust through the main stack if the entire fuel limit is exhausted through the bypass stacks. These process rates should not be construed to limit any of these emission units to ≤ 2,729.18 MMcf /year for each main stack and 136.77 MMcf/year for each duct burner.

- ** - PM_{2.5} potential emissions were inadvertently omitted from CP #109D and as such, the 'post-project' emissions show an artificially high increase of PM_{2.5} from the cooling towers with this permit modification. Since the issuance of CP #109D, the cooling towers have emitted PM_{2.5} at levels that are equal to one-half of PM₁₀ emissions from the cooling towers. Due to this, the net change in PM_{2.5} emissions shown in section 4.02.03 below are representative of a 'pre-project' emission total equaling one-half of PM₁₀ emissions from the cooling towers.

4.02.03 – MPTE: Evaluation of Project Emissions Change

The following table summarizes the net change in the source's potential to emit as a result in the proposed permit modification:

Criteria Pollutant	Net Change in Emissions (tpy)	Minor-NSR Permitting Thresholds	Meet or Exceed?	PSD Significance Thresholds	Meet or Exceed?
PM ₁₀	+3.37	≥ 15 tpy	No	≥ 15 tpy	No
PM _{2.5}	+1.53	≥ 10 tpy	No	≥ 10 tpy	N/A
NO _x	-12.61	≥ 40 tpy	No	≥ 40 tpy	No
SO _x	-0.22	≥ 40 tpy	No	≥ 40 tpy	No
VOC	-1.44	≥ 40 tpy	No	≥ 40 tpy	No
CO	-30.07	≥ 50 tpy	No	≥ 100 tpy	No
Lead	0.00	≥ 0.6 tpy	No	≥ 0.6 tpy	No
CO ₂ e	-16,569.96	N/A	N/A	N/A	N/A
Hazardous Air Pollutant	Emissions (tpy)	Class II Permitting Threshold	Meet or Exceed?	Class I Permitting Threshold	Meet or Exceed?
Greatest Single HAP	-	≥ 2.5 tpy	No	≥ 10.0 tpy	No
Total Combined HAPs	-	≥ 10.0 tpy	No	≥ 25.0 tpy	No

4.04 – Permit Threshold Evaluation

As reflected in the table in Section 4.02.03, the proposed modification will result in a slight net increase in PM₁₀ and PM_{2.5} emissions than are allowed under the current construction permit for the Permitted Emission Units. The net increase does not exceed the minor-NSR construction permit, nor the PSD significance thresholds. However, since the proposed modification results in a relaxation of previous permit requirements, this permit modification will be processed as a 'significant modification'.

The source will continue to be classified as a 'major source' of air pollution for 'Prevention of Significant Deterioration of Air Quality' (PSD) purposes. In accordance with Article 2, Section 2, paragraph (H) of the LLCAPCRS (which also references Nebraska Administrative Code Title 129, Chapter 2), a source is a 'major source' for PSD purposes if it emits a regulated pollutant in quantities greater than 100 tons/year AND if it falls into a listed category (refer to Title 129, Chapter 2, section 008.01). For sources that do not fall into one of the listed categories, the PSD major source threshold is 250 tons/year. LES TBGS falls under the source category of "Fossil fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input". At the time of permit issuance, PM₁₀, PM_{2.5}, NO_x, VOC, and CO are emitted at over 100 tons/year. However, because the resulting emissions from the proposed modifications will not exceed the PSD significance thresholds, this permitting action is not significant for the purposes of PSD.

