

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

**Public Comment Draft - date  
BP Exploration (Alaska) Inc.  
Grind and Inject Facility**

**STATEMENT OF BASIS  
of the terms and conditions for  
Permit No. AQ0168TVP02**

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## **INTRODUCTION**

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0168TVP02.

### **STATIONARY SOURCE IDENTIFICATION**

Section 1 of Operating Permit No. AQ0168TVP02 contains general information on the stationary source as provided in the Title V permit application.

This portion of the Prudhoe Bay Flow Station 2 stationary source is owned by BP Exploration (Alaska) Inc., ConocoPhillips Alaska, Inc., Chevron USA Inc., and ExxonMobil Corporation. BP Exploration (Alaska) Inc. is the operator and Permittee. The SIC code for this stationary source is 1311.

The stationary source processes reserve pit materials and other production wastes for injection and disposal in a cretaceous well. A conveyor feed system moves frozen waste to a grinding system that thaws, grinds and then slurries the waste material. This slurried material is then pumped to the disposal well and injected down-hole.

This stationary source has been aggregated with Flow Station #2 (FS-2) and drilling activities (transportable drill rigs) on FS-2 affiliated drilling activities. The rationale for this aggregation was established in FS-2's Title V permit No. AQ0268TVP01 Revision 1.

### Decision

Grind & Inject is located within the Prudhoe Bay Unit (PBU) on the North Slope of Alaska. The department has determined that the Grind & Inject Facility site including the injection well located on the separate Surf Coat pad is part of the Flow Station #2 (FS2) stationary source because it is co-located on well pad 4 which is part of FS2. This determination applies to both the State's Title I and Title V air quality permitting programs.

Drill rigs and other temporary emission units will periodically operate at the well pads. Operation of such emission units will be considered temporary activities as long as they are not located and operated (continuously or intermittently) at the same well pad for more than 24 consecutive months.

### Discussion

In reaching this decision the Department relied on the definition of stationary source and the concept of common sense notion of plant as discussed in the preamble to the Federal PSD regulations, 45 Fed. Reg. 52693.

The following Federal definitions from 40 C.F.R. §51.166(b) have been adopted by the State statute and are relevant to this discussion.

*Stationary source* means any building, structure, stationary source, or installation, which emits or may emit a regulated NSR pollutant.

*Building, structure, facility, or installation* means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control)... Pollutant-emitting activities shall be considered as part of the same industrial grouping if they belong to the same *Major Group* (i.e., which have the same two-digit code) as described in the *Standard Industrial classification Manual, 1972*....

*Emission unit* means any part of a stationary source that emits or would have the potential to emit any regulated NSR pollutant....

Based on these definitions, the pollutant-emitting activities must meet three criteria to be included in the stationary source:

- 1) They must “belong to the same industrial grouping” as described by their SIC code. On the North Slope all the oilfield facilities have the same SIC code (1311 - Crude Petroleum and Natural Gas Production).
- 2) They must be “located on one or more contiguous or adjacent properties”. This is a location based physical proximity requirement, as discussed in the preamble to the Federal PSD regulations, 45 Fed. Reg. 52676.
- 3) They must be “under the control of the same person”. Within the PBU, BP Exploration (Alaska) Inc. (BPXA) is the operator and implements the decisions of the leaseholders via the Unit Operating Agreement.

Since items (1) and (3) above are self-evident no further discussion is needed.

Item (2) is the proximity criterion. To determine if the “property” or “properties” are located in close proximity, the relevant “property” must first be identified. The department has determined that within the North Slope oilfields “property” is considered to be the improved surface areas (pads) because: 1) oil and gas production activities occur over vast areas in which there is limited surface disturbance, 2) land use permits must be obtained from the state for any surface disturbances, 3) the unique permafrost environment limits the extent of any surface disturbances, and 4) the pollutant emitting activities are located on the pads.

