

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

**Alyeska Pipeline Service Company (APSC)
Trans Alaska Pipeline System (TAPS) Pump Station 9 (PS-9)**

**STATEMENT OF BASIS
of the terms and conditions for
Permit No. AQ0079TVP02**

Public Comment Draft - date

**Reviewed by James Plosay
ADEC AQ/APP Juneau**

**Prepared by Jeanette Brena & Grace Germain
ENTRIX, Inc.**

INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0079TVP02.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0079TVP02 contains information on the stationary source, as provided in the Title V permit application.

The stationary source (i.e., the Trans Alaska Pipeline System (TAPS) Pump Station 9 (PS-9)) is operated by Alyeska Pipeline Service Company (APSC), and Alyeska Pipeline Service Company (APSC) is the Permittee for the stationary source's operating permit. The SIC code for this stationary source is 4612 -- Crude Oil Pipelines.

The stationary source is a crude oil pumping facility. The purpose of Pump Station 9 is to support the transportation of crude oil by TAPS, which transports crude oil from the North Slope of Alaska to the Valdez Marine Terminal. The operation of Pump Station 9 is supported by several auxiliary activities due to its remote location, including maintenance and support facilities.

EMISSION 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 C.F.R. 71.5(c)(3).

The emission units at the PS-9 that have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit No. AQ0079TVP02, including one firewater pump generator, three diesel I.C. engine drivers, and one crude oil breakout storage tank. EU IDs 8 and 10 – 12 operate exclusively on distillate fuel.

Table A of Operating Permit No. AQ0079TVP02 also contains specific information on each of the emission units that are regulated by this permit and provided in the application. The table is provided for informational and identification purposes only. Specifically, the emission unit rating/size provided in the table is not intended to create an enforceable limit.

EMISSIONS

A summary of the potential to emit (PTE)¹ and assessable PTE is shown in Table D below.

Table D - Emissions Summary, in Tons Per Year (TPY)

Pollutant	NOx	CO	PM-10	SO ₂	VOC	HAPs	Total
PTE	413	17	5	35	414	14.2	884
Assessable PTE	413	17	0	35	414	0	879

The assessable PTE listed under condition 25.1 is the sum of the emissions of each individual regulated air pollutant for which the stationary source has the potential to emit quantities greater than 10 tons per year (TPY). The emissions listed in the table are estimates to be used for informational purposes only. The listing of the emissions does not create an enforceable limit to the stationary source.

The emission estimates were provided in the renewal application based on manufacturer's data, EPA's AP-42 emission calculations, operational hour and owner requested limits, TANKS 4.0, and mass balance calculations using 0.24 percent sulfur by weight.

HAP estimates were not included in the total in the table above because most HAPs are VOCs. The stationary source is not a major source of HAPs. The highest individual HAP is 8.7 TPY and cumulative HAPs are shown in the table above.

BASIS FOR REQUIRING AN OPERATING PERMIT

In accordance with AS 46.14.130(b), an owner or operator of a Title V source² must obtain a Title V permit consistent with 40 C.F.R. 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 three categories of sources that require an operating permit:

- A major source;
- A stationary source subject to federal new source performance standards or national emission standards; and
- Another stationary source designated by the federal administrator by regulation.

This stationary source is further classified under 18 AAC 50.326(a) and 40 C.F.R. 71.3(a) as:

- Belonging to a single major industrial grouping as defined in Section 302 of the Act, that directly emits or has the potential to emit 100 TPY or more of any air pollutant;

¹ *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(23), effective 7/25/08.

² *Title V source* means a stationary source classified as needing a permit under AS 14.130(b) [ref. 18 AAC 50.990(111)].

- Containing a source, including an area source, subject to a standard or other requirement under Section 111 of the Act (New Source Performance Standards, NSPS), and not exempted or deferred under AS 46.14.120(e) or (f); and

CURRENT AIR QUALITY PERMITS

Previous Air Quality Permit to Operate

The most recent permit-to-operate issued for this stationary source is Permit to Operate No. 9572-AA005. This permit-to-operate was issued on March 4, 1996 and revised on January 17, 1997 and July 2, 1997 (settlement agreement amendment). This permit was amended through Construction Permit No. 9872-AC028 issued on December 4, 1998. All stationary source-specific requirements established in this previous permit, as amended through December 4, 1998, are included in this renewal Operating Permit No. AQ0079TVP02, as described in Table E.

Title I (Construction) Permits

Construction Permit No. 9872-AC028 was issued to the Permittee on December 4, 1998. This permit revised (deleted) terms and conditions of Permit to Operate No. 9572-AA005. Except for EU ID 8, all of the emission units authorized under this permit have been decommissioned from PS-9; therefore, only the effective stationary source-specific requirements associated with EU ID 8 established in this Title I permit are included in this renewal Operating Permit No. AQ0079TVP02, as described in Table E.

Construction Permit No. AQ0079CPT02 was issued on March 11, 2005 to authorize installation of combustion units as part of the Strategic Reconfiguration (SR) Project. APSC requested to retain EU IDs 8, and to install EU IDs 10, 11, and 12. All effective stationary source-specific requirements in AQ0079CPT02 are now being carried forward into this renewal Permit No. AQ0079TVP02, as described in Table F.

Construction Permit No. AQ0079CPT03 was issued to the Permittee on October 28, 2005. This permit implemented owner requested emission limits to cap emissions and classify PS-9 as HAP synthetic minor. All stationary source-specific requirements established in this previous permit are included in this renewal Permit No. AQ0079TVP02, as described in Table G.

