

**Alaska Department of Environmental Conservation  
Air Permits Program**

**Public Comment - September 09, 2021**

**Petro Star, Inc.  
Petro Star Valdez Refinery**

**STATEMENT OF BASIS  
for the terms and conditions of  
Permit No. AQ0311TVP03**

**Prepared by Kathie Mulkey  
ADEC AQ/APP Anchorage**

## **INTRODUCTION**

This document sets forth the statement of basis for the terms and conditions of Operating Permit AQ0311TVP03.

### **STATIONARY SOURCE IDENTIFICATION**

Section 1 of Operating Permit AQ0311TVP03 contains information on the stationary source as provided in the Title V permit application.

The stationary source is owned and operated by the Permittee, Petro Star, Inc.. The SIC code for this stationary source is 2911 - Petroleum Refining.

The Petro Star Valdez Refinery (PSVR) is located in Prince William Sound near the town of Valdez and adjacent to the Trans Alaska Pipeline System (TAPS). The PSVR is a petroleum refinery permitted to process up to 70,000 barrels of crude oil per day from the TAPS. The refinery separates the diesel and kerosene fractions from crude oil by distillation. The fractions are then blended to create the facility's products. Remaining products are injected into TAPS. Petro Star has recently modified its refinery to produce ultra-low sulfur kerosene (ULSD #1) and ultra-low sulfur diesel (ULSD #2).

Petro Star Inc. owns a bulk gasoline transfer plant that is located approximately 5 miles from the Valdez refinery. The Permittee has a pre-approved limit of 19,900 gallons of gasoline per day to operate the bulk plant. The bulk plant is not aggregated with the refinery because of the distance and the fact that the refinery does not produce gasoline and there is no interdependence between the two stationary sources.

### **EMISSIONS UNIT INVENTORY AND DESCRIPTION**

Under 18 AAC 50.326(a), the Department requires operating permit applications to include identification of all emissions-related information, as described under 40 CFR 71.5(c)(3).

The emissions units at PSVR that have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit AQ0311TVP03.

The stationary source's emissions units include a crude oil heater, a distillate hydro treating (DHT) unit including a DHT reactor heater and a DHT splitter reboiler, a hydrogen plant heater, a sparge tank at the sulfur recovery unit (SRU), a flare, an emergency glycol heater, a back-up firewater engine pump, 2 emergency diesel generators, 5 utility boilers, 10 crude oil and product storage tanks, and a truck loading rack. In addition, the stationary source also owns several insignificant chemical and fuel storage tanks and 4 small space heaters.

Table A of Operating Permit AQ0311TVP03 contains information on the emissions units regulated by this permit and provided in the application. The table is provided for informational and identification purposes only. Specifically, the emissions unit rating/size provided in the table is not intended to create an enforceable limit.

## EMISSIONS

A summary of the potential to emit (PTE)<sup>1</sup> and assessable PTE as indicated in the application from Petro Star is shown in the table below.

**Table C - Emissions Summary, in Tons Per Year (tpy)**

Pollutant	NOx	CO	PM <sub>10</sub>	SO <sub>2</sub>	VOC	CO <sub>2e</sub>	HAP	Total
PTE	135.7	45.2	20.6	8.1	44.9	4,090,512	7.0	254.5
Assessable PTE	136	45	21	0	45	0	0	247

Notes:

1. CO<sub>2e</sub> emissions are defined as the sum of the mass emissions of each individual GHG adjusted for its global warming potential.
2. Total PTE and total assessable PTE shown in the table do not include CO<sub>2e</sub> and HAP.
3. HAP emissions are a subset of either VOC emissions or PM<sub>10</sub> emissions and are excluded from the assessable emissions total to avoid double counting.

The assessable PTE listed under Condition 90.1 is the sum of the emissions of each individual air pollutant, other than greenhouse gases (GHGs), for which the stationary source has the potential to emit quantities of 10 tpy or greater. The emissions listed in Table C are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit for the stationary source.

PTE for EU IDs 4 and 28 is based on 500 hours of operation per year per unit, consistent with the September 6, 1995 EPA J. Seitz memo for an emergency unit. PTE for EU ID 16 is based on 300 hrs/yr and is consistent with the NOx limit of 2.0 tpy. Emission estimates for NOx, CO, and PM<sub>10</sub> from combustion units were estimated based on vendor data, AP-42 emission factors current as of the date of the permit renewal application submittal, source test results, and any allowed emission rates and/or operational limits applicable to the emissions units at the stationary source. Potential emissions of SO<sub>2</sub> from combustion units are estimated based on mass balance equations and allowable fuel consumption and fuel sulfur content limits. VOC and HAP emissions from combustion units and truck loading rack were calculated using AP-42 emission factors. VOC and HAP emissions from storage tanks were estimated using TANKS v4.09d. VOC emissions from equipment leaks were calculated using EPA 453/R-95-017 (November 1995) while HAP emissions were estimated using EPA AP-42 emission factors. HAP estimates were not included in the total in the table above because most HAP are VOC.

The stationary source is not a major source of HAP. The cumulative HAP total is 7 tpy (less than the major source threshold of 25 tpy for aggregated HAP) from the stationary source, and the highest PTE for any single HAP is less than 10 tpy (the major source threshold for individual

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<sup>1</sup> *Potential to Emit* or *PTE* means the maximum capacity of a stationary source to emit a pollutant under its physical or operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable. Secondary emissions do not count in determining the potential to emit of a stationary source, as defined in AS 46.14.990(22).

HAP). For GHG Emissions, CO<sub>2</sub>e PTE was estimated based on emission factors found in 40 CFR 98, Subpart C, Tables C-1 and C-2.

### **BASIS FOR REQUIRING AN OPERATING PERMIT**

In accordance with AS 46.14.130(b), an owner or operator of a Title V source<sup>2</sup> must obtain a Title V permit consistent with 40 CFR Part 71, as adopted by reference in 18 AAC 50.040.

Except for sources exempted or deferred by AS 46.14.120(e) or (f), AS 46.14.130(b) lists the following categories of sources that require an operating permit:

- A major source;
- A stationary source including an area source subject to federal New Source Performance Standards (NSPS) under Section 111 of the Clean Air Act or National Emission Standards for Hazardous Air Pollutants (NESHAP) under Section 112 of the Clean Air Act;
- Another stationary source designated by the Federal Administrator by regulation.

The Permittee is required to obtain an operating permit for the Petro Star Valdez Refinery as specified under 18 AAC 50.326(a) and 40 CFR 71.3(a) because the stationary source is:

- A major stationary source as defined in Section 302 of the Clean Air Act that directly emits, or has the potential to emit, 100 tpy or more of any air pollutant subject to regulation;
- A source, including an area source, subject to a standard, limitation or other requirement under Section 111 of the Act (NSPS) not exempted or deferred under AS 46.14.120(e) or (f);
- A source, including an area source, subject to a standard or other requirement under Section 112 of the Act (NESHAP) not exempted or deferred under AS 46.14.120(e) or (f).

### **AIR QUALITY PERMITS**

#### **Permits to Operate**

The Department issued the stationary source Permit to Operate 9471-AA036 which included all construction authorizations issued through January 12, 1995. Several terms and conditions of this permit were revised, rescinded, and/or replaced by Construction Permit 311CP03. However, the construction permit required continued compliance with the permit-to-operate. Minor Permit AQ0311MSS03 rescinded Construction Permit 311CP03, and it contained the remaining applicable requirements from the permit-to-operate, so compliance with the permit-to-operate is no longer required.

#### **Title I (Construction and Minor) Permits**

Construction Permit No. 311CP03: The Department issued Construction Permit 311CP03 to this stationary source on April 18, 2002. This permit rescinded and replaced Construction Permit 0071-AC015 (issued October 30, 2000), as well as, revised, rescinded, and/or replaced specific terms and conditions of Permit-To-Operate 9471-AA036. This permit also authorized

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<sup>2</sup> *Title V source* means a stationary source classified as needing a permit under AS 46.14.130(b) [ref. 18 AAC 50.990(111)].

modification of EU ID 1, installation of EU IDs 15 and 16, and established owner requested limits to protect ambient air quality standards and avoid PSD major classification. Minor Permit AQ0311MSS03 rescinded this construction permit.

Minor Permit AQ0311MSS01: The Department issued Minor Permit AQ0311MSS01 on June 1, 2009 to authorize modification of the refinery in order to produce ultra-low sulfur kerosene (ULSD #1) and ultra-low sulfur diesel (ULSD #2). The permit authorized installation of EU IDs 18 through 24 and modification of EU ID 10. The Department revoked this minor permit and reissued it under Minor Permit AQ0311MSS03, as provided in AS 46.14.280(a)(2), because the permit application for Minor Permit AQ0311MSS01 contained material mistakes.

Minor Permit AQ0311MSS02: The Department received an application from Petro Star for Minor Permit AQ0311MSS02 on August 8, 2010. The Department determined a minor permit for this project was not required and the application was withdrawn.

Minor Permit AQ0311MSS03: The Department received an application from Petro Star for Minor Permit AQ0311MSS03 on November 8, 2013. This permit was issued to revoke and reissue Minor Permit AQ0311MSS01 due to material mistakes. Additionally, this permit was issued to revise terms and conditions of Construction Permit 311CP03. Minor Permit AQ0311MSS03 rescinded Construction Permit 311CP03 and contained the revised terms and conditions and the remaining applicable conditions from Construction Permit 311CP03.

Minor Permit AQ0311MSS04: The Department received an application from Petro Star for Minor Permit AQ0311MSS04 on July 16, 2014. This permit was issued to revise monitoring conditions in AQ0311MSS03. Minor Permit AQ0311MSS04 rescinds AQ0311MSS03 and contains the revised terms and conditions and the remaining applicable conditions from AQ0311MSS03.