The PBU production centers and production wells are located on separate pads that are not contiguous (i.e., not touching). Thus the adjacency (i.e., the nearness or closeness) must be evaluated. To evaluate the adjacency of facilities, the department has used the concept of the common sense notion of a plant to inform proximity. In its analysis, the department has developed what is referred to as the “wagon wheel” model based on the production centers (hubs) and well pads (spokes). In this model of the plant, the well pads deliver raw materials (wellhead fluids consisting of crude oil, water, and hydrocarbon gases) to the production center for processing into finished product (sales oil) for delivery and custody transfer at Pump Station #1 of the Alyeska Pipeline Service Co.

The wagon wheel model for determining the stationary source for PSD and Title V applicability is currently used at other operating units on the North Slope such as Lisburne, Endicott, Kuparuk, and Alpine. The physical proximity (miles) varies widely at these sources and the department does not propose to establish a fixed value for this parameter. For instance, the longest spoke at Lisburne is drill site DS-L5, which is 6 miles from the production center (hub), at Endicott is drill site SDI, which is 3 miles from the production center (hub), at Kuparuk is drill site 3R, which is 3 miles from the CPF-3 production center (hub), and at Alpine is drill site DS2, which is 3 miles from the production center (hub). Within the Prudhoe Bay Unit, Z-Pad is 9 miles from the GC-2 production center (hub) and for the GC-1 stationary source Y-Pad is 4 miles from the production center (hub).

Which spokes will be attached to which hubs are, of course, determined by the flow of wellhead fluids (raw materials) and sales oil (finished crude). Whether a production well pad is part of a larger stationary source centered at a production center (hub) will be determined on a case-by-case basis taking into consideration site-specific factors such as the common sense notion of a plant, air impact overlaps/airshed, predictable emission impacts on hub, different operating units/control, service contracts with other operating units, ease of permit administration, and other case-specific factors deemed relevant. For instance, for a new unitized development the presumptive maximum radius of the spokes would be based on the original development project. Under the wagon wheel model, the associated infrastructure is considered a separate stationary source, unless co-located on the same pad or primarily associated with a hub or another stationary source.

#### Rationale for Hub and Spoke Aggregation Model

In the context of the Prudhoe Bay Unit, the relevant units of property are the pads on which the emission units are situated, as distinguished from the surrounding tundra. Guidance developed by the State of Texas (Definition of Site, March 2002) for determining stationary sources located within producing oilfields states “For leased properties, ‘property’ is considered the surface area on which a stationary source has been placed, including any immediate area graded or cleared for stationary sources.”

Why consider the production centers (hubs) along with their associated production well pads (spokes) as the basic stationary source or production plant for the PBU?

1) *Proximity*. The primary function of the production centers at the PBU (GC-1, GC-2, GC-3, FS-1, FS-2, FS-3, and Lisburne) is separation and processing of three-phase well fluids (oil, gas, and water) into sales-quality crude oil for delivery to the Trans-Alaska Pipeline System at Pump Station #1. Each production center is capable of performing this function independently of the other production centers. For example, if FS-2 were shutdown for maintenance, FS-1, FS-3, GC-1, GC-2, GC-3, and Lisburne would continue to process oil, gas, and water without adverse impact. Grouping the well pads with their respective production centers maintains the important role of proximity in aggregation decisions.

2) *Common Sense Notion of Plant*. In the preamble to the PSD regulations of 1980 EPA (45 Fed. Reg. 52693) emphasized the importance of a “common sense” notion of source for the PSD program as follows:

In EPA’s view, the December opinion of the court in Alabama Power sets the following boundaries on the definition for PSD purposes of the component terms of “source”; 1) it must carry out reasonably the purposes of PSD, 2) it must approximate a common sense notion of “plant”, and 3) it must avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of “building,” “structure,” “facility,” or “installation.”

Due to the nature of the oil and gas extraction business, stationary sources must be scattered across the resource area creating duplicate sources performing identical functions. Well production pads must be dispersed evenly across the oil and gas production unit so that all the leases can be accessed. Likewise, production centers must be scattered since they act as collection points of the raw materials brought to the surface at the well pads. The hub and spoke production model develops naturally from the logistics of the business.