Title V Operating Permit Application, Revisions, and Renewal History

The Permittee submitted an application for a Title V operating permit on October 1, 1997 and supplements to the application on November 1998, March 2000, and December 2001. On October 13, 2003, the Department issued Title V Operating Permit No. AQ0079TVP01.

The Permittee submitted an application for a renewal to the Title V operating permit on May 20, 2008, with supplements to the application dated August 18, 2009. As set out by AS 46.14.160(b) and 40 C.F.R. 71.7(a)(4), the application defaulted complete 60 days after receipt of the application. The Permittee submitted an amendment to the Title V operating permit renewal application on October 30, 2008 and April 1, 2009. The purpose of the first amendment was to withdraw the Permittee's previous applicability determination on 40 C.F.R. 63 Subpart CCCCCC and also to request for permit shields from the requirements of this subpart. The Department concurred with the Permittee's assessment and, therefore, granted the request in this renewal permit. On April 1, 2009, APSC provided a second application amendment to withdraw the Permittee's previous applicability determination on 40 C.F.R. 63 Subpart HHHHHH to the

stationary source and also to request for a permit shield from the requirements of this subpart. The Department concurred with the Permittee's assessment regarding inapplicability of 40 C.F.R. 63 Subpart HHHHHH. However, the Department did not grant the shield requested for 40 C.F.R. 63 Subpart HHHHHH because there is no prohibition for the stationary source from using MeCl for paint stripping during the life of this permit.

COMPLIANCE HISTORY

The stationary source has operated at its current location since 1977. PS-9 is classified as Prevention of Significant Deterioration (PSD) major because it emits or has the potential to emit 250 TPY or more of a regulated air pollutant. Although the stationary source as a whole is designated as major under PSD, a PSD permit has not been required because the source commenced construction prior to August 7, 1977 (the effective date of the PSD regulations) and has not been modified to a level above PSD emission thresholds since. Review of the permit files, which includes the past inspection reports, indicates the following compliance history.

In 1990, the Permittee and the Department entered into a Compliance Order by Consent (COBC) No. 90-245-2621 to resolve allegations regarding unauthorized modifications to the TAPS pump stations, including the addition of rim cooling on the mainline turbines. The COBC established the original fuel limits for the Avon gas generators. This COBC is closed.

More recently, the Department conducted a full compliance evaluation (FCE), which included an on-site inspection on August 28, 2008 covering the period August 4, 2006 through August 31, 2008. As a result of this evaluation, the Department issued a compliance letter dated September 22, 2008, Enforcement Tracking No. 2008-0678-37-07119. The Department found that the Permittee had some procedural violations associated with monitoring and reporting requirements in Construction Permit No. AQ0079CPT02 and Operating Permit No. AQ0079TVP01. These violations had been addressed and resolved as of October 1, 2008.

STATIONARY SOURCE-SPECIFIC REQUIREMENTS CARRIED FORWARD

Incorporated by reference at 18 AAC 50.326(j), 40 C.F.R. Part 71.6 defines "applicable requirement" to include the terms and conditions of any pre-construction permit issued under rules approved in Alaska's State Implementation plan.

Alaska's State Implementation Plan included the following types of pre-construction permits:

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

Pre-construction 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 source-specific requirement established in these permits issued under 18 AAC 50 that are still in effect at the time of this operating permit issuance.

Table E through Table G below list the requirements carried over to ensure compliance with the applicable requirements from Permit-to-Operate No. 9572-AA005 (as amended through December 4, 1998 by Construction Permit No. 9872-AC028), Construction Permit Nos. AQ0079CPT02 and AQ0079CPT03 into Operating Permit No. AQ0079TVP02.

Table E – Comparison of Permit No. 9572-AA005 conditions (as amended through December 4, 1998 by Construction Permit No. 9872-AC028) to Operating Permit No. AQ0079TVP02 Conditions³

Permit No. 9572-AA005 Condition No.	Description of Requirement	Permit No. AQ0079TVP02 Condition No.	How Condition was Revised
6	Liquid fuel sulfur content may not exceed 0.24 percent by weight.	9.1	Same limit
8	Limit operation of Firewater pump to no more than 200 hour per year for routine maintenance, testing, and verification of operational capability.	N/A	Condition has been deleted by Permit No. 9872-AC028.
15, Exhibit C.I	Liquid fuel MR&R	9.2 - 9.4	Streamlined sulfur content monitoring requirement based on the more stringent ORL sulfur limit of 0.24 percent.
All other conditions, and requirements from Exhibits A - D	Various air quality permit requirements	N/A	These requirements are now obsolete since all units authorized under Permit No. 9572-AA005, except for EU ID 8, have been decommissioned from PS-9.

Table F - Comparison of Permit No. AQ0079CPT02 Conditions to Operating Permit No. AQ0079TVP02 Conditions⁴

Permit No. AQ0079CPT02 Condition No.	Description of Requirement	Permit No. AQ0079TVP02 Condition No.	How Condition was Revised
1	Authorization to Install EU IDs 10 – 12 for the Strategic Reconfiguration	N/A	Emission units are already installed.
2, 3	Owner Requested Limits for Ambient Air Quality Protection – NO _x , SO ₂ , PM-10 (EU IDs 8, 10, 11, & 12)	10, 11	Not revised.
4	Owner Requested Limits to Avoid PSD Major Modification – NO _x (EU IDs 10 – 12)	12	Same limits. Added MR&R conditions.
5 and 6	State VE and PM emissions requirements for EU IDs 10 – 12.	1, 2 – 8	Used the adopted standard conditions language.
7	State Sulfur Compound emissions requirements for EU IDs 10 – 12.	9	Similar requirements, except replaced the fuel sulfur content limits with the limits in condition 11.