### **Title V Operating Permit Application, Revisions and Renewal History**

Title V Permit AQ0311TVP01: The Department issued an initial Title V Operating Permit AQ0311TVP01 on July 24, 2002. This permit carried over the source-specific terms and conditions from Permit to Operate 9471-AA036 and Construction Permit AQ0311CPT03. The permit expired on August 24, 2007 but was not renewed because the stationary source was deemed a minor source (i.e., the PTE for each of the regulated air pollutant at the time was less than the 100 tpy threshold for a Title V major source). However, Title V permitting was triggered due to operation of additional emissions units authorized under Minor Permit AQ0311MSS01. Hence, Petro Star applied for a new “initial” Title V permit, as explained below.

Title V Permit AQ0311TVP02: The application for a new “initial” Title V permit was submitted on October 20, 2011. The Department issued an Incompleteness Determination letter on December 20, 2011 and Petro Star, Inc. responded by submitting an application amendment dated January 12, 2012. The Department requested for additional information on February 14, 2012 and Petro Star, Inc. submitted the additional information on March 12, 2012.

Title V Permit AQ0311TVP03: The application for a renewal Title V permit was submitted on March 20, 2020.

### COMPLIANCE HISTORY

The stationary source has operated at its current location since 1991. The Department conducted a Full Compliance Evaluation (FCE) for this stationary source for the period March 1, 2017 through November 30, 2018 and included an August 1, 2018 onsite visit. The FCE report indicates that the stationary source was out of compliance with several conditions in Operating Permit AQ0311TVP02. The Department accepted the 2018 Annual Compliance Certification on April 25, 2019.

The most recent FCE for this stationary source was conducted for the period December 1, 2018 through September 30, 2020 and included a July 24, 2020 onsite visit. The FCE report indicates the stationary source was intermittently out of compliance with conditions in Operating Permit AQ0311TVP02. The Department accepted the 2019 Annual Compliance Certification on April 13, 2020.

### APPLICABLE REQUIREMENTS FROM PRECONSTRUCTION PERMITS

Incorporated by reference at 18 AAC 50.326(j), 40 CFR Part 71.2 defines “applicable requirement” to include the terms and conditions of any preconstruction permit issued under rules approved in Alaska’s State Implementation Plan (SIP).

Alaska’s SIP included the following types of preconstruction permits:

- Permit to Operate issued on or before January 17, 1997 (these permits cover both construction and operations);
- Construction permits issued on or after January 18, 1997; and
- Minor permits issued on or after October 1, 2004.

Preconstruction permit terms and conditions include both source-specific conditions and conditions derived from regulatory applicable requirements such as standard conditions, generally applicable conditions and conditions that quote or paraphrase requirements in regulation. These requirements include, but are not limited to, each emissions unit- or source-specific requirement established in these permits issued under 18 AAC 50 that are still in effect at the time of issuance of Operating Permit AQ0311TVP03.

Table D, lists the requirements carried into Operating Permit AQ0311TVP03 to ensure compliance with the preconstruction permit requirements.

**Table D - Comparison of Minor Permit AQ0311MSS04 Conditions to Operating Permit AQ0311TVP03 Conditions**

Minor Permit AQ0311MSS04 Condition No.	Description of Requirement	Permit No. AQ0311TVP03 Condition No.	How Condition was Revised
Section 1	Emissions unit inventory	Section 2	Rating of EU 4 was changed from 500 kW to 559 kW. EUs 29 and 30 were added.
2	Emissions unit authorization	Section 2	Title V EU authorization language.

Minor Permit AQ0311MSS04 Condition No.	Description of Requirement	Permit No. AQ0311TVP03 Condition No.	How Condition was Revised
3	EU 10 internal floating roof	NA	Authorization is no longer necessary because the internal floating roof has been installed on EU 10.
4	Operation and maintenance	92	Revised to match current standard permit condition (SPC) VI.
5	Ambient air quality protection	19.4	The one-time reporting requirement of Condition 5.2 was completed in 2016. Therefore, it is no longer an applicable requirement.
6	State visible emission standards	1	Revised to match current SPC IX.
7	State particulate matter emission standards	6	Revised to match current SPC IX.
8 & 8.1	State sulfur compound emission standards	13 & 13.1	Not revised.
9	Operation and maintenance	92	Revised to match current SPC VI.
10	SO <sub>2</sub> continuous emission monitoring (CEM)	13.5.a	Not revised.
11	Fuel gas use monitoring	17	Not revised.
12	Liquid fuel flow meter	18	Not revised.
13.1	Storage tank throughput reports	15.5	Added reports of 12 month rolling throughput.
13.2	EU 1 SO <sub>2</sub> reports	13.5.f(i)	Not revised.
14	Operating procedures	16	Not revised.
15	Emissions unit authorization	Section 2	Title V EU authorization language.
16	Crude throughput limit	14	Not revised.
17 through 19	Tank throughput limits	15.1 through 15.3	Not revised.
20	EU 1, 15, and 16 authorization	Section 2	Title V EU authorization language.
21	Maintenance	92	Revised to match current SPC VI.
22 and 23	Ambient air quality protection	19.1, 19.2, and 19.3	Not revised.
24	Limit to Avoid Classification as a PSD Major Source of NO <sub>x</sub> Emissions	20.1	Not Revised. The Permittee has certified that the PSVR no longer produces heavy atmospheric gas oil (HAGO). However, the condition is still an applicable requirement to avoid PSD review for NO <sub>x</sub> .
25 through 27	Limits to Avoid Classification as a PSD Major Source of NO <sub>x</sub> Emissions	20	Not revised.

Minor Permit AQ0311MSS04 Condition No.	Description of Requirement	Permit No. AQ0311TVP03 Condition No.	How Condition was Revised
28	State visible emission standards and MR&R	1, 2.7, 2.8, 3.1.a(vi), 3.1.a(vi), and 4.3.a(i)	Not revised.
29	State particulate matter emission standard	6	Not revised.
30	State sulfur compound emission standards and MR&R	13.1, 13.2, 13.2.a(i), and 13.5	Not revised.
31	MR&R alternatives	NA	This is no longer considered an applicable requirement.
32 through 34	CEM recordkeeping, reporting, and testing conditions	13.5.c through 13.5.e	Not revised.

This table does not include all standard and general conditions.

### NON-APPLICABLE REQUIREMENTS

Each statement of basis is required to contain a discussion of all applicable requirements as set forth in 40 CFR 71.11(b) adopted in 18 AAC 50.040(j). This section discusses standard conditions that have not been included in the permit and other requirements that are not included for specific reasons.

- **40 CFR 60 Subpart Db** - Standards of Performance for Industrial-Commercial-Institutional Steam Generating Units: For EU ID 1, NSPS Subpart Db is not applicable because the emissions unit is a process heater. For EU ID 3, NSPS Subpart Db is not applicable because it is rated below 100 MMBtu/hr.
- **40 CFR 63 Subpart CC** - National Emission Standards for Hazardous Air Pollutants from Petroleum Refineries: PSVR is not a major source of HAP, so it is not subject to the requirements of NESHAP Subpart CC.
- **40 CFR 63 Subpart UUU** - National Emission Standards for Hazardous Air Pollutants from Petroleum Refineries: Catalytic Cracking Units, Catalytic Reforming Units, and Sulfur Recovery Units: PSVR is not a major source of HAP, so it is not subject to the requirements of NESHAP Subpart UUU.
- **40 CFR 63 Subpart EEEE** - National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline): PSVR is not a major source of HAP, so it is not subject to the requirements of NESHAP Subpart EEEE.
- **40 CFR 64 Compliance Assurance Monitoring (CAM)**: The Permittee does not use any control devices to achieve compliance with any emission limits or standards. Therefore, CAM requirements are not applicable.

## STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The Department adopted regulations from 40 CFR 71, as specified in 18 AAC 50.040(j), to establish operating permit regulations. The EPA fully approved the Alaska Operating Permit Program on November 30, 2001, as noted in Appendix A to 40 CFR 70. This statement of basis, required under 40 CFR 71.11(b), provides the legal and factual basis for each condition of Operating Permit AQ0311TVP03. Additionally, and as required by 40 CFR 71.6(a)(1)(i), the state and federal regulations for each condition are cited in the permit.

### Conditions 1 through 5, Visible Emissions Standard and MR&R

**Legal Basis:** These conditions require compliance with the applicable requirements in 18 AAC 50.055(a).

- 18 AAC 50.055(a) applies to the operation of fuel-burning equipment and industrial processes. EU IDs 1, 3, 4, 16, 18–21, 27, and 28 are fuel-burning equipment.

U.S. EPA approve the addition of this standard to the SIP, as noted in 40 CFR 52.70. The Department included permit conditions for monitoring, recordkeeping, and reporting (MR&R) as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

**Factual Basis:** Condition 1 prohibits the Permittee from causing or allowing visible emissions in excess of the applicable standard in 18 AAC 50.055(a)(1). MR&R requirements are listed in Conditions 2 through 4 (for liquid fuel-burning equipment), and Condition 5 (for flares) of the permit. These conditions have been adopted into regulation as Standard Permit Condition (SPC) IX. The Department has modified these conditions for clarity and to more accurately fit the stationary source's operations, as follows:

- In Condition 2, the Department added Conditions 2.7 and 2.8 to carry forward VE monitoring requirements for EU IDs 1 and 16.
- The Department added Condition 3.1.a(vi) to incorporate the specific VE recordkeeping requirements established in Minor Permit AQ0311MSS04 for the crude heater, EU ID 1, while accepting waste heat from the Copper Valley Electric Association's (CVEA's) turbine. EU ID 1 is designed to accept exhaust gas waste heat from CVEA combustion turbine cogeneration project (EU ID 1, Permit 494TVP02), constructed next to the Petro Star Valdez Refinery. The Department requires that the Permittee monitor the combined exhaust.