Section 5 – Applicable and Non-Applicable Regulations & Requirements

5.01 – Applicable and Non-Applicable Regulations

- (A) The following sections (§) of the LLCAPCRS are requirements of this permit:

Table 1-A: Applicable Regulations of the LLCAPCRS

Article 1: Administration and Enforcement	
§1	Intent
§2	Unlawful Acts – Permits Required
§3	Violations – Hearings – Orders
§4	Appeal Procedure
§5	Variance
§6	Fees
§7	Compliance – Actions to Enforce – Penalties for Non-Compliance
§8	Procedure for Abatement
§9	Severability
Article 2: Regulations and Standards	
§29	Operating and Construction Permit Emission Fees

5.02 – Applicable Title 129 Regulations

- (B) The following regulation(s) set forth under Title 129 of the Nebraska Administrative Code (NAC Title 129 – Nebraska Air Quality Regulations) are requirements for this source:

Table 1-B: Title 129 Regulations Incorporated into the Permit

Title 129 – Air Quality Regulations	
Chapter 1	General Provisions; Definitions
Chapter 2	Nebraska Air Quality Standards
Chapter 3	Construction Permits
Chapter 4	Prevention of Significant Deterioration of Air Quality (PSD)
Chapter 5	Acid Rain
Chapter 9	Permit Revisions; Reopening for Cause
Chapter 10	Permits – Public Participation
Chapter 11	Emissions Reporting, When Required
Chapter 12	New Source Performance Standards and Emission Limits for Existing Sources
Chapter 13	Hazardous Air Pollutants
Chapter 15	Compliance
Appendices	
I	Hazardous Air Pollutants
II	Air Pollution Emergency Episodes

5.03 – Applicable Federal Regulations

- (C) The following Federal Regulations are applicable requirements of this permit, including those not currently delegated to the LLCHD or not yet included in the LLCAPCRS:

Table 1-C: Applicable Federal Regulations

40 CFR Part 60: New Source Performance Standards (NSPS)	
Subpart	Subpart Subject
A	General Provisions
Dc	NSPS for Small Industrial/Commercial/Institutional Steam Generating Units
GG	NSPS for Stationary Gas Turbines

40 CFR Part 63: National Emission Standards for Hazardous Air Pollutants for Source Categories (Source Category NESHAPs)	
Subpart	Subpart Subject
A	General Provisions
ZZZZ	Source Category for Stationary Reciprocating Internal Combustion Engines (RICE)

5.04 – Non-Applicable Title 129 Regulations

- (D) The following sections of Title 129 of the NAC are not requirements of this permit:

Table 1-D: Title 129 Regulations not Incorporated in Permit

Article 2: Regulations and Standards	
Chapter 6	Operating Permits
Chapter 7	General Permits
Chapter 8	Permits-By-Rule
Chapter 16	Sulfur Compound and Nitrogen Oxides Emissions Standards

5.05 – Non-Applicable Federal Regulations

- (E) The following Federal Regulations are not requirements of this permit:

Table 1-E: Non-Applicable Federal Regulations

Regulation	Non-Applicable Subparts, Section(s), or Appendix
40 CFR Part 51	Appendix S: Emission Offset Interpretive Ruling
40 CFR Part 60	All subparts, except Subpart B and those listed as applicable in Table 1-C
40 CFR Part 61	Entire rule is not applicable at the time of permit issuance
40 CFR Part 63	All subparts, except Subparts B–E and those listed as applicable in Table 1-C

5.06 – Applicable State Regulations

- (F) The following local ordinances/resolutions are requirements of this permit:

- (1) For sources located in the City of Lincoln, Nebraska, or in the 3-mile extraterritorial jurisdiction surrounding the corporate limits of the City of Lincoln, the following ordinance shall apply:

Table 1-F1: Applicable Lincoln Municipal Code (LMC) Chapter(s)

Chapter	Chapter Title
8.06	Lincoln Municipal Code (LMC) – Air Pollution

- (2) For sources located in Lancaster County, Nebraska but outside of the 3-mile extraterritorial jurisdiction surrounding the corporate limits of the City of Lincoln, Nebraska, the following resolution shall apply:

Table 1-F2: Applicable Lancaster County Resolution(s)

Chapter	Chapter Title
R-13-0073	Lancaster County Air Pollution Control Resolution

