



Ms. Gwen Ricco
MC 205
Office of Legal Services
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
RE: Rule Project Number 2024-005-OTH-NR

2024 July 19

Dear Ms. Ricco,

HOLT CAT is a privately held Caterpillar Inc. equipment dealer headquartered in San Antonio, TX. Our customer service area encompasses 105,000 square miles across 118 Texas counties including the I-35 corridor. HOLT CAT provides customers with construction equipment and power systems as well as electric power generation. HOLT CAT is a trusted supplier of natural gas microgrids and reliable backup power for Texas commercial and industrial businesses.

HOLT CAT supports the proposed Air Quality Standard Permit for Electric Generating Units as published in the Texas Register on June 28, 2024. The proposed rule will provide Texas businesses and residential customers greater choice in solutions for their electric generating needs and provide needed thermal resources in the form of dispatchable power to support the Texas grid.

As written, the new proposed rule provides natural gas lean burn spark ignited reciprocating internal combustion engines (SI RICE) electric generating units (EGU) a permitting process currently utilized by natural gas rich burn SI RICE EGU. A standard permit for lean burn EGUs offers applicants more flexibility and serves as an alternative option to install and deploy equipment to support the Texas grid during extreme weather events including high demand during extremely hot or cold weather events.

The lean burn EGUs can be dispatched to support the grid when intermittent renewables are unavailable or operating reserves are tight resulting in an easing of market price pressures. In addition, lean burn EGUs can be used to support the grid as Texas experiences demand growth by allowing our customers to reduce load during critical times.

The standard permit parameters provided for in the proposed rule will ensure continued protection of the environment and remain in compliance with allowable emissions limits. Specifically, the rule sets out the parameters each site must meet to qualify for the standard permit ensuring air quality remains the priority. The standard permit provided in the proposed rule will allow existing EGUs to be immediately available and dispatched once the rule is accepted.



We thank the Texas Commission on Environmental Quality for the opportunity to express our support on this matter. Approval of the proposed rule for a lean burn EGU standard permit will provide an additional reliability and resiliency option for the Texas grid benefitting business and consumers across Texas.

Sincerely,

Tom McDonnell

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