Except for gas fuel-burning equipment, the Permittee must establish by visual observations, which may be supplemented by other means (e.g., a defined stationary source operation and maintenance program), that the stationary source is in continuous compliance with the state emission standards for visible emissions.

These conditions detail a stepwise monitoring program to determine compliance with the state visible emissions standard for liquid fuel-burning equipment. Equipment types covered by these conditions are internal combustion engines, turbines, heaters, boilers, and flares. Initial monitoring frequency schedules are established along with subsequent reductions or increases in frequency depending on the results of the self-monitoring program.

Reasonable action thresholds are established in these conditions that require the Permittee to progressively address potential visible emission problems from emissions units either

through maintenance programs and/or more rigorous tests that will quantify whether a specific emission standard has been exceeded.

Condition 5 was developed to provide a standardized version of flare monitoring that is not dependent upon the type or design of upstream equipment. It has been claimed that gas-fired flares normally burn without emitting visible emissions. However, gas-fired flares have been shown to smoke when a control device malfunctions (e.g., knockout drum, flare scrubber, gas or steam assist, or vapor recovery system). The condition sets out a protocol to collect actual field data to determine compliance with the 20 percent visible emissions standard for flares.

**Liquid Fuel-Burning Equipment:**

Monitoring – The emissions units must be observed by either the Method 9 or Smoke/No Smoke Plans as detailed in Condition 2. Corrective actions such as maintenance procedures or more frequent observations may be required depending on the results of the observations.

Recordkeeping – The Permittee is required to record the results of all observations and record any actions taken to reduce visible emissions.

Reporting – The Permittee is required to report emissions in excess of the state visible emissions standard and deviations from permit conditions. The Permittee is also required to include in the operating report a statement of which visible emissions plan was used for each emissions unit and copies of the results of all visible emission observations.

**Flares:**

Monitoring for flares (EU ID 21) requires Method 9 observations of scheduled flaring events lasting more than one hour. The Permittee must report the results of these observations to the Department.

**Conditions 6 through 12, Particulate Matter (PM) Standard and MR&R**

**Legal Basis:** These conditions require compliance with the applicable requirement in 18 AAC 50.055(b).

- 18 AAC 50.055(b)(1) applies to the operation of fuel-burning equipment and industrial processes. EU IDs 1, 3, 4, 16, 18–21, 27, and 28 are fuel-burning equipment.

This particulate matter standard applies because it is contained in the federally-approved SIP. The Department included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

**Factual Basis:** Condition 6 prohibits emissions in excess of the applicable state particulate matter standard. MR&R requirements are listed in Conditions 7 through 12 of the permit. These conditions have been adopted into regulation as SPC IX.

Except for gas fuel-burning equipment, the Permittee must establish by visual observations, which may be supplemented by other means, such as a defined Stationary Source Operation and Maintenance Program that the stationary source is in continuous compliance with the state's emission standards for particulate matter.

### **Liquid Fuel-Burning Equipment:**

Monitoring – For EU IDs 1, 3, 4, 16, 18 – 20, 27, and 28, the Permittee is required to either take corrective action, or conduct particulate matter source testing if opacity threshold values are exceeded. For liquid fuel-burning engines and turbines, the Department set opacity threshold values of 15 percent for stack diameters less than 18 inches and 20 percent for stack diameters equal to or greater than 18 inches. These opacity thresholds are based on a study conducted by the Department in an effort to establish a correlation between opacity and PM. The data was collected from diesel engines of various stack sizes.

The results of the correlation study predict that a 20 percent opacity corresponds to a little less than the PM limit for an 18-inch stack. There may be engines that exceed the thresholds, but the intent of the standard condition is not to guarantee that each engine that might exceed the PM standard will be tested. The Department expects few, if any, engines to be tested under this condition. What the Department does expect is that with the adopted condition in place, operators that find an opacity above or near the testing threshold will take corrective action necessary to reduce PM emissions. This would achieve the desired environmental outcome without the added cost of testing. The Department expects this to be the case with both thresholds.

The method is premised on the fact that a five percent difference in opacity is distinguishable. The conditions mean that if opacity readings as measured using Method 9 – with all its limitations – exceed the thresholds, the Permittee must either take corrective action or conduct a PM source test. The compliance conditions for PM do not draw a legal conclusion about whether the method shows compliance with the visible emissions standard.

Recordkeeping – The Permittee is required to record the results of PM source tests and visible emissions observations conducted during the source test.

Reporting – The Permittee is required to report incidents when emissions in excess of the opacity threshold are observed and the results of PM source tests. The Permittee is also required to include copies of the results of all visible emission observations taken during particulate matter source testing in the operating report.

### **Flares:**

Monitoring of flares for particulate matter is waived, i.e., no source testing is required because of the difficulty and questionable results these tests produce when applied to flares. Compliance with the state visible emissions standard serves as a surrogate compliance demonstration for the state particulate matter emissions standard.

### **Condition 13, Sulfur Compound Emissions Standard and MR&R**

**Legal Basis:** This condition requires compliance with the sulfur compound emissions standard in 18 AAC 50.055(d)(3).

- 18 AAC 50.055(d)(3) applies to all fuel-burning equipment at a petroleum refinery constructed or modified after November 1, 1982. EU IDs 1, 3, 4, 16, 18–21, 27, and 28 are fuel-burning equipment.

This sulfur compound standard applies because it is contained in the federally approved SIP. The Department included permit conditions for MR&R as required by 40 CFR 71.6(a)(3)

and 71.6(c)(1). The sulfur compound emissions standard under 18 AAC 50.055(d)(2) for a sulfur recovery plant rated at more than 20 long tons per day (LTPD) does not apply to EU ID 22 (sulfur recovery unit) because the unit rating is less than 20 LTPD.

**Factual Basis:** Conditions 13.1 through 13.1.c require the Permittee to comply with the state sulfur compound emission standards according to type of fuel burned in the fuel-burning equipment at a petroleum refinery. The Permittee may not cause or allow the affected equipment to violate these standards. Sulfur dioxide comes from the sulfur in the fuel (e.g. coal, natural gas, fuel oils).

**Liquid Fuels:**

For EU IDs 3, 4, 16, 27, and 28, the Permittee must comply with the limit of 0.25 percent sulfur content by weight for diesel fuel and conduct monthly sampling of the fuel.

For liquid fuel other than diesel used in EU IDs 18 through 20, the Permittee must also conduct monthly sampling of the fuel.

**Gaseous Fuels:**

Fuel gas sulfur is measured as hydrogen sulfide (H<sub>2</sub>S) concentration in ppm by volume (ppmv). Calculations show that fuel gas containing no more than 4000 ppm H<sub>2</sub>S will comply with this emission standard at stoichiometric or excess air combustion conditions. This is true for all fuel gases. Equations to calculate the exhaust gas SO<sub>2</sub> concentrations resulting from the combustion of fuel gas were not included in this permit. Fuel gas with an H<sub>2</sub>S concentration of even 10 percent of 4000 ppm is currently not available in Alaska and is not projected to be available during the life of this permit.

The Permittee is currently limited to 162 ppmv or 230 mg/dscm H<sub>2</sub>S as listed in Conditions 35 and 38.1.b (as required in NSPS Subparts J and Ja) for EU IDs 1 and 18–21. These federal SO<sub>2</sub> limits are the same as the state standard for SO<sub>2</sub> emission for fuel gas as set out in Condition 13.1. For EU ID 1, the Permittee must use a continuous SO<sub>2</sub> monitoring system, which is one of the options required under NSPS Subpart J. For EU IDs 18–21, the Permittee must monitor, record, and report as required by NSPS Subpart Ja, which streamlines the MR&R requirements.

**Conditions 14 through 20, Preconstruction Permit Requirements**

**Legal Basis:** The Permittee is required to comply with all stationary source-specific requirements that were carried forward from previous SIP-approved Permits to Operate issued on or before January 17, 1997 and operating permits issued between January 18, 1997 and September 30, 2004, and with all stationary source-specific requirements in EPA PSD permits, SIP approved construction permits, SIP approved minor permits, and owner requested limits established under 18 AAC 50.225. These requirements include Best Available Control Technology (BACT) limits, limits to ensure compliance with the attainment or maintenance of ambient air quality standards or maximum allowable ambient concentrations, and owner requested limits. Requirements from the permits listed above apply because they were originally developed through case-by-case action under a federally-approved SIP or approved operating permit program.

**Factual Basis:** These conditions require the Permittee to comply with preconstruction permit terms and conditions. These requirements are listed in Table D and were carried forward from AQ0311MSS04, except as noted.

The application indicated that operating EU IDs 4 and 16 under the limits in Condition 20.7.b would lead to violations under NESHAP Subpart ZZZZ. However, the PSD avoidance limit is an applicable requirement. Additionally, per 40 CFR 63.6640(f)(1), there is no time limit on the use of emergency stationary RICE in emergency situations.

### Conditions 21, Insignificant Emissions Units

**Legal Basis:** The Permittee is required to meet the state emission standards in 18 AAC 50.055 for all industrial processes fuel-burning equipment regardless of size. 18 AAC 50.055 is contained in the federally approved SIP. The Department also added permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

**Factual Basis:** The Department used the language in SPC V for the permit condition but modified the language to include the sulfur compound standards in 18 AAC 50.055(d) for petroleum refinery emissions units constructed or modified after November 1, 1982. This stationary source-specific modification of a standard permit condition is allowed under 18 AAC 50.346(a).