³ This table does not include all standard and general conditions.

⁴ This table does not include all standard and general conditions.

Table G – Comparison of Permit No. AQ0079CPT03 Conditions to Operating Permit No. AQ0079TVP02 Conditions⁵

Permit No. AQ0079CPT03 Condition No.	Description of Requirement	Permit No. AQ0079TVP02 Condition No.	How Condition was Revised
1	Hazardous Air Pollutant Owner Requested Limit (Tank 190, EU ID 13)	13	Not revised.
2	Hazardous Air Pollutant Owner Requested Monitoring and Recordkeeping (Tank 190, EU ID 13)	13.1	Did not carry forward conditions 2.2, 2.3, 2.5b, and 2.6a where the Permittee is allowed to “use equivalent methods approved by the Department”. This text was discarded during the Revised Action Plan submitted to EPA on July 15, 2007, as a result of the EPA Audit of the September 2006 Title V Program Review and is not to be used in subsequent permits since it allows a Permittee to bypass the public process for changing monitoring requirements by submitting off-record requests to change monitoring methods.
3	Hazardous Air Pollutant Owner Requested Reporting (Tank 190, EU ID 13)	13.2	Not revised.

⁵ This table does not include all standard and general conditions.

STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The State and federal regulations for each condition are cited in Operating Permit No. AQ0079TVP02. The Statement of Basis provides the legal and factual basis for each term and condition as set forth in 40 C.F.R. 71.6(a)(1)(i).

Conditions 1 - 4, Visible Emissions Standard and MR&R

Legal Basis: These conditions ensure 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 8 and 10 – 12 are fuel burning equipment or industrial processes.

U.S. EPA incorporated these standards as revised in 2002 into the State Implementation Plan (SIP) effective September 13, 2007.

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). Conditions 2 - 4 MR&R have been adopted into regulation as standard conditions (Standard Condition IX) pursuant to AS 46.14.010(e). The Department added a provision that clarifies the option to continue an established monitoring frequency for renewal permits.

No initial or periodic visible emissions monitoring is required for any unit that is classified as insignificant under 18 AAC 50.326(e). For these units, the Permittee shall meet the requirements under condition 14.

As requested by the Permittee, the following changes were made to the permit during this review:

- 1) Language was added to condition 2.1d for units that do not operate on a consistent basis to indicate that the annual Method 9 observations must be taken between 10 and 13 months after the previous observations or during the next month that the unit operates, whichever is later. Also, condition 2.1d was revised to indicate that for units that operate intermittently, the Permittee is required to perform 18-minute observations annually and conditions 2.1a - 2.1c do not apply.
- 2) Condition 3.1a(ii) was revised to add "if known" as follows: the time, estimated distance to the emissions location, approximate wind direction, estimated wind speed, description of the sky condition (presence and color of clouds), plume background, and operating rate (load or fuel consumption rate, *if known*) on the sheet at the time opacity observations are initiated and completed;

The qualifier "if known" was added to condition 3.1a(ii) because the Permittee is not required to install fuel or load meters specifically to comply with this condition. However, the Permittee is required to record the exact operating rate (fuel or load consumption rate) on the data sheet, at the time opacity observation is performed, if this information is available for an individual unit from a fuel or load meter (or other means). As such, for a unit subject to this requirement that does not have an individual fuel or load meter, the Permittee shall estimate the operating rate and record it on the data sheet at the time opacity observation is performed.

The standard operating condition for some equipment (e.g., fire water pumps and cranes) is not steady state and therefore likely to be variable during the observation. For such equipment, the Permittee may refer to the estimated load recorded under condition 3.1a(ii) as "online" or "idle".

Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meet the requirements of 40 C.F.R. 71.6(a)(3).

Liquid Fuel-Fired:

Monitoring – The visible emissions shall be observed by Method-9 plan as detailed in condition 2.1. The Permittee has opted not to use the Smoke/No Smoke plan, so this option has been removed from the permit. Corrective actions such as maintenance procedures and either more frequent or less frequent testing may be required depending on the results of the observations.

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

Reporting - The Permittee is required to report: 1) emissions in excess of the federal and the State visible emissions standard and 2) deviations from permit conditions. The Permittee is required to include copies of the results of all visible emission observations with the stationary source operating report.

Insignificant Emission Units:

For EU IDs 8 and 12, no visible emissions monitoring is required, in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, 10/8/04, because these units are insignificant based on actual emissions. These units have permit conditions that limit their hours of operation, as provided in condition 10. For EU ID 8, the unit remains insignificant for as long as it does not exceed the insignificant emissions thresholds in 18 AAC 50.326(e). For EU ID 12, the unit remains insignificant for as long as it does not exceed its operational hour limit in condition 10. The Permittee must annually certify compliance under condition 54 with the opacity standard.

Conditions 5 - 8, Particulate Matter (PM) Standard and MR&R

Legal Basis: These conditions ensure compliance with the applicable requirement in 18 AAC 50.055(b). This requirement applies to operation of all industrial processes and fuel burning equipment in Alaska. EU IDs 8 and 10 – 12 are fuel-burning equipment. These PM standards also apply because they are contained in the federally approved SIP effective September 13, 2007.

