

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

AIR QUALITY CONTROL MINOR PERMIT

Permit AQ0082MSS02

Preliminary – October 26, 2009

The Alaska Department of Environmental Conservation (Department), under the authority of AS 46.14 and 18 AAC 50, issues Air Quality Control Minor Permit AQ0082MSS02 to the Permittee listed below.

Operator and Permittee: **Alyeska Pipeline Service Company (APSC)**
P.O. Box 196660
Anchorage, AK 99519-6660

Owner: Owners of the Trans Alaska Pipeline System (TAPS)

Stationary Source Valdez Marine Terminal

Location: Northing: T6S, Easting: R6W

Physical Address: Dayville Road, Valdez, AK

Permit Contact: Don Mark Anthony, (907)-450-7652

Project: Power Generation Upgrades (Project Z533)

This permit establishes an Owner Requested Limit (ORL) under 18 AAC 50.508(5) to avoid classification under 18 AAC 50.503(c) (3). The permit satisfies the obligation of the Permittee to obtain a minor permit under 18 AAC 50.

This permit authorizes the Permittee to operate under the terms and conditions of this permit, and as described in the original permit application and subsequent application supplements listed in Section 6 except as specified in this permit.

John F. Kuterbach
Manager, Air Permits Program

Table of Contents

Section 1. Emission Unit Inventory	1
Section 2. Emission Fees.....	2
Section 3. NSPS/NESHAPS/Owner Requested Limit to Avoid Project Classification Under 18 AAC 50.502(c)(3)(A)	3
Section 4. General Recordkeeping Requirements.....	5
Section 5. Standard Conditions	6
Section 6. Permit Documentation.....	7
Section 7. ADEC Notification Form	8

Section 1. Emission Unit Inventory

- 1. Emission Units (EU) Authorization.** Emission units listed in Table 1 have specific monitoring, record keeping, or reporting conditions in this permit. Except as noted elsewhere in the permit, the information in Table 1 is for information purposes only. The specific unit descriptions do not restrict the Permittee from replacing an emission unit identified in Table 1. The Permittee shall comply with all applicable provisions of AS 46.14 and 18 AAC 50 when installing a replacement emission unit, including any applicable minor or construction permit requirements.

Table 1 –Minor Permit Emission Unit Inventory

EU ID	Description	Make/Model	Rating/Size	Fuel Type	Install Date
8A	Diesel Electric Generator	Caterpillar C175-16	4,423 bhp	Diesel	2010/2011
9A	Diesel Electric Generator	Caterpillar C175-16	4,423 bhp	Diesel	2010/2011
8T	Mobile Diesel Electric Generator	N/A	2,718 bhp	Diesel	2010/2011

Section 2. Emission Fees

2. Condition 1 in Minor Permit AQ0082MSS01, dated June 16, 2008, is rescinded and replaced with Condition 3 and 4:
3. **Assessable Emissions.** The Permittee shall pay to the Department an annual emission fee based on the stationary source's assessable emissions as determined by the Department under 18 AAC 50.410. The assessable emission fee rate is set out in 18 AAC 50.410(b). The Department will assess fees per ton of each air pollutant that the stationary source emits or has the potential to emit in quantities greater than 10 tons per year. The quantity for which fees will be assessed is the lesser of
 - 3.1 the stationary source's assessable potential to emit of 7,236 TPY; or
 - 3.2 the stationary source's projected annual rate of emissions that will occur from July 1 to the following June 30, based upon actual annual emissions emitted during the most recent calendar year or another 12-month period approved in writing by the Department, when demonstrated by
 - a. an enforceable test method described in 18 AAC 50.220;
 - b. material balance calculations;
 - c. emission factors from EPA's publication AP-42, Vol. I, adopted by reference in 18 AAC 50.035; or
 - d. other methods and calculations approved by the Department.
4. **Assessable Emission Estimates.** Emission fees will be assessed as follows:
 - 4.1 no later than March 31 of each year, the Permittee may submit an estimate of the stationary source's assessable emissions to ADEC, Air Permits Program, ATTN: Assessable Emissions Estimate, 410 Willoughby Ave., Juneau, AK 99801-1795; the submittal must include all of the assumptions and calculations used to estimate the assessable emissions in sufficient detail so the Department can verify the estimates; or
 - 4.2 if no estimate is submitted on or before March 31 of each year, emission fees for the next fiscal year will be based on the potential to emit set forth in condition 3.1.