The condition requires insignificant emissions units at the stationary source, including EU IDs 25A, 25B, 26A, and 26B, to comply with the state emission standards for visible emissions, particulate matter emissions, and sulfur compound emissions. The condition includes a cross reference to the sulfur compound requirement in Condition 13.1. Insignificant emissions units are generally not listed in operating permits unless specific monitoring, recordkeeping and reporting are necessary to ensure compliance. However, the Permittee may not cause or allow these insignificant emissions units to violate these standards whether or not they are listed in the operating permit.

Condition 21.4.a requires certification that the units did not exceed state emission standards during the previous year and did not emit any prohibited air pollution, based on reasonable inquiry.

### Conditions 22 through 31, NSPS Subpart A Requirements

**Legal Basis:** The EPA approved Alaska's Part 70 Program on November 30, 2001. As the permitting authority, the Department requires compliance with all permit conditions. Although EPA has not delegated the authority to administer the New Source Performance Standards (NSPS) program to the Department, NSPS requirements are included in the definition for "applicable requirement" under 40 CFR 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1).

Most affected facilities (with the exception of some storage tanks) subject to an NSPS are subject to Subpart A. At this stationary source, emissions units are subject to NSPS rules as follows: EU ID 3 is subject to Subpart Dc, EU ID 1 is subject to Subpart J, EU IDs 18–21 are subject to Subpart Ja, EU IDs 13–15 are subject to NSPS Subpart Kb, EU IDs 1, 6–10, and 13–15 are subject to Subparts GGG/VV, EU IDs 18–24 are subject to Subparts GGGa/VVa, and EU ID 28 is subject to Subpart IIII.

Conditions 22.1 through 22.3 - The Permittee has already complied with the notification requirements in 40 CFR 60.7 (a)(1)–(4) for emissions units subject to NSPS Subparts Dc, J, and Kb (EU IDs 1, 3, and 13–15). Subparts GGG/VV and GGGa/VVa do not require initial notifications under 40 CFR 60.7(a)(1)–(4). However, the Permittee is still subject to these requirements in the event of a new NSPS affected facility<sup>3</sup> or in the event of a modification or reconstruction of an existing facility<sup>4</sup> into an affected facility.

Condition 22.4 - The requirements to notify the EPA and the Department of the date of a continuous monitoring system performance demonstration, no less than 30 days before demonstration commences (40 CFR 60.7(a)(5)) are applicable to EU IDs 1 and 18–21 where a CMS is installed due to an NSPS requirement.

Condition 22.5 - The requirements to notify the EPA and the Department of any proposed replacement of components of an existing facility (40 CFR 60.15) apply in the event that the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable entirely new facility.

Condition 23 – The requirements in 40 CFR 60.7(b) to maintain start-up, shutdown, or malfunction records are applicable to most NSPS affected facilities subject to Subpart A.

Conditions 24 and 25 - NSPS excess emission reporting requirements and summary report form in 40 CFR 60.7(c) & (d) are applicable to EU IDs 1 and 18–21. The Department has included in Section 14 a copy of the Federal EEMSP summary report form for use by the Permittee.

40 CFR 60.7(f) requires record retention for at least two years of the measurement required to be maintained by this Part. This requirement is satisfied by Condition 109, which requires at least five years of record retention.

Condition 26 - specifies CEM recordkeeping requirements, which apply to EU IDs 1 and 18 through 21.

Condition 27 - The Permittee has already complied with the initial performance test requirements in 40 CFR 60.8 for EU ID 1. However, the Permittee is still subject to these requirements in the event of a new NSPS affected facility, in the event of a modification or reconstruction of an existing facility into an affected facility or at such other times as may be required by EPA.

Condition 28 - Good air pollution control practices in 40 CFR 60.11 are applicable to EU IDs 1, 3, 6–10, 13–15, and 18–24.

Condition 29 - states that any credible evidence may be used to demonstrate compliance or to establish violations of relevant NSPS standards for EU IDs 1, 3, 6–10, 13–15, and 18–24.

Condition 30 - Concealment of emissions prohibitions in 40 CFR 60.12 are applicable to EU IDs 1, 3, 6–10, 13–15, 18–24, and 28.

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<sup>3</sup> *Affected facility* means, with reference to a stationary source, any apparatus to which a standard applies, as defined in 40 CFR 60.2.

<sup>4</sup> *Existing facility* means, with reference to a stationary source, any apparatus of the type for which a standard is promulgated in this part, and the construction or modification of which was commenced before the date of proposal of that standard; or any apparatus which could be altered in such a way as to be of that type, as defined in 40 CFR 60.2.

Condition 31 - Monitoring requirements in 40 C. F. R. 60.13 are applicable to EU IDs 1 and 18–21 because a CMS is used to determine compliance with Subpart J and Ja emission standards.

The flare is not subject to 40 CFR 60.18 because it is a safety device and not a control device. It does not control emissions from any NSPS regulated emissions units.

**Factual Basis:** Subpart A contains general requirements applicable to all affected facilities (emissions units) subject to NSPS. In general, the intent of NSPS is to provide technology-based emission control standards for new, modified and reconstructed affected facilities.

### Conditions 32 through 34, NSPS Subpart Dc Requirements

**Legal Basis:** NSPS Subpart Dc applies to steam generating units for which construction, modification, or reconstruction commenced after June 9, 1989 and have maximum design heat input capacities of 29 MW (100 MMBtu/hr) or less, but greater than or equal to 2.9 MW (10 MMBtu/hr). EU ID 3 was constructed in 1994 and has a maximum design heat input capacity of 16.8 MMBtu/hr and is therefore subject to Subpart Dc. NSPS Subpart Dc does not apply to EU IDs 18 through 20 because these units are process heaters.

**Factual Basis:** The conditions require the Permittee to comply with the NSPS Subpart Dc sulfur standard and fuel monitoring. Conditions 33 and 34 include requirements for fuel consumption and fuel sulfur content monitoring. The Permittee is required to maintain records of fuel consumed by EU ID 3. A 2006 amendment to Subpart Dc provides an alternative for keeping monthly instead of daily records of fuel combustion by affected units under certain circumstances. EU ID 3 qualify for this alternative because, as stated in 40 CFR 60.48c(g)(2), the unit combust fuel using fuel certification in 40 CFR 60.48c(f) to demonstrate compliance with the SO<sub>2</sub> standard.

EU ID 3 burns distillate fuel oil and thus, is subject to the standard for SO<sub>2</sub> in 40 CFR 60.42c(d), which allows two compliance options: one is to comply with a sulfur compound emission limit and the other is to comply with a fuel sulfur limit. The Permittee elects to comply by using fuel with no greater than 0.5% sulfur content by weight. In accordance with 40 CFR 60.42c(h)(1), compliance with the SO<sub>2</sub> standard may be demonstrated by certification from the fuel supplier.

The Permittee has already complied with the initial notification requirement for EU ID 3. EU ID 3 is not subject to the PM standard in 40 CFR 60.43c because the emissions unit's maximum design heat input is less than 30 MMBtu/hr

### Conditions 35 through 37, NSPS Subpart J Requirements

**Legal Basis:** NSPS Subpart J applies to fluid catalytic cracking unit catalyst regenerators, fuel gas combustion devices, and all Claus sulfur recovery plants except Claus plants of 20 long tons per day or less, at a petroleum refinery. PSVR is a petroleum refinery and EU ID 1 is a fuel gas combustion device constructed or modified within the applicability dates (after June 11, 1973 and before May 14, 2007 for combustion devices) and therefore subject to Subpart J.

**Factual Basis:** This condition incorporates the Subpart J sulfur oxides standard. The Permittee may not cause or allow the affected emissions units to violate this standard. Compliance monitoring for this requirement includes continuously monitoring SO<sub>2</sub> emissions into the atmosphere from EU ID 1 as described in Condition 36.1 or continuously monitoring H<sub>2</sub>S in fuel gases before being burned in EU ID 1 as described in Condition 36.2, as well as, maintenance and operation of the continuous emissions monitoring system (CEMS) in good working order. MR&R requirements are as provided in Conditions 36 through 37.

### Conditions 38 through 44, NSPS Subpart Ja Requirements

**Legal Basis:** NSPS Subpart Ja applies to the following emissions units in petroleum refineries: fluid catalytic cracking units, fluid coking units, delayed coking units, fuel gas combustion devices (including process heaters, boilers, and flares), and Sulfur Recovery Plants. Except for flares, the provisions of this subpart apply only to affected emissions units which commenced construction, modification, or reconstruction after May 14, 2007. For flares, the provisions of this subpart apply only to flares which commenced construction, modification, or reconstruction, after June 24, 2008. Affected emissions units that are new, reconstructed or modified within the applicability dates become subject to the emission limits and work practice standards of Subpart Ja.

**Factual Basis:** Fuel gas combustion devices, EU IDs 18 – 21, are emissions units at the Petro Star Valdez Refinery that meet Subpart Ja applicability criteria.

For the process heaters and splitter reboiler (EU IDs 18 – 20) and flare (EU ID 21), the Permittee is required to comply with the corresponding emission limits and work practice standards, as provided under Conditions 38 and 39. For EU IDs 18 – 20, the Permittee must demonstrate compliance with Subpart Ja SO<sub>2</sub> emissions standard by complying with either the SO<sub>2</sub> emission limit in Condition 38.1.a or the fuel H<sub>2</sub>S concentration limit in Condition 38.1.b. In addition, the flare, EU ID 21, is also subject to H<sub>2</sub>S limits as described in Condition 39.1. EU ID 20 is not required to comply with Condition 42.1.a or 42.1.b, since it meets the requirement of Condition 42.2.c.