Section 6 – Discussion of Proposed Permit Conditions, Monitoring, Reporting, Notification and Record Keeping Requirements

The following conditions of the proposed permit include monitoring, reporting, and record keeping requirements. A brief description of these conditions is provided below:

6.01 – General Conditions

The General Conditions of this construction permit have been updated since issuance of CP #109D to incorporate references to Title 129 of the Nebraska Administrative Code (PSD Regulations) since changes to Section 19 of the LLCAPCRS have occurred. The LLCHD is delegated authority to write

and issue PSD permits on behalf of the state of Nebraska Department of Water, Energy, and Environment (DWE); consequently, citations of legal authority in the permit will refer to Nebraska Administrative Code (NAC) Title 129.

Conditions II through III(A) are general conditions that are applicable to all PSD sources. There will not be an in-depth discussion of these requirements, except to note the following General Conditions specifically related to monitoring, reporting, notification, and record-keeping:

- I(A) – Fees
- II(A) – Startup, Shutdown, and Malfunction (SSM) Provisions
- II(F) – Annual Emissions Reporting
- III(A) – Notification of Source Modifications

6.02 – Specific Conditions

Many of the specific conditions of this construction permit have not changed with this permit modification. As referenced in Section 1 of this document, this permit modification corrects information regarding the rated capacity of the 'black start' generator, incorporates applicable federal regulations issued subsequent to issuance of CP #109D, includes federally enforceable facility-wide limits on hazardous air pollutant (HAP) emissions, and revises previously established limits on hours of operation for certain turbine operating scenarios to fuel use limits. While all specific permit conditions are incorporated in this section, the Department is only able to address comments relating to terms and conditions that have been changed with this permit modification.

The following are specific conditions of the proposed construction permit:

- III. – Source-Wide Requirements. The requirements set forth under this condition are established pursuant to elections made by the owner/operator in the approved application, as well as authorities specified in Condition I(G)(1) of the proposed permit.

- (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.

The requirements set forth under this condition serve to:

- ensure that the Department is made aware of any modifications of the application materials and/or Permitted Emission Units;
- ensure that all control equipment is installed in a timely manner; and
- ensure the owner/operator operates the Permitted Emission Units in a manner that is consistent with good air pollution control practices.

- (B) Emission Limits and Emission Control Requirements.

The requirements set forth under this condition serve to:

- establish a facility-wide HAP emission limit in accordance with the approved application.

- (C) Monitoring and Record Keeping Requirements.

The requirements set forth under this condition serve to:

- establish the means by which the owner/operator will demonstrate ongoing compliance with the facility-wide HAP emission limits; and
- ensure that the owner/operator maintains adequate records to demonstrate proper use of each required emission control device.

- IV. – Requirements for Combustion Turbines. This permit authorizes the owner/operator to construct and operate the Combustion Turbines identified in Table 4-A1a of the proposed permit in accordance with requirements for Best Achievable Control Technology (BACT) set forth in NAC Title 129, Chapter 4 and 40 CFR Part 52 §52.21. The emission limits, operating requirements, and emission control equipment requirements set forth under this condition represent BACT for all pollutants listed. These turbines must not exceed the per-unit capacities listed in Table 4-A1a of the proposed permit, must combust only the permitted fuel type(s) identified, and must be constructed and operated in accordance with the following requirements:

(A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.

The requirements set forth under this condition serve to:

- establish fuel use limits for SVGS2, SVGS3, and SVGS4 in accordance with the approved application;
- establish the requirement to only use pipeline quality natural gas in the emission units specified in Table 4-A2;
- establish the sulfur content limit for the emission units specified in Table 4-A3; and
- incorporate by reference any applicable operating requirements established pursuant to applicable federal regulations.

(B) Emission Limits and Emission Control Requirements.