Factual Basis: Condition 5 prohibits emissions in excess of the state PM (also called grain loading) standard applicable to fuel-burning equipment and industrial processes. The Permittee shall not cause or allow fuel-burning equipment to violate this standard.

MR&R requirements are listed in conditions 6 through 8 of the permit.

Liquid Fuel-Fired:

For liquid fuel-fired units, the MR&R conditions are Standard Condition IX adopted into regulation pursuant to AS 46.14.010(e). The Department determined that these standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No emission unit or stationary source operational or compliance factors indicate that unit-specific or stationary-source specific conditions would better meet these requirements. Therefore, the Department concluded that the standard conditions meet the requirements of 40 C.F.R. 71.6(a)(3).

The Permittee must establish by actual visual observations which can 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.

The request to waive the PM test requirement in the event that an excess emission which was the result of an abnormal load condition, instead of unit equipment malfunction, is denied; the condition is a standard condition as written and was adopted as such.

Insignificant Emission Units:

For EU IDs 8 and 12, no visible emissions monitoring is required, in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, 10/8/04, because these units are insignificant based on actual emissions. These units have permit conditions that limit their hours of operation, as provided in condition 10. For EU ID 8, the unit remains insignificant for as long as it does not exceed the insignificant emissions thresholds in 18 AAC 50.326(e). For EU ID 12, the unit remains insignificant for as long as it does not exceed its operational hour limit in condition 10. The Permittee must annually certify compliance under condition 54 with the particulate matter standard.

Condition 9, Sulfur Compound Emissions

Legal Basis: This condition requires the Permittee to comply with the sulfur compound emission standard for all fuel-burning equipment and industrial processes in the State of Alaska. EU IDs 8 and 10 – 12 are fuel-burning equipment and industrial processes. These sulfur compound standards also apply because they are contained in the federally approved SIP effective September 13, 2007.

Factual Basis: The condition requires the Permittee to comply with the sulfur compound emission standard applicable to fuel-burning equipment. The Permittee may not cause or allow the affected equipment to violate this standard.

Sulfur dioxide comes from the sulfur in the fuel (e.g. coal, natural gas, fuel oils).

Liquid Fuels:

Fuel containing no more than 0.75 percent sulfur by weight will always comply with the emission standard (i.e., No. 2 diesel fuel is 0.5 percent by weight or less by grade specification). The Department modified Standard Condition XI MR&R to serve to be adequate for the 0.24 percent limit as listed in condition 11. The MR&R conditions have been streamlined based on the more stringent sulfur limits of 0.24 percent rather than have two sets of MR&R. The Department also corrected condition 9.3 to replace the text “...method listed in 18 AAC 50.035 or an alternative method approved by the Department”

with “...method listed in 18 AAC 50.035(b)-(c) and 40 C.F.R. 60.17 incorporated by reference in 18 AAC 50.040(a)(1)”. The text “...or an alternative method approved by the Department” was discarded during the Revised Action Plan submitted to EPA on July 15, 2007, as a result of the EPA Audit of the September 2006 Title V Program Review. This text is not to be used in subsequent permits since it allows a Permittee to bypass the public process for changing monitoring requirements by submitting off-record requests to change monitoring methods.

Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meets the requirements of 40 C.F.R. 71.6(a)(3).

Conditions 10 - 13, Pre-Construction Permit Requirements

Legal Basis: The Permittee is required to comply with all effective stationary source-specific requirements that were carried forward from previous EPA PSD permits, SIP approved permits to operate issued before January 18, 1997, SIP approved construction permit(s), SIP approved minor permits, operating permits issued between January 18, 1997 and September 30, 2004, or owner requested limits established under 18 AAC 50.225. These requirements include Best Available Control Technology limits, limits to ensure compliance with the attainment or maintenance of ambient air quality standards or maximum allowable ambient concentrations, and owner requested limits. State pre-construction requirements apply because they were originally developed through case-by-case action under a federally approved SIP or approved Operating Permit program. EPA approved the latest SIP effective September 13, 2007.

Factual Basis: Conditions 10 - 12 incorporate owner requested limits to protect ambient air and avoid PSD major modification as developed in Permit to Operate No. 9572-AA005 (revised through Construction Permit No. 9872-AC028 on December 4, 1998) and Construction Permit No. AQ0079CPT02.

Condition 13 incorporates owner requested limits to avoid classification as HAP major as developed in Permit No. AQ0079CPT03. The permit incorporates associated monitoring, recordkeeping, and reporting requirements.

Conditions 14, Insignificant Emission Units

Legal Basis: The Permittee is required to meet state emission standards set out in 18 AAC 50.055 for all industrial processes fuel-burning equipment, and incinerators regardless of size.

Factual Basis: The conditions re-iterate the emission standards and require compliance for insignificant emission units. The Permittee may not cause or allow their equipment to violate these standards. Insignificant emission units are not listed in the permit unless specific monitoring, recordkeeping and reporting are necessary to ensure compliance.

Condition 14.4a requires certification that the units did not exceed State emission standards during the previous year and did not emit any prohibited air pollution. For EU IDs 8 and 12,

as long as they remain insignificant based on actual operations, no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, dated October 8, 2004 for standby emission units.

Conditions 15 - 19, NSPS Subpart A Requirements

Legal Basis: The Permittee must comply with those New Source Performance Standard (NSPS) provisions effective July 1, 2007, incorporated by reference, for specific industrial activities, as listed in 18 AAC 50.040⁶.