For the Sulfur Recovery Unit, EU ID 22, the emission limits under 40 CFR 60.102a(f) do not apply to the SRU because it has a capacity less than 20 LTPD and does not have either an oxidation control system or a reduction control system. Therefore, the unit is not subject to the associated MR&R requirements for compliance with emission limits.

Notification, monitoring, recordkeeping, and reporting requirements are as provided in Conditions 40 through 44.

### Conditions 45 through 49, NSPS Subpart Kb Requirements

**Legal Basis:** These requirements apply to storage vessels with design capacities meeting the requirements as specified in 40 CFR 60.112b(a) & (b) or their equivalents as provided in 40 CFR 60.114b. The Permittee may not cause or allow the equipment to violate these standards. Affected facilities are VOL storage vessels which have design capacities of 75 m<sup>3</sup> or more storing volatile organic liquid with maximum true vapor pressure of 5.2 kPa or more, and for which construction, reconstruction, or modification commenced after 7/23/84.

- EU IDs 13–15 fall within this category, and are therefore subject to NSPS Subpart Kb.
- EU IDs 6–10 have capacities greater than 151 m<sup>3</sup>, but store liquid with a maximum true vapor pressure less than 3.5 kPa. Therefore, these tanks are not subject to the requirements of NSPS Subpart Kb under 40 CFR 60.110b(b).

**Factual Basis:** This condition incorporates NSPS Subpart Kb requirements. Monitoring, recordkeeping, and reporting requirements are as stated.

### Conditions 50 through 61, NSPS Subpart GGGa/VVa Requirements

**Legal Basis:** This condition applies to the group of all equipment within a process unit, as defined in 40 CFR 60.590a(e)<sup>5</sup> Subpart GGG, that commenced construction or modification after November 7, 2006. The affected emissions units in this stationary source are EU IDs 18 through 24, including each valve, pump, pressure relief device, sampling connection system, open-ended valve or line, and flange or other connector in VOC service.

**Factual Basis:** This condition requires the Permittee to comply with the applicable requirements of Subpart GGGa (Standards of Performance for Equipment Leaks of VOC in Petroleum Refineries) and associated requirements in Subpart VVa. The MR&R are as provided in Subparts GGGa and VVa. There are no specific emission standards for VOCs, but the provisions require surveillance and repair schedules for affected equipment.

### Condition 62, NSPS Subpart QQQ Requirements

**Legal Basis:** NSPS Subpart QQQ applies to waste water systems located in petroleum refineries for which construction, modification, or reconstruction is commenced after May 4, 1987.

**Factual Basis:** These conditions incorporate the Subpart QQQ standards applicable to petroleum refinery wastewater systems. These conditions also specify MR&R required in the subpart.

### Conditions 63 through 66, NSPS Subpart IIII Requirements

**Legal Basis:** NSPS Subpart IIII applies to stationary compression ignition internal combustion engines (CI ICE) that commence construction, modification, or reconstruction after July 11, 2005 where the stationary CI ICE are manufactured after April 1, 2006 for non-fire pump engines and after July 1, 2006 for certified fire pump engines. EU ID 28 is subject to Subpart IIII.

**Factual Basis:** These conditions incorporate the Subpart IIII emissions standards applicable to EU ID 28, as set out in Condition 65. For EU ID 28, the Permittee is also subject to the ULSD (15 ppm Sulfur content) fuel requirements, as set out in Condition 64. These conditions also provide MR&R specifically called out for within the subpart. The

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<sup>5</sup> At 73 FR 31376, June 2, 2008, 40 CFR 60.591a, the definition of “process unit” was stayed until further notice. Per 40 CFR 60.590a(e), the Permittee is not required to comply with the definition of “process unit” in 40 CFR 60.591a until the EPA takes final action to require compliance and publishes a document in the Federal Register. While the definition of “process unit” is stayed, owners or operators should use the following definition: *Process unit* means components assembled to produce intermediate or final products from petroleum, unfinished petroleum derivatives, or other intermediates; a process unit can operate independently if supplied with sufficient feed or raw materials and sufficient storage facilities for the product.

Permittee is required to operate and maintain the stationary CI ICE according to the manufacturer's written instructions or procedures developed by the Permittee that are approved by the engine manufacturer.

### **Condition 67, 40 CFR 61 Subpart J Requirements**

**Legal Basis:** 40 CFR 61 Subpart J applies to each of the following sources that are intended to operate in benzene service: pumps, compressors, pressure relief devices, sampling connection systems, open-ended valves or lines, valves, connectors, surge control vessels, bottoms receivers, and control devices or systems required by Subpart J. Petro Star indicated PSVR does not have any flow streams that have more the 10 percent benzene by weight.

**Factual Basis:** 40 CFR 61.110(c)(1) requires the owner or operator to maintain records as required in 40 CFR 61.246(i) if the owner or operator applies for one of the exemptions in 40 CFR 61.110(c).

### **Condition 68, NESHAP Subpart A Requirements**

**Legal Basis:** The Permittee must comply with applicable National Emission Standards for Hazardous Air Pollutants (NESHAP). NESHAP requirements are included in the “applicable requirement” definition under 40 CFR 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1).

Most facilities subject to a NESHAP requirement are subject to Subpart A. At this stationary source, EU ID 3 is subject to NESHAP Subpart JJJJJ and EU IDs 4 and 16 are subject to NESHAP Subpart ZZZZ and therefore subject to the general provisions of Subpart A as specified in the provisions for applicability of Subpart A in the corresponding NESHAP subpart (Table 8 to Subpart ZZZZ and Table 8 to Subpart JJJJJ).

**Factual Basis:** Subpart A contains the general requirements applicable to all affected facilities (sources) subject to NESHAP. In general, the intent of NESHAP is to regulate specific categories of stationary sources that emit or have the potential to emit one or more hazardous air pollutants. Condition 68 requires compliance with the applicable provisions of Table 8 to Subpart JJJJJ and Table 8 to Subpart ZZZZ, which address the portions of 40 CFR 63 Subpart A that could apply to boilers affected by Subpart JJJJJ and engines affected by Subpart ZZZZ.

### **Conditions 69 through 73, NESHAP Subpart ZZZZ Requirements**

**Legal Basis:** The Department has incorporated by reference the NESHAP requirements for specific industrial activities, as listed in 18 AAC 50.040(c). NESHAP Subpart ZZZZ applies to owners and operators of any existing, new, or reconstructed stationary RICE located at a major or area source of HAP emissions, excluding stationary RICE units being tested at a stationary RICE test cell/stand. The stationary source is subject to the provisions of NESHAP Subpart ZZZZ under 40 CFR 63.6590(a)(1)(iii) for existing RICE whose construction commenced before June 12, 2006, and under 40 CFR 63.6590(a)(2)(iii) for new RICE whose construction commence on or after June 12, 2006.

**Factual Basis:** Petro Star Valdez Refinery is an area source of HAP emissions accessible by the Federal Aid Highway System (FAHS) subject to the provisions of NESHAP Subpart ZZZZ. EU IDs 4 and 16 are existing stationary RICE that commenced construction before June 12, 2006, and EU ID 28 is a new stationary RICE that commenced construction after June 12, 2006.

Per 63.6645(a)(5), the Permittee is not required to submit an initial notification for an existing stationary emergency RICE. Conditions 70 through 73 include all applicable standards and MR&R requirements set out for existing stationary emergency RICE located at an area source of HAP emissions. The Permittee is required to operate and maintain the stationary emergency RICE according to the manufacturer's written instructions or procedures developed by the Permittee in a manner consistent with good air pollution control practice for minimizing emissions. The Permittee is required to install a non-resettable hour meter on each of EU IDs 4 and 16 for accurate recording and monitoring to demonstrate compliance with the work practice standards and operational hour limitations set out for emergency RICE. The units are allowed 100 hours per year each for maintenance check and readiness testing unless federal, state, or local standards require beyond 100 hours per year for the same purpose. The Permittee is not allowed to operate the emergency RICE for purposes other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as allowed under 40 CFR 63.6640(f). The 50 hours allowed for non-emergency situations are counted towards the 100 hours per year provided for maintenance and testing. There is no time limit on the use of emergency stationary RICE in emergency situations. If EU ID 4 or 16 ceases to meet the "emergency" criteria in 40 CFR 63.6640(f)(1) as provided in Condition 71.5, the engine will not be considered an emergency engine under NESHAP Subpart ZZZZ and will need to meet all requirements for non-emergency engines in NESHAP Subpart ZZZZ.

Per 40 CFR 63.6590(c), an affected new stationary reciprocating internal combustion engine (RICE) located at an area source must meet the requirements of Subpart ZZZZ by meeting the requirements of 40 CFR 60 Subpart IIII and no further requirements apply for such engines under 40 CFR 63. EU ID 28 meets these criteria.

#### **Conditions 74 through 79, NESHAP Subpart JJJJJ Requirements**

**Legal Basis:** NESHAP Subpart JJJJJ applies to owners and operators of industrial, commercial, or institutional boilers as defined in 40 CFR 63.11237 that are located at, or is part of, an area source of HAP emissions. PSVR is an area source, and Petro Star owns and operates an industrial oil-fired boiler, EU ID 3, subject to the provisions of NESHAP Subpart JJJJJ under 40 CFR 63.11194(a)(1) and (b) for existing boilers whose construction or reconstruction commenced on or before June 4, 2010.