The requirements set forth under this condition serve to:

- reference the particulate matter emission limits established pursuant to Title 129, Chapter 15 of the NAC;
- establish the periods of time when the BACT emission limits set forth in this permit do not apply; and
- incorporate by reference any applicable emission limits established pursuant to applicable federal regulations.

(C) Monitoring and Record Keeping Requirements.

The requirements set forth under this condition serve to:

- establish the means by which the owner/operator will demonstrate ongoing compliance with opacity limits;
- establish the requirement to equip the combustion turbine stacks with continuous emissions monitoring system to demonstrate compliance with the NO_x and CO emission limits;
- ensure the source maintains adequate records to demonstrate compliance with the fuel use limits for the combustion turbines;
- ensure the owner/operator maintains adequate records to demonstrate the operation of the emission units consistent with good air pollution control practices;
- ensure the owner/operator maintains adequate records to show compliance with the CEMS requirements set forth under this condition; and
- incorporate by reference any applicable monitoring and record keeping established pursuant to applicable federal regulations.

(D) Notification and Reporting Requirements.

The requirements set forth under this condition serve to:

- reiterate the requirement that the owner/operator is to submit an annual emission inventory and establish the data elements to be included;
- establish the requirement that the owner/operator is to notify the Department of any exceedance of emission limits if it should occur;
- ensure that the owner/operator provides timely notification to the Department of the date of initial startup of each emission unit; and
- incorporate by reference any applicable notification and reporting requirements established pursuant to applicable federal regulations.

(E) Requirements of the New Source Performance Standards (NSPS) set forth in Title 40, Part 60 of the Code of Federal Regulations (40 CFR Part 60).

The requirements set forth under this condition serve to:

- incorporate the requirements under 40 CFR Part 60, Subpart Dc as applicable to specific emission units at the source;
- incorporate the requirements under 40 CFR Part 60, Subpart GG as applicable to specific emission units at the source; and
- incorporate the requirements under 40 CFR Part 60, Subpart A as applicable to the source pursuant to Subpart Dc and GG.

(F) Requirements of the Acid Rain Regulations set forth in Title 40, Parts 72 through 78 of the Code of Federal Regulations (40 CFR 72 through 78).

The requirements set forth under this condition serve to incorporate 40 CFR Parts 72 through 78 as applicable to the source.

(G) Requirements of the National Emissions Standards for Hazardous Air Pollutants at Source Categories (Source Category NESHAPs) set forth in Title 40, Part 63 of the Code of Federal Regulations (40 CFR Part 63).

The requirements set forth under this condition serve to:

- incorporate the requirements under 40 CFR Part 63, Subpart ZZZZ as applicable to the Black Start Engine; and
- incorporate the requirements of 40 CFR Part 63, Subpart A pursuant to 40 CFR Part 63 Subpart ZZZZ.

V. – Unit-Specific Requirements for Combustion Turbine Unit 2 (SVGS2). The following requirements apply to Combustion Turbine Unit 2 (SVGS2) and the Duct Burner associated with SVGS2.

(A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.

The requirements set forth under this condition serve to:

- establish that SVGS2 is not subject to any limit on fuel use when operating through the main stack; and
- incorporate the limit on fuel use when exhausting through the SVGS2 bypass stacks.