Section 3. NSPS/NESHAPS/Owner Requested Limit to Avoid Project Classification Under 18 AAC 50.502(c)(3)(A)

5. Unit 8A and 9a are subject to NSPS Subpart IIII and NESHAPS Subpart ZZZZ. The Permittee shall avoid classification under 18 AAC 50.502(c)(3)(A) as follows:
 - 5.1 Emergency stationary Internal Combustion Engines (ICE) may be operated [for the purpose of maintenance checks and readiness testing, provided that the tests are recommended by Federal, State, or local government, the manufacturer, the vendor, or the insurance company associated with the engine. Maintenance and readiness testing of such units is limited to 100 hours per year. There is no time limit on the use of emergency stationary ICE in emergency situations¹. Anyone may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if [the Permittee] maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency ICE beyond 100 hours per year. For [Permittees] of emergency engines meeting standards under 40 C.F.R. 60.4205 but not 40 C.F.R. 60.4204, any operation other than emergency operation, and maintenance and testing as permitted in [Subpart IIII] is prohibited.

[40 C.F.R. 60.4211(e), 6/11/06]
 - 5.2 [The Permittee] must install non-resettable hour meter prior to the start up of the engines.

[40 C.F.R. 60.4209(a) 7/1/08]
 - 5.3 Monitor and record the monthly hours of operation on each Emission Units 8A and 9A.
 - 5.4 Before the end of each calendar month calculate and record the total hour of operation for each Emission Unit 8A and 9A for the previous month, then calculate the twelve month rolling total hours of operation by adding to the previous 11 months.
 - 5.5 Maintain records of the monthly and 12-month rolling total operating hours for Emission Units 8A and 9A individually
 - 5.6 Notify the Department if the twelve-month total exceeds the limits in this condition.
6. For Unit 8T, the Permittee shall
 - a. not operate Unit 8T more than 80 hours per 12-month period unless all the boilers (Units 1, 2, and 3) become nonoperational ; and
 - b. remove Unit 8T within one month after the installation of Units 8A and 9A are completed.

¹ For purposes of this minor permit, an emergency situation is when all three boilers (Units 1, 2, and 3) are non-operational.

- 6.2 Equip Unit 8T with either an hour totalizer or another Department approved methodology to accurately monitor the monthly hours of operation.
- 6.3 Maintain records of the monthly and the rolling 12-month hours of operation.
- 6.4 Report the monthly and the rolling 12-month hours of operation in the operating report submitted under the applicable operating permit issued for the source under AS 46.14.130(b) and 18 AAC 50.
- 6.5 If Unit 8T's hours of operation, per rolling 12-month period, exceed 80 hours per 12 months, report as a permit deviation. Include in each operating report submitted under the applicable operating permit issued for the source under AS 46.14.130(b) and 18 AAC 50.
- 6.6 Notify the Department within one month of removing Unit 8T.

Section 4. General Recordkeeping Requirements

- 7. Certification.** The Permittee shall certify any permit application, report, affirmation, or compliance certification submitted to the Department and required under the permit by including the signature of a responsible official for the permitted stationary source following the statement: *“Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete.”* Excess emission reports must be certified either upon submittal or with an operating report required for the same reporting period. All other reports and other documents must be certified upon submittal.

 - 7.1 The Department may accept an electronic signature on an electronic application or other electronic record required by the Department if

 - a. a certifying authority registered under AS 09.25.510 verifies that the electronic signature is authentic; and
 - b. the person providing the electronic signature has made an agreement, with the certifying authority described in Condition 7.1a, that the person accepts or agrees to be bound by an electronic record executed or adopted with that signature.
- 8. Information Requests.** The Permittee shall furnish to the Department, within a reasonable time, any information the Department requests in writing to determine whether cause exists to modify, revoke and reissue, or terminate the permit or to determine compliance with the permit. Upon request, the Permittee shall furnish to the Department copies of records required to be kept by the permit. The Department may require the Permittee to furnish copies of those records directly to the federal administrator.

Section 5. Standard Conditions

- 9.** The Permittee must comply with each permit term and condition. Noncompliance with a permit term or condition constitutes a violation of AS 46.14, 18 AAC 50 and, except for those terms or conditions designated in the permit as not federally enforceable, the Clean Air Act, and is grounds for
 - a. An enforcement action; or
 - b. Permit termination, revocation and reissuance, or modification in accordance with AS 46.14.280.
- 10.** It is not a defense in an enforcement action to claim that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with a permit term or condition.
- 11.** Each permit term and condition is independent of the permit as a whole and remains valid regardless of a challenge to any other part of the permit.
- 12.** The permit may be modified, reopened, revoked and reissued, or terminated for cause. A request by the Permittee for modification, revocation and re-issuance, or termination or a notification of planned changes or anticipated noncompliance does not stay any permit condition.
- 13.** The permit does not convey any property rights of any sort, nor any exclusive privilege.