Most affected facilities (with the exception of some storage tanks) subject to an NSPS are subject to Subpart A. At this stationary source, EU ID 13 is subject to NSPS Subpart K. This emission units is therefore subject to Subpart A.

Condition 15.1 through 15.3 - The Permittee is subject to the notification requirements in 40 C.F.R. 60.7 (a)(1) & (3) for EU ID 13, and in the event of a new NSPS affected facility⁷ or in the event of a modification or reconstruction of an existing facility⁸ into an affected facility.

Condition 15.4 – The requirements to notify the EPA and the Department of any proposed replacement of components of an existing facility (40 C.F.R. 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 16 – Start-up, shutdown, or malfunction record maintenance requirements in 40 C.F.R. 60.7(b) are applicable to all NSPS affected facility subject to Subpart A.

Condition 17 – Good air pollution control practices in 40 C.F.R. 60.11 are applicable to all NSPS sources subject to Subpart A (EU ID 13).

Condition 18 – This condition states that any credible evidence may be used to demonstrate compliance or establishing violations of relevant NSPS standards for EU ID 13.

Condition 19 – Concealment of emissions prohibitions in 40 C.F.R. 60.12 are applicable to EU ID 13.

Factual Basis: Subpart A contains the general requirements applicable to all affected facilities (sources) subject to NSPS. In general the intent of NSPS is to provide technology-based emission control standards.

Condition 20, NSPS Subpart K Requirements

Legal Basis: NSPS Subpart K applies to storage vessels for petroleum liquids with storage capacities greater than 40,000 gallons that were built or modified after March 8, 1974 and prior to May 19, 1978. EU ID 13 was constructed during this time frame. This storage vessel has storage capacity greater than 40, 000 gallons and store petroleum liquids.

Factual Basis: This condition incorporates the equipment standards and recordkeeping

⁶ EPA has not delegated to the Department the authority to administer the NSPS program as of the issue date of this permit.

⁷ *Affected facility* means, with reference to a stationary source, any apparatus to which a standard applies, as defined in 40 C.F.R. 60.2, effective 7/1/07.

⁸ *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 C.F.R. 60.2, effective 7/1/07.

requirements of 40 C.F.R. Subpart K, as set out in conditions 20.1 through 20.3. Per 40 C.F.R. 60.113(d), the Permittee is exempt from the operational monitoring requirements of condition 20.3 if the true vapor pressure of the liquid stored in the tanks is maintained below 1.0 psia, or if the affected tanks are equipped with a vapor recovery and return or disposal system in accordance with the requirements of conditions 20.1 and 20.2. If the true vapor pressure is maintained below 1.5 psia, then there are no applicable equipment standards. If these criteria are met, then there are no applicable requirements other than those found in 40 C.F.R. 60, Subpart A.

During processing of the initial Title V operating permits for PS-9, the Department granted permit shields for Subpart K based on the applicability letter from EPA dated March 3, 1983 and an August 10, 1979 EPA Region X memorandum stating that Subpart K standards are unenforceable because they are work practice/equipment (and not emissions) standards promulgated in 1974 prior to the 1977 CAA amendments. However, neither documents stated that Subpart K is not applicable. In the case *Adamo Wrecking*, 434 US 257 (1978), the U.S. Supreme Court determined for that case that work practices standards were not authorized by the 1970 Clean Air Act.

However, during the renewal permit processing, the Department has re-evaluated the previous permit shield decision and has asserted that the Subpart K provisions should be included in the permit and the shield removed, based on the Department's position that: (a) in State regulation Subpart K has been adopted as an applicable requirement for other Title V sources; and (b) the 6th Circuit Court (*Adamo Wrecking*) does not have jurisdiction in the 9th Circuit Court area. In addition, NSPS Subpart K was promulgated on March 8, 1974 (39 FR 9317) and revised several times thereafter (i.e., April 17, 1974, June 4, 1974, July 25, 1977, April 4, 1980, January 27, 1983, April 8, 1987, and October 17, 2000). With successive revisions of Subpart K and in recognition that neither the Circuit Court nor EPA vacated the subpart the Department deemed that EPA still holds it as an applicable requirement. The Department also notes that other air quality control state agencies have included NSPS Subpart K requirements for affected petroleum storage tanks as conditions in their operating permits, just like any other applicable federal requirements. Furthermore, the EPA continues to delegate authority to implement and enforce certain NSPS that includes Subpart K to several regional, state, and local agencies (e.g., the Puget Sound Clean Air Agency (PSCAA)). As such and in view of the fact that Subpart K is applicable to the aforementioned Pump Stations, the Department is including the Subpart K requirements into this operating permit renewal and is rejecting APSC's shield request for Subpart K.

Finally, the State adopted this standard by reference under State Statutes effective January 1997 after the Clean Air Act amendments of 1990. The Department included it as part of its EPA approved Operating Permit Program approval. EPA approved the packet effective November 30, 2001. Since adoption, no State court has found this standard as not applicable nor unenforceable. Note that the Department periodically updates its incorporations by reference, most recently the C.F.R. as revised through July 1, 2007.

Conditions 21 - 23, Standard Terms and Conditions

Legal Basis: These are standard conditions required under 18 AAC 50.345(a) and (e)-(g) for all operating permits. This provision is incorporated in the federally approved Alaska operating permit program of November 30, 2001.