- (B) Emission Limits and Emission Control Requirements.
The requirements set forth under this condition serve to:
- establish the conditions that must be met during routine operation of SVGS2 while passing through the main stack;
 - establish the conditions under which SVGS2 must be operated while running on bypass stacks; and
 - establish the emission limits associated with SVGS2;
 - incorporate the maintenance and operating requirements of the SCR units and oxidation catalyst units.
- VI. – Unit-Specific Requirements for Combustion Turbine Unit 3 (SVG3). The following requirements apply to Combustion Turbine Unit 3 (SVG3) and the Duct Burner associated with SVG3.
- (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.
The requirements set forth under this condition serve to:
- establish that SVG3 is not subject to any limit on fuel use when operating through the main stack; and
 - incorporate the limit on fuel use when exhausting through the SVG3 bypass stacks.
- (B) Emission Limits and Emission Control Requirements.
The requirements set forth under this condition serve to:
- establish the conditions that must be met during routine operation of SVG3 while passing through the main stack;
 - establish the conditions under which SVG3 must be operated while running on bypass stacks; and
 - establish the emission limits associated with SVG3;
 - incorporate the maintenance and operating requirements of the SCR units and oxidation catalyst units.
- VII. – Unit-Specific Requirements for Combustion Turbine Unit 4 (SVG4). The following requirements apply to Combustion Turbine Unit 4 (SVG4) and the Duct Burner associated with SVG3.
- (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.
The requirements set forth under this condition serve to:
- establish that SVG4 is not subject to any limit on fuel use when operating through the main stack; and
 - incorporate the limit on fuel use when exhausting through the SVG4 bypass stacks.
- (B) Emission Limits and Emission Control Requirements.
The requirements set forth under this condition serve to:
- establish the conditions that must be met during routine operation of SVG4 while passing through the main stack;
 - establish the conditions under which SVG4 must be operated while running on bypass stacks; and
 - establish the emission limits associated with SVG4;

- incorporate the maintenance and operating requirements of the SCR units and oxidation catalyst units.

- VIII. – Requirements for Auxiliary Boilers. This permit authorizes the owner/operator to construct and operate the Black Start Engine identified in Table 8-A1 of the proposed permit in accordance with requirements for Best Achievable Control Technology (BACT) set forth in NAC Title 129, Chapter 4 and 40 CFR Part 52 §52.21. The emission limits, operating requirements, and emission control equipment requirements set forth under this condition represent BACT for all pollutants listed. These boilers must not exceed the per-unit capacities listed in Table 8-A1, must combust only the permitted fuel type(s) identified, and must be constructed and operated in accordance with the following requirements:
- (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.
The requirements set forth under this condition serve to:
- establish the requirement to only use pipeline quality natural gas in the Auxiliary Boilers (EU 6-1 and EU 7-1).
- (B) Emission Limits and Emission Control Requirements.
The requirements set forth under this condition serve to:
- establish a NO_x emission limit on EU 6-1 and 7-1 (Auxiliary Boilers), pursuant to the BACT limits established for the purposes of PSD of Air Quality.
- (C) Record Keeping and Reporting Requirements.
The requirements set forth under this condition serve to:
- ensure the owner/operator maintains records of total hours of operation of the Auxiliary Boilers on a calendar year basis.
- (D) Requirements of the New Source Performance Standard (NSPS) set forth in Title 40, Part 60 of the Code of Federal Regulations (40 CFR 60).
The requirements set forth under this condition serve to:
- incorporate the requirements under 40 CFR Part 60, Subpart Dc as applicable to specific emission units at the source; and
 - incorporate the requirements under 40 CFR Part 60, Subpart A as applicable to the source pursuant to Subpart Dc.
- IX. – Requirements for Black Start Engine. This permit authorizes the owner/operator to construct and operate the Black Start Engine identified in Table 9-A1 of the proposed permit in accordance with requirements set forth in NAC Title 129, Chapter 4 and 40 CFR Part 52 §52.21. This engine must not exceed the per-unit capacities listed in Table 9-A1, must combust only the permitted fuel type(s) identified, and must be constructed and operated in accordance with the following requirements:
- (A) Operating Requirements, Throughput Limits, and/or Work Practice Standards.
The requirements set forth under this condition serve to:
- establish the fuel oil sulfur content for the Black Start Engine;
 - establish the limit on hours of operation for the Black Start Engine;