Within this conceptual framework, the department determines the plant to be the well production pads that extract the raw materials (wellhead fluids) from the subsurface and deliver them to the factory (production center) for processing into finished product (crude oil for sales) and waste products (water and gas for underground disposal). Wellhead facilities and separation facilities cannot exist without each other and constitute a complete production plant.

3) *Reasonable Permit Administration*. This approach allows the department more feasible permit administration with comparable environmental benefits. The benefit of going beyond the reasonably scaled wagon wheel approach for evaluating emission effects on other facilities is not apparent. Finally, previous permitting actions by the department at Kuparuk, Lisburne, Endicott, and Alpine support the determined stationary sources using the hub and spoke model. The facilities within the PBU would then be treated the same as these other operating units.

#### Other Models of Aggregation Discussed

There were two other questions considered to determine the appropriate stationary sources for permitting purposes at the PBU. First, should the entire PBU be the stationary source? Second,

should each individual pad with its emitting units be considered a separate stationary source? Both of these potential permitting approaches were evaluated and rejected for reasons discussed below and the wagon wheel approach was accepted as being reasonable decision making.

1) *Prudhoe Bay Unit ≠ Stationary Source*. The PBU is made up of the oil leases that overlie the Prudhoe Bay Permo-Triassic Reservoir and covers roughly 300 square miles. To consider all the facilities located therein as a single stationary source severely stretches the concept of proximity. The department does not believe that the leases and operating units constructed from these leases is the proper focus of a regulatory program concerned with air emissions. The leases and unit agreement pertain to subsurface development and long-term reservoir management to maximize economic gain for the leaseholders and lessor. If the Prudhoe Bay operating unit were to be determined the relevant stationary source for aggregation, then there is no logical reason to stop at the boundaries of the PBU since contiguous operating units (i.e. Lisburne, Endicott, Milne, Northstar, and Pt. McIntyre) are also under the common control of BPXA.

Should pipeline connections be used to determine the appropriate stationary source? The department does not believe this is a deciding factor because in the oil and gas industry pipelines connect everything. Pipelines are used throughout the operating unit as the preferred method for transferring fluids between facilities. To only consider the connectivity of operations via pipelines to determine proximity and to not also consider the concept of a common sense notion of a plant would result in one stationary source extending from the North Slope oil fields all the way to the Valdez Marine Terminal.

The complexity of administering (government) and operating (industry) a stationary source as large as the PBU without clear corresponding environmental benefit argues against this approach. Some of the identified problems are:

- a) Netting analyses conducted over such a large stationary source could lead to avoiding all PSD reviews.
- b) De-bottlenecking analyses would be more difficult; judgment calls about how far out from the equipment modification would become more complicated.
- c) Tracking cause and effect of activities within the unit would be difficult; calculation of associated emission effects would become more complicated.
- d) Permit maintenance burden would be greater; both Title I and Title V permits would be in a constant state of revision.
- e) Scope of review and analysis could discourage discrete facility upgrades. If the department were required to evaluate all air-related issues across the entire PBU at the same time, agency resources could be overwhelmed resulting in permitting delays.

Finally, there is no precedent for defining such a large stationary source, either the size of the PBU, the size of the contiguous North Slope oil fields operated by BPXA, or the size of all the current and future North Slope facilities and the transportation corridor to the deep water port of Valdez.

2) *Individual Pad ≠ Stationary Source*. Treating each individual pad and the emission units located on it as a stationary source is the current permitting practice for PBU. This

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practice does not conform to the court decision in the Alabama Power case concerning the definition of source and its component terms for PSD purposes.

- a) *It must carry out reasonably the purposes of PSD.* Permitting individual sources does not adequately serve the purposes of PSD when major projects that contribute to the production process and emissions can be located on well pads but avoid PSD review. The primary purpose of PSD review being to maintain air quality within the applicable increments.
- b) *It must approximate a common sense notion of plant.* The complete production process defining the plant that starts at the wellhead and ends at the sales oil line outlet from the production center is ignored.
- c) *It must avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of “building”, “structure”, “facility”, or “installation”.* Permitting individual pollutant-emitting activities does completely avoid aggregating those activities that do not fit the ordinary meaning of “facility”.

