



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Environmental  
Conservation

DIVISION OF AIR QUALITY  
Air Permits Program

PO Box 111800  
Juneau, Alaska 99811-1800  
Main: 907.465.5100  
Toll free: 866.241.2805  
[www.dec.alaska.gov](http://www.dec.alaska.gov)

January 22, 2024

Frank Richards, President  
Alaska Gasline Development Corporation  
3201 C Street  
Anchorage, AK 99503

Subject: PSD Permit and Approval to Construct – Extension Request dated January 19, 2024 for Alaska Gasline Development Corporation’s Liquefaction Facility, Air Quality Control Construction Permit AQ1539CPT01

Dear Mr. Richards:

The Alaska Department of Environmental Conservation (the Department) received a request from Alaska Gasline Development Corporation (AGDC) for an extension to the deadline for commencing construction of the Liquefaction Facility (LF) in a letter dated January 19, 2024. In accordance with 40 CFR 52.21(r), AS 46.14, and 18 AAC 50, of the Prevention of Significant Deterioration (PSD) rules, the AGDC was required to commence construction within 18 months after issuance of the permits. Since the PSD permit was issued on July 7, 2022, the date for commencing construction would have been January 7, 2024.

After reviewing EPA’s Memorandum dated January 31, 2014, titled “Guidance on Extension of PSD Permits under 40 C.F.R. 52.21(r)(2)” (Extension Memorandum), and in accordance with 40 C.F.R. 52.21(r)(2), a Permittee’s PSD permit extension request should include a detailed justification of why the source cannot commence construction within the initial 18-month period. Relevant justification could include ongoing litigation over the PSD permit, natural disasters that directly affect the facility, significant or unusual economic impediments (including inability to secure financial resources necessary to commence construction), and/or delays in obtaining other required permits. The Department must evaluate the extension request on a case-by-case basis.

AGDC is requesting an extension because the LF is part of the Alaska LNG Project (Project), which is a large complex project involving an 807-mile pipeline and a liquefaction facility with total estimated construction costs of over 40 billion dollars, and AGDC needs extra time to allow for the completion of the final Front End Engineering Design (FEED) and to obtain the necessary funding to commence construction and begin operations. AGDC is currently working with Goldman Sachs to obtain private sector investment to complete the FEED stage of the Alaska LNG Project and to move to the Final Investment Decision (FID). AGDC’s goal is to begin the FEED stage of the Project in 2024, complete FEED by the end of 2025, and reach FID and begin construction in 2025. AGDC notes that the project is expected to lower energy costs for residents and businesses on Alaska’s gas distribution network, and U.S. allies including Japan and South Korea have demonstrated strong interest in the project to help meet their countries climate goals and to replace liquified natural gas that has recently been redirected from the U.S. Gulf Coast to Europe. AGDC also notes that the Project was provided federal loan guarantees by the

Department of Energy. However, the process for receiving those loans is still under development. Therefore, AGDC is requesting the date for commencing construction be extended an additional 18 months to July 7, 2025.

In the absence of regulations or guidance specifically addressing PSD permit amendments, the regulatory definitions of Best Available Control Technology (BACT) and the information requirements for PSD permits suggest that permit issuers must evaluate proposed PSD permit amendments on a case-by-case basis to determine whether new information relating to the BACT analysis underlying the original permit warrants revisiting that analysis because such information is “necessary” to ensure that BACT will be applied.

While the New Source Review Manual does not specifically address PSD permit modifications, the manual’s methodology for BACT analysis suggests principles which permit issuers may use on a case-by-case basis in evaluating whether revisiting a BACT analysis is required in the context of a proposed PSD permit amendment. AGDC did not address BACT in their extension request letter. However, the aforementioned EPA guidance states that a review or redo of substantive permit analyses such as BACT, air quality impacts analysis or PSD increment consumption analyses should generally not be necessary for a first permit extension request.

EPA guidance indicates that extension requests should be made for 18-month intervals as PSD decisions and the associated control devices may change. Therefore, the Department is granting an 18-month extension to the deadline for commencing construction because no reanalysis of substantive conditions of the permits needs to be conducted at this time. This extension requires that construction of the LF commence no later than **July 7, 2025**. AGDC may request an additional 18-month extension prior to July 7, 2025. The Department may require a revised BACT analysis and/or a revised ambient air quality standards/increment demonstration in order to approve an extension at that time. The Department is not requiring a public comment period since this is a decision to extend the deadline for commencing construction without any changes to the permit.

A person authorized under a provision of 18 AAC 15 may request an informal review of a contested decision by the Division Director in accordance with 18 AAC 15.185 and/or an adjudicatory hearing in accordance with 18 AAC 15.195 – 18 AAC 15.340. See DEC’s “Appeal a DEC Decision” web page <https://dec.alaska.gov/commish/review-guidance/> for access to the required forms and guidance on the appeal process. Please provide a courtesy copy of the adjudicatory hearing request in an electronic format to the parties required to be served under 18 AAC 15.200.


Informal review requests must be made not later than 20 days after issuance of this construction permit extension approval. The request may be made by mail, or electronic mail to the Air Quality Division Director. If mailed via the U.S. Postal Service use PO Box 111800, Juneau, Alaska 99811-1800, or via another mail carrier (e.g., UPS, FedEx, DHL) use 333 Willoughby Avenue, 8<sup>th</sup> Floor, Suite 800, State Office Building, Juneau, Alaska 99801. If emailed use [DEC.AQ.airreports@alaska.gov](mailto:DEC.AQ.airreports@alaska.gov).

Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, either via the U.S. Postal Service to PO Box 111800, Juneau, Alaska 99811-1800, or by any other mail carrier to 333 Willoughby Avenue, 8<sup>th</sup> Floor, Suite 800, State Office Building, Juneau, Alaska 99801, within 30 days of issuance of this construction permit extension approval. If a hearing is not requested within 30 days, the right to appeal is waived. If a hearing is granted, it will be limited to the issues related to this permit decision. You are reminded that even if a request for an adjudicatory hearing has been granted, all permit terms and conditions remain in full force and effect.

Please note that Alaska's air quality statutes, regulations, and permit application information can be obtained from the department's web page at the following address: <http://dec.alaska.gov/air/air-permit>.

If you have any further questions, please feel free to contact the undersigned or Mr. Dave Jones of my staff at 907-465-5122, or [dave.jones2@alaska.gov](mailto:dave.jones2@alaska.gov).

Sincerely,



James R. Plosay, Manager  
Air Permits Program

cc: Grace Germain, ADEC/APP, Juneau  
Dylan Morrison, ADEC/ACP, Anchorage  
Samantha Hoover, ADEC/ACP, Anchorage  
P. Moses Coss, ADEC/APP, Fairbanks  
Dave Jones, ADEC/APP, Juneau  
Dan Meyer, EPA Region 10, Seattle  
Andrea Stacy, NPS, Denver  
Don Shepherd, NPS, Denver  
Andrea Blakesley, NPS, Denali  
Catherine Collins, FWS, Denver  
Lisa Haas, AGDC, Anchorage  
Jesse Jack, ADEC/APP, Anchorage  
Rachel McKenna, ADEC/ACP, Anchorage  
Nilima Hullavarad, ADEC/ACP, Fairbanks  
Breanna Howard, ADEC/ACP, Anchorage  
Holly Salazar, NPS  
EPA Region 10 Air Permits  
Tim Allen, FWS, Denver  
Kirsten King, NPS, Denver  
Paul Burger, NPS, Denali