Section 6. Permit Documentation

October 12, 2009	Phone conversation with Don Mark Anthony (APSC) regarding the actual runtime of existing generators and information about VMT's power sources.
October 8, 2009	email: Rebuttal from Don Mark Anthony (APSC) regarding the mobile generator as a nonroad engine.
September 23, 2009	email: Information request for mobile generator emissions and nonroad engine applicability to Don Mark Anthony (APSC).
September 17, 2009	email: Further clarification from Don Mark Anthony (APSC) on conditions of ORL.
September 17, 2009	e-mail: Clarification from Don Mark Anthony (APSC) clarifying ORL reasoning, nonroad engine applicability, and removal of old emission units.
August 25, 2009	Letter from Don Mark Anthony (APSC) containing Minor Permit Application Supplement
August 20, 2009	Minor Permit Application for Alyeska Pipeline Service Company's (APSC's) Valdez Marine Terminal

Section 7. ADEC Notification Form²

Stationary Source (Facility) Name _____

Air Quality Permit Number _____

Company Name _____

When did you discover the Excess Emissions/Permit Deviation?

Date: _____ / _____ / _____ Time: _____ : _____

When did the event/deviation occur?

Begin Date: _____ / _____ / _____ Time: _____ : _____ (please use 24hr clock)

End Date: _____ / _____ / _____ Time: _____ : _____ (please use 24hr clock)

What was the duration of the event/deviation? _____ : _____ (hrs:min) or _____ days

(total # of hrs, min, or days, if intermittent then include only the duration of the actual emissions/deviation)

Reason for Notification: (please check only one box and go to the corresponding section)

- Excess Emissions - Complete Section 1 and Certify.
- Deviation from Permit Condition - Complete Section 2 and Certify
- Deviations from COBC, CO, or Settlement Agreement - Complete Section 2 and Certify

Section 1. Excess Emissions

(a) Was the exceedance: Intermittent Continuous

(b) Cause of Event (Check one that applies):

- Start Up /Shut Down Natural Cause (weather/earthquake/flood)
- Control Equipment Failure Scheduled Maintenance/Equipment Adjustment
- Bad fuel/coal/gas Upset Condition Other _____

(c) **Description**

Describe briefly, what happened and the cause. Include the parameters/operating conditions exceeded, limits, monitoring data and exceedance.

(d) Emissions Units Involved:

Identify the emission unit involved in the event, using the same identification number and name as in the permit. Identify each emission standard potentially exceeded during the event and the exceedance.

Unit ID	Emission Unit Name	Permit Condition Exceeded/Limit/Potential Exceedance

² Revised as of August 20, 2008.

(e) Type of Incident (Please Check only one).

- Opacity _____ %
 Venting _____ (gas/scf)
 Control Equipment Down
 Fugitive Emissions
 Emission Limit Exceeded
 Other:
 Marine Vessel Opacity
 Flaring
-

(f) Unavoidable Emissions:

Do you intend to assert that these excess emissions were unavoidable? Yes No

Do you intend to assert the affirmative defense of 18 AAC 50.235? Yes No

Certify Report (go to end of form)

Section 2 Permit Deviations

(a) Permit Deviation Type (check one only box, corresponding with the section in the permit).

- Source Specific
 Failure to monitor/report
 General Source Test/Monitoring Requirements
 Recordkeeping/Reporting/Compliance Certification
 Standard Conditions Not Included in Permit
 Generally Applicable Requirements
 Reporting/Monitoring for Diesel Engines
 Record Keeping Failure
 Insignificant Source
 Facility Wide
 Other Section _____ (title of section and section number of your permit).

(b) Emission Unit Involved.

Identify the emission unit involved in the event, using the same identification number and name as in the permit. List the corresponding permit conditions and the deviation.

Unit ID	Emission Unit Name	Permit Condition / Potential Deviation

(c) Description of Potential Deviation:

Describe briefly what happened and the cause. Include the parameters/operating conditions and the potential deviation.

(d) Corrective Actions:

Describe actions taken to correct the deviation or potential deviation and to prevent future recurrence.

Certification:

Based on information and belief formed after reasonable inquiry, I certify that the statements and information in and attached to this document are true, accurate, and complete.

Printed Name: _____ Title: _____ Date: _____

Signature: _____ Phone Number: _____

NOTE: *This document must be certified in accordance with 18 AAC 50.345(j)*

To Submit this Report:

1. Fax to: 907-451-2187;

Or

2. Email to: DEC.AQ.Airreports@alaska.gov - *if faxed or emailed, the report must be certified within the Operating Report required for the same reporting period per Condition **Error!** Reference source not found..*

Or

3. Mail to: ADEC
Air Permits Program
610 University Avenue
Fairbanks, AK 99709-3643

Or

4. Phone Notification: 907-451-5173

Phone notifications require a written follow-up report.

Or

5. Submission of information contained in this report can be made electronically at the following website:

<https://myalaska.state.ak.us/deca/air/airtoolsweb/>

if submitted online, report must be submitted by an authorized E-Signer for the Stationary Source.