Finally, using the wagon wheel approach for determining the appropriate stationary sources at PBU will ensure permitting consistency with the other operating units on the North Slope.

#### Status of Support Facilities at PBU

The services that support facilities provide (e.g., Seawater Treatment Plant, Base Operations Center, Central Power Station, etc.) are spread over the entire PBU (with six hubs) and other operating units such as Kuparuk, Lisburne, and Endicott with no one hub receiving a majority of the support provided. When these services have been co-located on a pad with another stationary source, they have been aggregated as in the case of the Crude Oil Topping Unit with PBOC/MCC, the Seawater Injection Plant West with Gathering Center 1, and the Grind & Inject Facility with Flow Station 2. The purposes the support facilities serve are secondary to the function of the production hubs. In addition, some of the support facilities (Base Operations Center, Central Power Station, and Prudhoe Bay Operations Center/Main Construction Camp) only exist because of the remote location of the North Slope oilfields and are not inherent to oil and gas production. The service infrastructure has different purposes and, therefore, these activities are considered separate stationary sources.

All activities but drilling activities at the Grind and Inject Facility are authorized under this operating permit, No. AQ0168TVP02. Drilling activities for transportable drill rigs (TDR) are described in a separate permit, AQ0455TVP01. The aggregated source is subject to emission standards and permit applicability is based on the larger aggregated stationary source under Title I and Title V. For HAP major classification, see oil and gas well exceptions in the federal Clean Air Act Section 112(n)(4).

### 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 CFR 71.5(c)(3).

The emission units at the Grind and Inject Facility that are classified and have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit No. AQ0168TVP02.

Table A of Operating Permit No. AQ0168TVP02 contains information on the emission units regulated by this permit as provided in the application. The table is provided for informational and identification purposes only. Specifically, the source 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 the Grind and Inject Facility is shown in Table C.

**Table C - Emissions Summary, in Tons Per Year (TPY) - Grind and Inject Facility**

Pollutant	NO <sub>x</sub>	CO	PM-10	SO <sub>2</sub>	VOC	HAPs	Total
PTE	16.1	13.4	1.2	1.8	<1	<1	33.5
Assessable PTE	16	13	1.2	1.8	<1	0	33.5

The assessable PTE listed under condition 17.1 is the sum of the emissions of each individual regulated air pollutant for which the entire Title V stationary source has the potential to emit quantities greater than 10 TPY. 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 to the stationary source.

The estimated potential emissions at the G&I Facility are based on emission factors in AP-42, Table 1.4-1 (July 1998), except for SO<sub>2</sub> emissions, which are estimated based on material balance and a fuel gas H<sub>2</sub>S content of 60 ppmv.

Table D shows the potential to emit associated with emission units permitted under the Flow Station #2 permit, (AQ0268TVP01) and Transportable Drill Rigs (TDR) permit, (AQ0455TVP01). The emission units under those permits are aggregated with AQ0168TVP02 emission units and together are considered one stationary source.

**Table D- Emissions Summary, in Tons Per Year (TPY) - Flow Station #2 and TDRs**

<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(23), effective 12/3/05.*

Pollutant	NO <sub>x</sub>	CO	PM-10	SO <sub>2</sub>	VOC	HAPs	Total
PTE	3,877	1,162	100	106	37	(15)	5,282

The total PTE for this aggregated stationary source becomes:

**Table E – Emission Summary, in Tons Per Year (TPY) – Total Stationary Source**

Pollutant	NO <sub>x</sub>	CO	PM-10	SO <sub>2</sub>	VOC	HAPs	Total
PTE	3,893	1,175	101	108	37	(15)	5,314
Assessable PTE for G&I	16	13	1.2	1.8	1	0	33.5

### 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 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:

- (1) A major source;
- (2) A stationary source including an area source subject to federal new source performance standards under Section 111 of the Clean Air Act or national emission standards under Section 112 of the Clean Air Act;
- (3) Another stationary source designated by the federal administrator by regulation.