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

Condition 24, Administration Fees

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.400-405 as derived from AS 46.14.130. This condition requires the Permittee, owner, or operator to pay administration fees as set out in regulation. Paying administration fees is required as part of obtaining and holding a permit with the Department or as a fee for a Department action.

Factual Basis: The owner or operator of a stationary source who is required to apply for a permit under AS 46.14.130 shall pay to the Department all assessed permit administration fees. The regulations in 18 AAC 50.400-405 specify the amount, payment period, and the frequency of fees applicable to a permit action.

Conditions 25 - 26, Emission Fees

Legal Basis: These conditions ensure compliance with the applicable requirement in 18 AAC 50.410-420. The regulations require all permits to include due dates for the payment of fees and any method the Permittee may use to re-compute assessable emissions.

Factual Basis: These emission fee conditions are Standard Permit Condition I under 18 AAC 50.346(b) adopted pursuant to AS 46.14.010(e). Except for the modification noted in the last paragraph of this "Factual Basis", the Department determined that these standard conditions adequately meet the requirements of AS 46.14.250. No emission unit or stationary source operational or compliance factors indicate that unit-specific or stationary-source specific conditions would better meet these requirements. Therefore, the Department concluded that the standard conditions meet the requirements of AS 46.14.250.

These standard conditions require 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 default assessable emissions are emissions of each air pollutant authorized by the permit (AS 46.14.250(h)(1)(A)).

The conditions allow the Permittee to calculate **actual** annual assessable emissions based on previous actual annual emissions. According to AS 46.14.250(h)(1)(B), assessable emissions are based on each air pollutant. Therefore, fees based on actual emissions must also be paid on any pollutant emitted whether or not the permit contains any limitation of that pollutant.

This standard condition specifies that, unless otherwise approved by the Department, calculations of assessable emission based on actual emissions use the most recent previous calendar year's emissions. Since each current year's assessable emission 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.

The Department modified the standard condition to correct condition 26.2 such that it referenced “submitted” (i.e., postmarked) rather than “received” in accordance with the timeframe of condition 26.1.

Condition 27, Good Air Pollution Control Practice

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.346(b)(5) and applies to all emission units, **except** those subject to federal emission standards, those subject to continuous emission or parametric monitoring, and for insignificant emission units, i.e., except EU IDs 13, and 8 & 12 (if they remain insignificant).

Factual Basis: The condition requires the Permittee to comply with good air pollution control practices for all emission units (except insignificant emission units).

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 maintenance has been deferred.

Condition 28, Dilution

Legal Basis: This condition prohibits the Permittee from using dilution as an emission control strategy as set out in 18 AAC 50.045(a). This State regulation applies to the Permittee because the Permittee is subject to emission standards in 18 AAC 50.

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

Condition 29, Reasonable Precautions to Prevent Fugitive Dust

Legal Basis: This condition requires the Permittee to use reasonable precautions when handling, storing or transporting bulk materials or engineering in an industrial activity in accordance with the applicable requirement in 18 AAC 50.045(d). Bulk material handling requirements apply to the Permittee 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 condition requires the Permittee to comply with 18 AAC 50.045(d), and take reasonable action to prevent particulate matter (PM) from being emitted into the ambient air.

Condition 30, Stack Injection

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.045(e)-(f) and 50.055(g). It 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). Stack injection requirements apply to the stationary source because the stationary source contains a stack or source constructed or modified after November 1, 1982.

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

Condition 31, Air Pollution Prohibited

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.110. 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. Air Pollution Prohibited requirements apply to the stationary source because the stationary source will have emissions.

Factual Basis: While the other permit conditions and emissions limitation 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.

ADEC adopted this standard condition into 18 AAC 50.346(a) pursuant to AS 46.14.010(e). The Department determined that this condition adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No emission unit or stationary source operational or compliance factors indicate that unit-specific or stationary-source specific conditions would better meet these requirements. Therefore, the Department concluded that the standard condition meets the requirements of 40 C.F.R. 71.6(a)(3).

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 to submit copies of these records upon request of the Department.

Condition 32, Technology-Based Emission Standard

Legal Basis: The Permittee is required to take reasonable steps to minimize emissions if certain activity causes an exceedance of any technology-based emission standard in this permit. This condition ensures compliance with the applicable requirement in 18 AAC 50.235. Technology Based Emission Standard requirements apply to the stationary source because the stationary source contains equipment subject to a technology-based emission standard, such as BACT, MACT, LAER, NSPS or other “technologically feasible” determinations.

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 52. Excess emission reporting under condition 52 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under condition 52.

Condition 33, Asbestos NESHAP

Legal Basis: The condition requires the Permittee to comply with asbestos demolition or renovation requirements in 40 C.F.R. 61, Subpart M. This condition ensures compliance with the applicable requirement in 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 34, Refrigerant Recycling and Disposal

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.040(d) and applies 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 set forth in 40 C.F.R. 82, Subpart F, which will apply if the Permittee uses certain refrigerants.

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 this federal regulation.

Condition 35, NESHAPs Applicability Determinations

Legal Basis: This condition requires the Permittee to keep and make available to the Department copies of the major stationary source determination and applicability of specific federal regulations that may apply to its stationary sources.

Factual Basis: The Permittee has conducted an analysis of the stationary source and determined that it is not a major HAPs stationary source based on emissions. This condition requires the Permittee to keep and make available to the Department copies of the major stationary source determination.

Conditions 36 - 37, Halon Prohibitions

Legal Basis: These prohibitions apply to all stationary sources that use halon for fire extinguishing and explosion inerting. The condition prohibits the Permittee from causing or allowing violations of these prohibitions. The stationary source uses halon and is therefore subject to the federal regulations contained in 40 C.F.R. 82.