- incorporate by reference any applicable operating requirements established pursuant to applicable federal regulations.
- (B) Monitoring and Record Keeping Requirements.
The requirements set forth under this condition serve to:
 - establish the means by which the owner/operator will demonstrate ongoing compliance with the limits of hours of operation for the Black Start Engine; and
 - incorporate by reference any applicable monitoring and record keeping requirements established pursuant to applicable federal regulations.
- (C) Notification and Reporting Requirements.
The requirements set forth under this condition serve to:
 - establish the requirement to submit emissions information to the Department upon request;
 - ensure that any potential exceedance of the requirements set forth in this permit is reported to the Department in a timely manner;
 - ensure that the Department is notified of actual date of startup of the emission units under this permit in a timely manner; and
 - incorporate by reference any applicable notification and reporting requirements established pursuant to applicable federal regulations.
- (D) Requirements of the National Emissions Standards for Hazardous Air Pollutants at Source Categories (Source Category NESHAPs) set forth in Title 40, Part 63 of the Code of Federal Regulations (40 CFR 63).
The requirements set forth under this condition serve to:
 - incorporate the requirements under 40 CFR Part 63, Subpart ZZZZ as applicable to specific emission units at the source;
 - incorporate the requirements under 40 CFR Part 63, Subpart A as applicable to the source pursuant to Subpart ZZZZ.

6.03 – CP26-109E Attachments

Attachment A: Federal Regulations Incorporated by Reference – The tables contained in this attachment reference subparts under 40 CFR Part 60 and 40 CFR Part 63 as applicable requirements, as well as which sub-paragraphs of each subpart are applicable requirements of this permit.

Attachment B: Continuous Emission Monitoring System (CEMS) and Initial Compliance Testing Procedures and Requirements – This attachment incorporates the applicable procedures and testing requirements of the CEMS for measurement of exhaust flow rate, CO, NO_x and O₂ as well as applicable compliance testing procedures and requirements.

Section 7 – Summary of Permit Conditions Enforceable by Agency

- (1) LLCHD (Local) – All conditions indicated in this permit.
- (2) EPA (Federal) – All conditions indicated in this permit, with the exception of Condition I(E) (i.e. Lincoln Municipal Code requirements).

Section 8 – Compliance Assurance Monitoring

The Compliance Assurance Monitoring (CAM) requirements set forth under 40 CFR Part 64 only applies to operating permit actions and thus is not an applicable requirement under this permit.

Section 9 – Pollution Prevention Opportunities

The Department encourages LES TBGS to continually examine its operations for pollution prevention opportunities. The LLCHD can provide technical assistance resources to aid the facility in exploring available pollution prevention options.

A guidance document outlining possible pollution prevention opportunities can be found on LLCHD's Air Quality webpage at the link below or by scanning the QR code.



<https://www.lincoln.ne.gov/files/sharedassets/public/v/1/health-dept/environmental/air-quality-forms-amp-apps/pollutionpreventionopportunities.pdf>

Section 10 – Air Quality Section Recommendation

The Department proposes approval of a Construction Permit modification for this facility. Enforceable permit conditions have been provided in the draft permit. A final determination on the permit will be made following the opportunity of the public to comment on the draft permit, and any comments received have been addressed.

Section 11 – Public Participation, Affected States Review, and EPA Review

The following notice is scheduled for publication in the September 24, 2026 edition of the Lincoln Journal Star, which is a newspaper of general circulation in Lancaster County, Nebraska. This notice will also be made available on the LLCHD Air Quality Section website at the following URL:

<http://www.lincoln.ne.gov/city/health/envIRON/pollu/pubnot.htm>

A copy of this notice will be sent to the affected states, as well as the EPA's Region 7 permits coordinator. Copies of the proposed permits, applications, and this statement of basis document will be provided upon request.