This stationary source requires an operating permit because it is classified under 18 AAC 50.326(a) and 40 C.F.R. 71.3(a) as

- a) 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<sup>3</sup>,

### AIR QUALITY PERMITS

#### Previous Air Quality Permit to Operate

No previous permits to operate exist for this stationary source.

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

The Department issued no construction permit for this stationary source after January 17, 1997 (the effective date of the new divided operating and construction-permitting program). The Department issued no minor permit for this stationary source after September 30, 2004.

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

The owner or operator submitted a Title V permit application on November 20, 1997.

<sup>2</sup> “Title V source” means a stationary source classified as needing a permit under AS 14.130(b) [ref. 18 AAC 50.990(111)].

<sup>3</sup> The potential to emit 100 tpy or more of any air pollutant is due to aggregation with FS-2.

The owner or operator amended this application on January 20, 1998 and on April 28, 1998.

Additional information was received via email on November 27, 2001.

The Department issued Operating Permit No. AQ0168TVP01 effective on December 2, 2002.

All stationary source-specific requirements established in this permit are included in the new operating permit as described in Table D.

The owner or operator submitted a permit renewal application on July 5, 2007.

### COMPLIANCE HISTORY

The stationary source has operated at its current location since 1994. Review of the permit files for this stationary source, which includes the past inspection reports and compliance evaluations indicate a stationary source generally operating in compliance with its operating permit.

### APPLICABLE REQUIREMENTS FROM PRE-CONSTRUCTION PERMITS

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 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 D below lists the requirements carried over from Operating Permit No. AQ0168TVP01 into Operating Permit No. AQ0168TVP02 to ensure compliance with the applicable requirements.

**Table D - Comparison of Previous Operating Permit No. AQ0168TVP01 Conditions to Operating Permit No. AQ0168TVP02 Conditions<sup>4</sup>**

Permit No. AQ0168TVP01 Condition number	Description of Requirement	Permit No. AQ0168TVP02 Condition Number	How condition was revised
Section 4	Fee Requirements	16 and 17 respectively	Similar updated provisions.

<sup>4</sup> This table does not include all standard and general conditions.

<b>Permit No. AQ0168TVP01 Condition number</b>	<b>Description of Requirement</b>	<b>Permit No. AQ0168TVP02 Condition Number</b>	<b>How condition was revised</b>
Section 5	Source-Specific Requirements (NSPS Subparts A and OOO)	5, 6, 7, 8, 9, 10, 11, and 12 respectively	Similar updated provisions.
Section 6	Generally Applicable Requirements	24, 25, 23, and 49 respectively	Similar updated provisions.
Section 7	General Source Testing and Monitoring Requirements	28, 29, 30, 31, 33, 34, 35, and 36 respectively	Similar updated provisions.
Section 8	General Recordkeeping, Reporting, and Compliance Certification Requirements	38, 39, 40, 37, 41, 44, 42, and 43 respectively	Similar updated provisions.
Section 9	Standard Conditions Not Otherwise Included in the Permit	53, 54, 13, 52, 14, 15, and 55 respectively	Similar updated provisions.
Section 10	Permit Shield	Section 10	Similar updated provisions.
Section 11	ADEC Notification Form	Section 13	Similar updated provisions.

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## STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

**The state and federal regulations for each condition are cited in Operating Permit No. AQ0168TVP02. 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).**

### Condition 1, Visible Emissions Standard and MR&R

**Legal Basis:** This condition ensures 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 and 2 are fuel burning equipment or industrial processes.

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

**Factual Basis:** Condition 1 prohibits the Permittee from causing or allowing visible emissions in excess of 18 AAC 50.055(a)(1).

For EU ID 1, since the process is wet, visible emissions are not expected from this process. Compliance with the visible emission standard will be assumed as long as the stationary source complies with applicable requirements under NSPS Subpart OOO.