Factual Basis: These conditions incorporate applicable 40 C.F.R. 82 requirements. This condition is aimed at halon fire fighting systems used at stationary sources with significant sized emission units. Although the condition is titled Halon Prohibitions, it references the Protection of Stratospheric Ozone prohibitions in both Subpart G (Significant New Alternatives Policy Program) and Subpart H (Halon Emission Reduction).

Condition 38, Open Burning

Legal Basis: The condition requires the Permittee to comply with the regulatory requirements when conducting open burning at the stationary source. This condition ensures compliance with the applicable requirement in 18 AAC 50.065. The open burning state regulation in 18 AAC 50.065 applies to the Permittee if the Permittee conducts open burning at the stationary source.

Factual Basis: No specific monitoring is required for this condition. The Department has modified the condition by incorporating the requirements of 18 AAC 50.065 by reference. Condition 38.1 requires the Permittee to keep "sufficient records" to demonstrate compliance with the standards for conducting open burning, but does not specify what these records should contain.

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 54.

Condition 39, Requested Source Tests

Legal Basis: The Permittee is required to conduct source tests as requested by the Department. The Department adopted this condition under 18 AAC 50.345(k) as part of its operating permit program approved by EPA November 30, 2001.

Factual Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.220(a) and applies because this is a standard condition to be included in all operating permits. Monitoring consists of conducting the requested source test.

Conditions 40 - 42, Operating Conditions, Reference Test Methods, Excess Air Requirements

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.220(b) and applies because the Permittee is required to conduct source tests by this permit. The Permittee is required to conduct source test as set out in conditions 40 through 42.

Factual Basis: These conditions supplement the specific monitoring requirements stated elsewhere in this permit. Compliance monitoring with conditions 40 through 42 consists of the test reports required by condition 47.

Condition 43, Test Exemption

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.345(a) and applies when the source exhaust is observed for visible emissions.

Factual Basis: As provided in 18 AAC 50.345(a), amended May 3, 2002, 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 44 - 47, Test Deadline Extension, Test Plans, Notifications and Reports

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.345(l) - (o) and applies because the Permittee is required to conduct source test by this permit.

Factual Basis: Standard conditions 18 AAC 50.345(l) - (o) are incorporated through these conditions. These standard conditions supplement specific monitoring requirements stated elsewhere in this permit. The source test itself monitors compliance with this condition.

Condition 48, Recordkeeping Requirements

Legal Basis: Applies because the Permittee is required by the permit to keep records.

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 an evidence of compliance with this requirement.

Condition 49, Certification

Legal Basis: This condition requires the Permittee to comply with the certification requirement in 18 AAC 50.205 and applies to all Permittees under EPA's approved operating permit program of November 30, 2001.

Factual Basis: This standard condition is required in all operating permits under 18 AAC 50.345(j). This condition requires the Permittee to certify any permit application, report, affirmation, or compliance certification submitted to the Department. To ease the certification burden on the Permittee, the condition allows the excess emission reports to be **certified** with the stationary source report, even though it must still be **submitted** more frequently than the stationary source operating report. This condition supplements the reporting requirements of this permit.

Condition 50, Submittals

Legal Basis: This condition requires the Permittee to comply with standardized reporting requirement in 18 AAC 50.326(j) and applies because the Permittee is required to send reports to the Department.

Factual Basis: This condition requires the Permittee to send submittals to the address specified in this condition. The Permittee is required to submit an original and one copy of reports, compliance certifications, and other submittals required by this permit. Receipt of the submittal at the correct Department office is sufficient monitoring for this condition. This condition supplements the reporting requirements of this permit.

Condition 51, Information Requests

Legal Basis: This condition requires the Permittee to submit requested information to the Department. This is a standard condition from 18 AAC 50.345(i) of the State approved operating permit program effective November 30, 2001.

Factual Basis: This condition incorporates a standard condition in regulation, which requires the Permittee to submit information requested by the Department. Monitoring consists of receipt of the requested information.

Condition 52, Excess Emission and Permit Deviation Reports

Legal Basis: This condition requires the Permittee to comply with the applicable requirement in 18 AAC 50.235(a)(2) and 18 AAC 50.240. 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 adopted this condition as Standard Operating Permit Condition III under 18 AAC 50.346(c) pursuant to AS 46.14.010(e). The Department made a correction to the Standard Operating Permit Condition III to allow identical reporting methodology for both Excess Emissions and Permit Deviations reports which use identical forms and should have identical submissions methods. The Department further amended the language to specifically cross reference conditions that require APSC to submit a permit deviation/excess emission notification. Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meets the requirements of 40 C.F.R. 71.6(a)(3).

Section 13, Notification Form

The Department modified the notification form, deviating from Standard Permit Condition IV, to more adequately meet the requirements of Chapter 50, Air Quality Control. The modification consisted of correcting typos and moving failure to monitor/report and recordkeeping to the permit deviations Section 2.

Condition 53, Operating Reports

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.346(b)(6) and applies to all permits.

Factual Basis: The condition restates the requirements for reports listed in regulation. The condition supplements the specific reporting requirements elsewhere in the permit. The reports themselves provide monitoring for compliance with this condition.