NOTICE OF INTENT TO ISSUE PERMIT

Lincoln-Lancaster County Health Department (LLCHD)

- A. In accordance with Article 2, Sections 13 and 14 of the Lincoln-Lancaster County Air Pollution Control Program Regulations and Standards (LLCAPCPRS), the LLCHD gives notice of the preliminary determination to approve the following permitting action(s) for the source identified in item 'B' (below). The 30-day public comment period commences September 24, 2026 and ends on October 24, 2026.
 - 1. Proposed modification of a PSD Construction Permit
- B. Issuance of the proposed permit allows for continued operation of the subject emission source within Federal, State and Local requirements. Provided below are the name, address, and the North America Industry Classification System (NAICS) code(s) describing the nature of business at the subject emission source:

1. Source Name: Lincoln Electric System Terry Bundy Generating Station
 2. Source Address: 7707 Bluff Road, Lincoln, NE 68517
 3. NAICS Codes: 221112 (Fossil Fuel Electric Power Generation)
221118 (Other Electric Power Generation)
- C. Potential emissions exceed the construction permit thresholds set forth under Article 2, Section 17 of the LLCAPCRS. However, the net emissions increase is lower than the significance thresholds established for Prevention of Significant Deterioration of Air Quality (PSD) construction permits. As a result, the proposed project is not subject to PSD permitting and is being permitted under minor New Source Review procedures and requirements. Limitations and emission controls elected by the owner/operator have been established as requirements of the permit and will limit emissions to less than PSD permitting thresholds.
- D. The proposed permit will allow for net changes in emissions of the following regulated air pollutants in the associated quantities. Any regulated pollutants not listed herein either will not be emitted from the permitted emissions units, or emissions will be negligible. All quantities are in units of tons per year (tpy).
- | | |
|---|----------------|
| Particulate matter <10 micrometers in diameter (PM ₁₀) | +3.37 tpy |
| Particulate matter <2.5 micrometers in diameter (PM _{2.5}) | +1.53 tpy |
| Oxides of Nitrogen (NO _x) | -12.61 tpy |
| Oxides of Sulfur (SO ₂ , SO ₃ , and combinations thereof) | -0.22 tpy |
| Volatile Organic Compounds (VOC) | -1.44 tpy |
| Carbon Monoxide | -30.07 tpy |
| Carbon Dioxide Equivalents | -16,569.96 tpy |
- E. Lancaster County is an 'attainment/unclassifiable' area for all pollutants subject to the National Ambient Air Quality Standards (NAAQS), meaning air quality in Lancaster County meets or is cleaner than the national standards. This permitting action is not expected to change that status.
- F. The proposed permit, statement of basis, permit application, and a copy of this public notice document are available online at: <http://lincoln.ne.gov>, keyword search "air". Those materials are also available for inspection during business hours at the office of the LLCHD at 3131 O Street, Lincoln, NE 68510. Telephone inquiries regarding this public notice may be directed to the Air Quality Section at 402-441-8040. If alternate formats of materials are needed, please notify the Department by calling 402-441-8040 or 402-441-6284 for TDD users.
- G. Within the 30-day public comment period, any interested person, agency, or group may submit comments on the proposed permit(s), or request or petition the Director of the LLCHD for a public hearing in accordance with item 'H' below. Comments on the proposed permit(s) may be mailed to the attention of the Air Quality Section Supervisor at the address provided in item 'F' above or submitted via e-mail to healthair@lincoln.ne.gov using the subject line 'Comment on Air Quality Permit'. Individuals commenting via e-mail are asked to provide their home address and phone number for follow-up correspondence.
- H. Requests for public hearing must be made in writing and must state the nature of the issues to be raised and all arguments and factual grounds supporting their position. If a public hearing is granted by the Director, the hearing will be advertised by public notice at least 30 days prior to its occurrence.
- I. The LLCHD does not discriminate on the basis of race, color, national origin, disability, age, or sex in administration of its programs or activities, and LLCHD does not intimidate or retaliate against any individual or group because of their participation in or opposition to actions protected or prohibited by 40 CFR Part 7, or for the purpose of interfering with any right or privilege guaranteed by 40 CFR Part 7.