EU ID 27 does not meet the definition of boiler under NESHAP Subpart JJJJJ because it is a process heater. Therefore, it is not subject to the requirements of NESHAP Subpart JJJJJ. EU IDs 25A, 25B, 26A, and 26B are not subject to the requirements of NESHAP Subpart JJJJJ as specified in 40 CFR 60.11195, because they are hot water heaters.

**Factual Basis:** Conditions 74 through 79 include all applicable requirements for an existing oil-fired boiler with heat input capacity of 10 MMBtu/hr or greater (EU ID 3). As such, EU ID 3 is subject to the applicable work practice standards and management practices, as well as associated MR&R requirements. Compliance with management practices include biennial tune ups for EU ID 3 and a one-time energy assessment. An energy assessment was conducted or completed on or after January 1, 2008, that meets or is amended to meet the energy assessment requirements specified in Table 2, Item 16 to Subpart JJJJJ satisfies the energy assessment requirement. Initial and continuous compliance demonstration, notifications, recordkeeping, and reporting requirements are as provided in Conditions 76 through 79.

### **Condition 80, Asbestos NESHAP**

**Legal Basis:** The requirements of 40 CFR 61 are applicable requirements for Title V permitting purposes, as stated in item 4 of the “applicable requirement” definition under 40 CFR 71.2. The condition requires the Permittee to comply with asbestos demolition or renovation requirements in 40 CFR 61, Subpart M and associated general provisions under Subpart A, as adopted by reference under 18 AAC 50.040(b)(1) and (2)(F). The asbestos demolition and renovation requirements apply if the Permittee engages in asbestos demolition or renovation.

**Factual Basis:** Because these regulations include adequate monitoring and reporting requirements and because the Permittee is not currently engaged in such activity, simply citing the regulatory requirements is sufficient to ensure compliance with these federal regulations.

### **Condition 81, Risk Management Plan (RMP) Requirements, 40 CFR 68**

**Legal Basis:** This stationary source meets the applicability criteria in 40 CFR 68.10 because it contains a regulated substance in a process that has more than a threshold quantity, as determined under 40 CFR 68.115.

**Factual Basis:** The Permittee must comply with any applicable requirements under 40 CFR 68, including the RMP provisions of 40 CFR 68.190.

### **Conditions 82 through 84, Protection of Stratospheric Ozone, 40 CFR 82**

**Legal Basis:** The requirements of 40 CFR 82 are applicable requirements for Title V permitting purposes, as stated in item 12 of the “applicable requirement” definition under 40 CFR 71.2. Condition 82 requires compliance with the applicable requirements in 40 CFR 82, as adopted by reference under 18 AAC 50.040(d). The requirements apply if the Permittee engages in the recycling or disposal of certain refrigerants. The condition requires the Permittee to comply with the standards for recycling and emission reduction of refrigerants in 40 CFR 82, Subpart F.

Conditions 83 and 84 prohibitions also require compliance with the applicable requirement adopted under 18 AAC 50.040(d). Condition 83 prohibitions apply to all stationary sources that use substitutes for ozone-depleting compounds. Condition 84 prohibitions apply to all stationary sources that use halon for extinguishing fires and inert gas to reduce explosion risk. These conditions prohibit the Permittee from causing or allowing violations of these requirements. PSVR uses halon and is therefore subject to the federal regulations contained in 40 CFR 82.

**Factual Basis:** These conditions incorporate applicable 40 CFR 82 requirements. Because these regulations include adequate monitoring and reporting requirements, simply citing the regulatory requirements is sufficient to require compliance with this federal regulation.

### **Condition 85, NESHAP Applicability Determinations**

**Legal Basis:** This condition requires the Permittee to determine rule applicability of NESHAP, and requires record keeping for those determinations if required by the source classification.

**Factual Basis:** The Permittee has conducted an analysis of the stationary source and determined that it is not a major HAP stationary source based on emissions. This condition requires the Permittee to notify the Department and EPA if the stationary source becomes an affected source subject to a standard promulgated by EPA under 40 CFR 63 and to keep records of applicability determinations and make those records available to the Department.

### **Conditions 86 through 88, Standard Terms and Conditions**

**Legal Basis:** These are standard conditions required for all operating permits under 18 AAC 50.345(a) and (e)-(g). As stated in 18 AAC 50.326(j)(3), the standard permit conditions of 18 AAC 50.345 replace the provisions of 40CFR 71.6(a)(5)–(7).

**Factual Basis:** These are standard conditions that apply to all permits.

### **Condition 89, Administration Fees**

**Legal Basis:** This condition requires compliance with the applicable fee requirements in 18 AAC 50.400-403. As stated in 18 AAC 50.326(j)(1), the provisions of 18 AAC 50.400 through 50.430 are applicable and 40 CFR 71.9 is not applicable.

**Factual Basis:** Paying administration fees is required as part of obtaining and holding a permit with the Department or as a fee for a Department action. The regulations in 18 AAC 50.400-403 specify the amount, payment period, and the frequency of fees applicable to a permit action.

### **Conditions 90 and 91, Emission Fees**

**Legal Basis:** These conditions require compliance with the applicable fee requirements in 18 AAC 50.410-420. The regulations specify the time period for the assessable emissions and the methods the Permittee may use to calculate assessable emissions. As stated in 18 AAC 50.326(j)(1), the provisions of 18 AAC 50.400 through 50.430 are applicable and 40 CFR 71.9 is not applicable.

**Factual Basis:** The Department used the language in SPC I, adopted by reference under 18 AAC 50.346(b) for the permit.

SPC I requires the Permittee to pay fees in accordance with the Department's billing regulations. The billing regulations set the due dates for payment of fees based on the billing date. The assessable emissions are the lesser of the stationary source's potential or projected emissions of each air pollutant at 10 tons per year or greater (AS 46.14.250(h)(1)).

SPC I also allows the Permittee to recalculate the stationary source's assessable emissions based on previous actual annual emissions. According to AS 46.14.250(h)(1), assessable emissions are based on each air pollutant. Therefore, fees shall be paid on any pollutant emitted whether or not the permit contains any limitation for that pollutant.

This standard condition specifies that, unless otherwise approved by the Department, calculations of assessable emission must be based on actual emissions for the previous calendar year. Since each current year's assessable emissions are based on the previous year, the Department will not give refunds or make additional billings at the end of the current year if the estimated emissions and current year actual emissions do not match.

SPC I language has been modified as follows:

In Condition 91.1, the Department's address for hard copy submittal was updated.

### **Condition 92, Good Air Pollution Control Practice**

**Legal Basis:** This condition requires compliance with the requirements in 18 AAC 50.346(b)(5) and applies to all emissions units, **except** those subject to emission standards in 40 CFR 60 or 63, those subject to continuous emission or parametric monitoring requirements, and insignificant emissions units.

**Factual Basis:** The condition requires the Permittee to comply with good air pollution control practices (GAPCP) for EU IDs 17, 22 and 27.

The Department adopted this condition under 18 AAC 50.346(b) as SPC VI pursuant to AS 46.14.010(e). Records kept in accordance with Condition 92.2 for units previously subject to GAPCP need to be maintained for 5 years in accordance with Condition 109 even if a unit is no longer subject to this condition.

Maintaining and operating equipment in good working order is fundamental to preventing unnecessary or excess emissions. Standard conditions for monitoring compliance with emission standards are based on the assumption that good maintenance is performed. Without appropriate maintenance, equipment can deteriorate more quickly than with appropriate maintenance. If appropriate maintenance is not applied to the equipment, the Department may have to apply more frequent periodic monitoring requirements (unless the monitoring is already continuous) to ensure that the monitoring results are representative of actual emissions.

The Permittee is required to keep maintenance records to show that proper maintenance procedures were followed, and to make the records available to the Department. The Department may use these records as a trigger for requesting source testing if the records show that an adequate maintenance schedule is not maintained.

### **Condition 93, Dilution**

**Legal Basis:** This condition reiterates 18 AAC 50.045(a), which prohibits the Permittee from using dilution as an emission control strategy. 18 AAC 50.045(a) is included in the SIP approved by EPA and therefore an applicable requirement per 40 CFR 71.2.

**Factual Basis:** The condition prohibits the Permittee from diluting emissions as a means of compliance with any standard in 18 AAC 50.

### **Condition 94, Reasonable Precautions to Prevent Fugitive Dust**

**Legal Basis:** This condition reiterates 18 AAC 50.045(d), which requires a person to use reasonable precautions when handling, storing or transporting bulk materials or engaging in an industrial activity. 18 AAC 50.045 is included in the SIP approved by EPA and therefore an applicable requirement per 40 CFR 71.2. This requirement applies because the Permittee will engage in bulk material handling, transporting, or storing; or will engage in industrial activity at the stationary source.

**Factual Basis:** The Department used the language in SPC X for the permit. The condition requires the Permittee to take reasonable action to prevent particulate matter (PM) from being emitted into the ambient air in accordance with 18 AAC 50.045(d).

### **Condition 95, Stack Injection**

**Legal Basis:** This condition reiterates 18 AAC 50.055(g), which prohibits the Permittee from releasing materials other than process emissions, products of combustion, or materials introduced to control pollutant emissions from a stack (i.e. disposing of material by injecting it into a stack). 18 AAC 50.055 is included in the SIP approved by EPA and therefore an applicable requirement per 40 CFR 71.2.

Stack injection requirements apply to the stationary source because the stationary source contains a stack or unit constructed or modified after November 1, 1982.

**Factual Basis:** No specific monitoring for this condition is practical. Compliance is verified by inspections, because the unit or stack would need to be modified to accommodate stack injection.