The Department used the Standard Permit Condition VII as adopted into regulation on August 20, 2008. For reporting, MR&R conditions are Standard Permit Condition VII adopted into regulation pursuant to AS 46.14.010(e). The Department has made a correction to the Standard Permit Condition VII by changing the number of copies of documents to be submitted from “an original and two copies” to “an original and one copy”. Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meets the requirements of 40 C.F.R. 71.6(a)(3).

Condition 54, Annual Compliance Certification

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.040(j)(4) and applies to all Permittees.

Factual Basis: This condition specifies the periodic compliance certification requirements, and specifies a due date for the annual compliance certification. The reports themselves provide monitoring for compliance with this condition.

Condition 54.2 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 were 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 and the effective permit at that time, or may chose 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.

This condition was further modified to allow the Permittee to submit one of the required two copies in electronic format. This change more adequately meets the requirements of 18 AAC 50 and agency needs, as the Department can more efficiently distribute the electronic copy to staff in other locations.

Condition 55, NSPS and NESHAP Reports

Legal Basis: The Permittee is required to provide the federal administrator and Department a copy of each emission unit report for units subject to NSPS or NESHAP federal regulations under 18 AAC 50.326(j)(4). 40 C.F.R. 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 C.F.R. 60 and 40 C.F.R. 61. The reports themselves provide monitoring for compliance with this condition.

The Permittee’s request to modify the condition language by adding “unless already submitted” at the beginning of the condition was not granted. The condition as written is a standard language.

Condition 56, Permit Applications and Submittals

Legal Basis: The Permittee may need to submit permit applications and related correspondence.

Factual Basis: Standard Condition XIV directs the applicant to send copies of all application materials required to be submitted to the Department directly to the EPA, in electronic format if practicable. This condition shifts the burden of compliance from the Department to ensure that copies of application materials are submitted to EPA by transferring that responsibility to the Permittee.

Conditions 57 - 59, Permit Changes and Revisions Requirements

Legal Basis: The Permittee is obligated to notify the Department of certain off-permit source changes and operational changes under 18 AAC 50.326(j)(4). 40 C.F.R. 71.6(a)(10),

(12), and (13) incorporated by reference under 18 AAC 50.040(j) require these provisions within this permit. 40 C.F.R. 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

Factual Basis: These are conditions required in 40 C.F.R. 71.6 for all operating permits to allow changes within a permitted stationary source without requiring a permit revision. The Permittee did not request trading of emission increases and decreases as described in 71.6(a)(13)(iii).

Condition 60, Permit Renewal

Legal Basis: The Permittee must submit a timely and complete operating permit renewal application if the Permittee intends to continue source operations in accord with the operating permit program under 18 AAC 50.326(j)(3). The obligations for a timely and complete operating permit application are set out in 40 C.F.R. 71.5 incorporated by reference in 18 AAC 50.040(j)(3). 40 C.F.R. 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

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 C.F.R. 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 71.5(a)(2), a complete renewal application is one that provides all information required pursuant to 40 C.F.R. 71.5(c) and must remit payment of fees owed under the fee schedule established pursuant to 18 AAC 50.400. 40 C.F.R. 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, for as long as an application has been submitted within the timeframe allowed under 40 C.F.R. 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. Monitoring, recordkeeping, and reporting for this condition consist of the application submittal.

Conditions 61 - 65, General Compliance Requirements

Legal Basis: These conditions ensure compliance with the applicable requirement in 18 AAC 50.326(j)(3). The Permittee is required to comply with these standard conditions set out in 18 AAC 50.345 included in all operating permits. 40 C.F.R. 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

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

Conditions 66 - 67, Permit Shield

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.326(j) and applies because the Permittee has requested that the Department shield the source from the applicable requirements listed under this condition under the federally approved State operating program effective November 30, 2001.

Factual Basis: Table C of Operating Permit No. AQ0079TVP02 shows the permit shields that the Department granted to the Permittee. 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 H - Permit Shields Denied

Shield Requested for:	Reason for Shield Request:	Reason for Request Denial:
Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for EU ID 13 (TK-190)	Subpart K is a work practice standard. In the case <i>Adamo Wrecking</i> , 434 US 257 (1978), the U.S. Supreme Court determined that work practices standards were not authorized by the Clean Air Act. The EPA documented this decision for purposes of Subpart K in a memorandum dated 8/10/79. EPA transmitted a specific letter to Alyeska stating the application of the decision for the crude oil tanks and that Subpart K was not enforceable.	In State regulation Subpart K has been adopted as an applicable requirement, and the 6 th Circuit Court (<i>Adamo Wrecking</i>) does not have jurisdiction in the 9 th Circuit Court area. See also Statement of Basis text regarding condition 20.
18 AAC 50.055(g) for Stationary Source-wide	The stationary source does not emit any emissions from a stack other than process emissions, products of combustion, or materials introduced to control pollutant emissions without the approval of the department. Incinerators are not fuel burning equipment as defined in 18 AAC 50.990(40). Therefore the solid waste incinerators are exempt from this requirement.	18 AAC 50.055(g) is a state standard term that applies to all stationary sources.
40 C.F.R. 63 Subpart HHHHHH – NESHAP for Paint Stripping and Miscellaneous Surface Coating Operations for Stationary Source-Wide	MeCl is not used for paint stripping. Painting activities occurring at the stationary source meet the definition of facility maintenance as defined by 40 C.F.R. 63.11180, and thus, are categorically exempt from 63.11170(a)(2) & (3).	Although APSC certified they only conduct such activities for maintenance and do not, at the time of application, use MeCl, APSC is not prohibited from using this solvent during the life of this permit.