### **Condition 96, Air Pollution Prohibited**

**Legal Basis:** This condition requires compliance with 18 AAC 50.110. 18 AAC 50.110 is included in the SIP approved by EPA and therefore an applicable requirement per 40 CFR 71.2. The condition prohibits the Permittee from causing any emission which is injurious to human health or welfare, animal or plant life, or property, or which would unreasonably interfere with the enjoyment of life or property. The Department also included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

**Factual Basis:** The Department used the language in SPC II for the permit. While the other permit conditions and emissions limitations should ensure compliance with this condition, unforeseen emission impacts can cause violations of this standard. These violations would go undetected except for complaints from affected persons. Therefore, to monitor compliance, the Permittee must monitor and respond to complaints.

The Permittee is required to report any complaints and injurious emissions. The Permittee must keep records of the date, time, and nature of all complaints received and summary of the investigation and corrective actions undertaken for these complaints and must submit copies of these records upon request of the Department.

### **Condition 97, Technology-Based Emission Standard**

**Legal Basis:** The Permittee is required to take reasonable steps to minimize emissions if unavoidable emergency, malfunction, or non-routine repair activities cause an exceedance of any technology-based emission standard in this permit. This condition requires compliance with the applicable requirement in 18 AAC 50.235. Technology-Based Emission Standard requirements apply because the stationary source contains equipment subject to a technology-based emission standard, such as BACT, MACT, LAER, NSPS or any other similar standard for which the stringency of the standard is based on determinations of what is technologically feasible, considering relevant factors.

**Factual Basis:** The conditions of this permit list applicable technology-based emission standards and require excess emission reporting for each standard in accordance with Condition 113. Excess emission reporting under Condition 113 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under Condition 113.

### **Condition 98, Open Burning**

**Legal Basis:** The condition requires the Permittee to comply with the regulatory requirements in 18 AAC 50.065 when conducting open burning at the stationary source. in 18 AAC 50.065 is included in the SIP approved by EPA and therefore an applicable requirement per 40 CFR 71.2. The state's open burning regulation in 18 AAC 50.065 applies to the Permittee if the Permittee conducts open burning at the stationary source.

**Factual Basis:** The Permittee may conduct open burning by following the provisions of 18 AAC 50.065 and by following the Department guidelines posted on the website at <http://dec.alaska.gov/air/air-permit/open-burn-info>. Condition 98.1 requires the Permittee to keep records to demonstrate compliance with the standards for conducting open burning.

More extensive monitoring and recordkeeping is not warranted because the Permittee does not conduct open burning as a routine part of their business. Also, most of the requirements are prohibitions, which are not easily monitored. Compliance is demonstrated through annual certification required under Condition 115.

### **Condition 99, Requested Source Tests**

**Legal Basis:** The Permittee is required to conduct source tests as requested by the Department. This requirement is under 18 AAC 50.220(a) and 50.345(k), which are included in the SIP approved by EPA.

**Factual Basis:** This condition applies because this is a standard condition to be included in all operating permits, as specified in 18 AAC 50.345(a). Compliance is demonstrated through the submission of the required source test plan and report.

### **Conditions 100 through 102, Operating Conditions, Reference Test Methods, Excess Air Requirements**

**Legal Basis:** Conditions 100 and 102 require compliance with the applicable requirement in 18 AAC 50.220(b) and (c)(3), which are included in the SIP approved by EPA. Condition 101 specifies source test methods, as required by 40 CFR 71.6(a)(3)(i) and 71.6(c)(1). These requirements apply because the Permittee is required by the permit to conduct source tests or a source test may be requested by the Department. The Permittee is required to conduct source tests in the manner set out in Conditions 100 through 102.

**Factual Basis:** These conditions supplement the specific monitoring requirements stated elsewhere in this permit.

### **Condition 103, Test Exemption**

**Legal Basis:** This condition incorporates the source test exemption in 18 AAC 50.345(a) regarding visible emissions observations. 18 AAC 50.345(a) is included in the SIP approved by EPA.

**Factual Basis:** As provided in 18 AAC 50.345(a), the requirements for test plans, notifications and reports do not apply to visible emissions observations by smoke readers, except in connection with required particulate matter testing.

## **Conditions 104 through 107, Test Deadline Extension, Test Plans, Notifications and Reports**

**Legal Basis:** Conditions 105 through 107 require compliance with the applicable requirement in 18 AAC 50.345(m) through (o), which are included in the SIP approved by EPA. Condition 104 contains the requirement in 18 AAC 50.345(l). The requirements in 18 AAC 50.345(l) through (o) constitute standard conditions that must be included in each operating permit, as specified in 18 AAC 50.345(a). These requirements apply because the Permittee is required to conduct source tests as set out by this permit or as requested by the Department.

**Factual Basis:** These standard conditions supplement specific monitoring requirements stated elsewhere in this permit.

## **Condition 108, Particulate Matter Calculations**

**Legal Basis:** This condition requires the Permittee to reduce particulate matter data in accordance with 18 AAC 50.220(f), which is included in the SIP approved by EPA. It applies when the Permittee tests for compliance with the particulate matter standards in 18 AAC 50.050 or 50.055.

**Factual Basis:** The condition incorporates a regulatory requirement for particulate matter source tests. This condition supplements specific monitoring requirements stated elsewhere in this permit.

## **Condition 109, Recordkeeping Requirements**

**Legal Basis:** This condition requires the Permittee to keep records in accordance with 40 CFR 71.6(a)(3)(ii), which the Department adopted by reference under 18 AAC 50.040(j)(4). It also incorporates the general NSPS recordkeeping requirement under 40 CFR 60.7(f), which the Department adopted by reference under 18 AAC 50.040(a)(1).

**Factual Basis:** The condition restates the regulatory requirements for recordkeeping, and supplements the recordkeeping defined for specific conditions in the permit. The records being kept provide evidence of compliance with this requirement.

40 CFR 60.7(f) requires records retention for at least two years of the measurements required to be maintained by this Part while 40 CFR 71.6(a)(3)(ii) requires at least five years of records retention. The five-year records retention requirement in Condition 109 satisfies both 40 CFR 60.7 (f) and 40 CFR 71.6(a)(3)(ii).

## **Condition 110, Certification**

**Legal Basis:** All operating permits must contain a requirement to certify permit applications, reports, affirmations, and compliance certifications, per 18 AAC 50.345(j) and 18 AAC 50.205. Both requirements are part of the SIP approved by EPA.

**Factual Basis:** The Department used the language in SPC XVII, adopted by reference under 18 AAC 50.346(b)(10), for the permit condition. The requirement in 18 AAC 50.345(j) is a standard condition that must be included in each operating permit, as specified in 18 AAC 50.345(a). 18 AAC 50.345(j) allows the excess emissions reports to be

certified with the operating report. However, the Department reminds the Permittee that excess emissions reports must be submitted according to the applicable deadline given in Condition 113 and must not be withheld from the Department until the deadline for submittal of an operating report. This condition supplements the reporting requirements of this permit. The certification statement through electronic signature and options for submittal provide paperless options for reporting without compelling Permittees to any specific means of submission.

### **Condition 111, Submittals**

**Legal Basis:** This condition applies because the Permittee is required to send reports to the Department and supplements the standard reporting and notification requirements of this permit.

**Factual Basis:** The Department used the language in SPC XVII, adopted by reference under 18 AAC 50.346(b)(10), for the permit condition. This condition lists the Department's appropriate address for reports and written notices. This condition states that the Department requires one certified copy of submitted reports (except as otherwise required by the Department or other conditions of the permit) and provides an allowance for either electronic or hard copy document submittals. The condition also directs the Permittee to refer to the submission instructions on the Department's Standard Permit Conditions web page for additional information regarding document submittals (e.g., the appropriate Department address).

### **Condition 112, Information Requests**

**Legal Basis:** All operating permits must include a condition that requires the Permittee to furnish certain information upon request, per 18 AAC 50.345(i). The requirement is part of the SIP approved by EPA.

**Factual Basis:** The requirement in 18 AAC 50.345(i) is a standard condition to be included in all operating permits, as specified in 18 AAC 50.345(a). This condition requires the Permittee to submit information requested by the Department.

### **Condition 113, Excess Emission and Permit Deviation Reports**

**Legal Basis:** This condition requires the Permittee to comply with the requirements in 18 AAC 50.235(a)(2) and 18 AAC 50.240(c). Also, the Permittee is required to notify the Department when emissions or operations deviate from the requirements of the permit.

**Factual Basis:** This condition satisfies two state regulations related to excess emissions - the technology-based emission standard regulation and the excess emission regulation. Although there are some differences between the regulations, the condition satisfies the requirements of each regulation.

The Department used the language in SPC III for the permit condition. The Department used the notification form in SPC IV (Section 13) for the notification requirements.

### **Condition 114, Operating Reports**

**Legal Basis:** The condition specifies the reporting requirements under 40 CFR 71.6(a)(3)(iii)(A), which the Department has adopted by reference under 18 AAC 50.346(b)(6).

**Factual Basis:** The Department used the language in SPC VII for the permit condition. The condition restates the requirements for reports listed in regulation. The condition supplements the specific reporting requirements elsewhere in the permit.

The condition specifies that for the transition periods between an expiring permit and a renewal permit the Permittee shall ensure that there is date-to-date continuity between the expired permit and the renewal permit such that the Permittee reports against the permit terms and conditions of the permit that was in effect during those partial date periods of the transition. No format is specified. The Permittee may provide one report accounting for each permit term or condition and the effective permit at that time. Alternatively, the Permittee may choose to provide two reports – one accounting for reporting elements of permit terms and conditions from the end date of the previous operating report until the date of expiration of the old permit, and a second operating report accounting for reporting elements of terms and conditions in effect from the effective date of the renewal permit until the end of the reporting period.

### **Condition 115, Annual Compliance Certification**

**Legal Basis:** This condition requires compliance with the requirements in 40 CFR 71.6(c)(5), which the Department adopted by reference under 18 AAC 50.040(j).

**Factual Basis:** This condition specifies the periodic compliance certification requirements, and specifies a due date for the annual compliance certification.

Condition 115 provides clarification of transition periods between an expiring permit and a renewal permit to ensure that the Permittee certifies compliance with the permit terms and conditions of the permit that was in effect during those partial date periods involved in the transition. No format is specified: the Permittee may provide one report certifying compliance with each permit term or condition for each of the effective permits during the certification period, or may choose to provide two reports – one certifying compliance with permit terms and conditions from January 1 until the date of expiration of the old permit, and a second report certifying compliance with terms and conditions in effect from the effective date of the renewal permit until December 31.

The Permittee is required to submit to the Department an annual compliance certification report. The Permittee may submit the required report electronically at their discretion.

### **Condition 116, Emission Inventory Reporting**

**Legal Basis:** This condition requires the Permittee to submit emissions data to the Department, so the Department is able to satisfy the federal requirement to submit emission inventory data from point sources to the EPA, as required under 40 CFR 51.15 and 51.321. The emission inventory requirement applies to sources defined as point sources in 40 CFR 51.50. The Department must report to EPA, emissions data as described in 40 CFR 51.15 and the data elements in Tables 2a and 2b of Appendix A to 40 CFR 51 Subpart A.

**Factual Basis:** The Department used the language in SPC XV, as adopted by reference under 18 AAC 50.346(b)(8), for the permit condition.

The emission inventory data is due to EPA 12 months after the end of the reporting year (40 CFR 51.30(a)(1) and (b)(1)). Permittees have until April 30<sup>th</sup> to compile and submit the data to the Department. To expedite the Department's process of transferring data into EPA's electronic reporting system, the Department encourages Permittees to submit the emission inventory through the Department's electronic emission inventory submission system in the Permittee Portal on the Department's AOS web page at <https://dec.alaska.gov/Applications/Air/airtoolsweb/>. A myAlaska account and profile are needed to gain access to the Permittee Portal. Other options to submit the emission inventory are via mail, email, or fax.

Detailed instructions on completing and submitting the emission inventory and the report form are available at the Point Source Emission Inventory page <http://dec.alaska.gov/Applications/Air/airtoolsweb/PointSourceEmissionInventory> by clicking the Emission Inventory Instructions button. The emission inventory instructions and report form may also be obtained by contacting the Department.

To ensure that the Department's electronic system reports complete information to the National Emissions Inventory, Title V stationary sources are required to submit with each report emissions data described in 40 C.F.R. 51.15 and the data elements in Tables 2a and 2b to Appendix A of 40 C.F.R. 51 Subpart A, as applicable. Title V stationary sources with potential annual emissions greater than or equal to any of the emission thresholds shown in Condition 116.1 for Type A (large) sources, as listed in Table 1 to Appendix A of 40 C.F.R. 51 Subpart A, are required to report emission inventory data every year for the previous calendar year (also known as the inventory year). For triennial inventory years, Type A sources only need to submit one report, not both an annual report and a separate triennial report.

Title V stationary sources with potential annual emissions greater than or equal to any of the emission thresholds for Type B (small) sources shown in Condition 116.2.a (for attainment and unclassifiable areas) and Condition 116.2.b (for nonattainment areas), as listed in Table 1 to Appendix A of 40 C.F.R. 51 Subpart A, are required to report emission inventory data every third year (i.e., triennially) for the previous inventory year. The emission thresholds for nonattainment areas listed in Condition 116.2.b vary depending on the nonattainment status of the area. As of June 9, 2017, Fairbanks and North Pole urban area have been designated by the federal administrator as "serious nonattainment" for PM<sub>2.5</sub>. Therefore, a stationary source located in Fairbanks and North Pole urban area is subject to the triennial reporting requirement if its potential to emit is greater than or equal to any of the threshold values in Conditions 116.2.b(i), 116.2.b(ii), 116.2.b(iii) (PM<sub>10</sub> only), and 116.2.b(iv).

As of the issue date of this permit, the PSVR is a Type B stationary source.

### **Condition 117, NSPS and NESHAP Reports**

**Legal Basis:** The Permittee is required to provide the Department a copy of each report submitted to EPA as required for emissions units subject to NSPS or NESHAP federal regulations under 18 AAC 50.326(j)(4). 40 CFR 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

**Factual Basis:** The condition supplements the specific reporting requirements in 40 CFR 60, 40 CFR 61, and 40 CFR 63. The reports themselves provide monitoring for compliance with this condition.

### **Condition 118, Permit Applications and Submittals**

**Legal Basis:** 40 CFR 71.10(d)(1), adopted by reference under 18 AAC 50.040(j)(7), requires submission of a copy of each permit application to EPA.

**Factual Basis:** The Department used the language in SPC XIV, adopted by reference under 18 AAC 50.346(b)(7), for the permit condition. The condition directs the applicant to send a copy of each application for modification or renewal of this permit to the EPA. The information may be submitted in electronic format if practicable. This condition shifts the burden of compliance with 40 CFR 71.10(d)(1) from the Department to the Permittee as allowed under 40 CFR 71.10(d)(1).

### **Conditions 119 through 121, Permit Changes and Revisions Requirements**

**Legal Basis:** 40 CFR 71.6(a)(8), (12), and (13), incorporated by reference under 18 AAC 50.040(j), require that these provisions be included in operating permits.

**Factual Basis:** 40 CFR 71.6(a)(12), and (13), as reflected in Conditions 120 and 121 respectively, specify changes that may be made without a permit revision, and 40 CFR 71.6(a)(8) states permit revisions are not required for some emissions trading and similar programs.

The Permittee did not request trading of emission increases and decreases as described in 40 CFR 71.6(a)(13)(iii), therefore language addressing these provisions has not been included in this permit.

### **Condition 122, Permit Renewal**

**Legal Basis:** The Permittee must submit a timely and complete operating permit renewal application if the Permittee intends to continue operations in accordance with the operating permit program. The obligations for a timely and complete operating permit application are in 40 CFR 71.5(a)–(c), adopted by reference in 18 AAC 50.040(j)(3) and 18 AAC 50.326(c).

**Factual Basis:** In accordance with AS 46.14.230(a), this operating permit is issued for a fixed term of five years after the date of issuance, unless a shorter term is requested by the permit applicant. The Permittee is required to submit an application for permit renewal by the specific dates applicable to the stationary source as listed in this condition. As stated in 40 CFR 71.5(a)(1)(iii), submission for a permit renewal application is considered timely if it is submitted at least six months but no more than eighteen months prior to expiration of the operating permit. According to 40 CFR 71.5(a)(2), a complete renewal application is one that provides all information required pursuant to 40 CFR 71.5(c) and must remit payment of fees owed under the fee schedule established pursuant to 18 AAC 50.400. 40 CFR 71.7(b) states that if a source submits a timely and complete application for permit issuance (including renewal), the source's failure to have a permit is not a violation until the permitting authority takes final action on the permit application.

Therefore, as long as an application has been submitted within the timeframe specified under 40 CFR 71.5(a)(1)(iii), and is complete before the expiration date of the existing permit, then the expiration of the existing permit is extended and the Permittee has the right to operate under that permit until the effective date of the new permit. However, this protection shall cease to apply if, subsequent to the completeness determination, the applicant fails to submit by the deadline specified in writing by the Department any additional information needed to process the application.

**Conditions 123 through 128, General Compliance Requirements and Schedule**

**Legal Basis:** These conditions require compliance with the applicable requirements in 18 AAC 50.345(b) through (d) and (h) and 40 CFR 71.6(c)(3). As stated in 18 AAC 50.345(a), the requirements in 18 AAC 50.345(b) through (d) and (h) are standard conditions that must be included in all operating permit by the Department.

**Factual Basis:** These are standard conditions for compliance required for all operating permits.

**Conditions 129 and 130, Permit Shield**

**Legal Basis:** These conditions require compliance with the requirements in 40 CFR 71.6(f), which the Department adopted by reference under 18 AAC 50.040(j)(4). These requirements apply because the Permittee has requested that the Department shield the stationary source from specific non-applicable requirements listed under this condition.

**Factual Basis:** Table B of Operating Permit AQ0311TVP03 shows the permit shield that the Department granted to the Permittee. Should any of the shielded requirements become applicable during the permit term, the Permittee is required to take necessary steps to comply with all applicable requirements in a timely manner. The following table shows the requests that were denied and the reasons that they were denied. The Department based the determinations on the permit application, past operating permit, likelihood for the source to become subject during the life of the permit, Title I permits and inspection reports.

**Table E - Permit Shields Denied**

Shield Requested for:	Reason for Shield Request:	Reason for Denial
40 CFR 63 Subpart DDDDD	Facility is not a major source of HAP	This is not considered a potentially applicable requirement and therefore a permit shield is not relevant.
18 AAC 50.025(b)(3)	Facility is not in a visibility special protection area.	This is not considered a potentially applicable requirement and therefore a permit shield is not relevant.
18 AAC 50.050(a) & (b)	There are no incinerators at this facility	These are not considered potentially applicable requirements and therefore permit shields are not relevant.
18 AAC 50.055(b)(3)	Permittee was not in operation before July 1, 1972.	This is not considered a potentially applicable requirement and therefore a permit shield is not relevant.
18 AAC 50.055(g)	Permittee constructed sources before November 1, 1982	Emissions units were constructed after November 1, 1982
18 AAC 50.085 & 50.090	Permittee is not located at the Port of Anchorage.	These are not considered potentially applicable requirements and therefore permit shields are not relevant.