#### **Gas-Fired Fuel Burning Equipment:**

Monitoring – The monitoring of gas-fired sources for visible emissions is waived, i.e. no source testing will be required. The Department has found that natural gas-fired equipment inherently has negligible PM emissions. However, the Department can request a source test for PM emissions from any smoking equipment.

Reporting – As provided for in condition 1.2, the Permittee must annually certify that only gaseous fuels are used in the equipment.

### Condition 2, Particulate Matter (PM) Standard

**Legal Basis:** This condition ensures 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 1 and 2 are fuel-burning equipment or industrial processes.

These PM standards also apply because they are contained in the federally approved SIP effective September 13, 2007.

**Factual Basis:** Condition 2 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 nor industrial processes to violate this standard.

For EU ID 1, which is subject to NSPS Subpart OOO, the Permittee must monitor, record-keep and report emissions in accordance with conditions 9 through 12 of the permit. Since the requirements of the Subpart are stricter than the state visible emission requirements, the Subpart conditions are used as a surrogate for pm standard compliance.

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### **Gas Fired:**

For gas fired emission units, MR&R conditions are standard condition VIII adopted into regulation pursuant to AS 46.14.010(d). The Department determined that these standard conditions adequately meet the requirements of 40 CFR 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 CFR 71.6(a)(3).

Although periodic PM monitoring of gas-fired units is waived, the Department has the discretion to request a source test for PM emissions from any fuel burning equipment under 18 AAC 50.220(a) and 345(l).

### **Condition 3, 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 1 and 2 are fuel burning equipment or 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). Since EU ID 1 does not combust any fuels, there are no indications that sulfur compound emissions would be emitted from this emission unit. EU ID 2 combusts fuel gas as the normal source of fuel with a liquid fuel source as backup.

**Gaseous fuels:** Fuel gas sulfur is measured as hydrogen sulfide (H<sub>2</sub>S) concentration in ppm by volume (ppmv). Calculations<sup>5</sup> 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 required to record the fuel gas sulfur content of the fuel gas semi-annually through vendor records or sampling. The Permittee is required to report as State excess emissions whenever the fuel combusted causes sulfur compound emissions to exceed the standards in this condition. The Permittee is required to include copies of the records mentioned in the previous paragraph with the stationary source operating report.

### **Conditions 4, Insignificant Emission Units**

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<sup>5</sup> See ADEC Air Permits Web Site at <http://www.dec.state.ak.us/air/ap/docs/sulfgas.pdf>, under "Stoichiometric Mass Balance Calculations of Exhaust Gas SO<sub>2</sub> Concentration."

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

**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.

The Department finds that the insignificant units at this stationary source do not require specific monitoring, recordkeeping and reporting to ensure compliance under these conditions.

Condition 4 requires certification that the units did not exceed state emission standards during the previous year and did not emit any prohibited air pollution.

### Conditions 5 - 8, NSPS Subpart A Requirements

**Legal Basis:** The Permittee must comply with those New Source Performance Standard (NSPS) provisions incorporated by reference the NSPS effective July 1, 2007, for specific industrial activities, as listed in 18 AAC 50.040<sup>6</sup>.

Most (with the exception of some storage tanks) affected facilities subject to an NSPS are subject to Subpart A. At this stationary source, EU ID 1 is subject to NSPS Subpart OOO and therefore subject to Subpart A.

Condition 5 - Start-up, shutdown, or malfunction record maintenance requirements in 40 C.F.R. 60.7(b) are applicable to all NSPS affected facilities subject to Subpart A.

The Permittee has already complied with the initial performance test requirements in 40 C.F.R. 60.8 for EU ID 1. However additional performance test requirements may be applicable to the affected facilities if the Permittee is required to conduct performance tests under the periodic monitoring requirements in condition 10.

Condition 6 - Good air pollution control practices in 40 C.F.R. 60.11 are applicable to all NSPS affected facilities subject to Subpart A (EU ID 1).

Condition 7 - States that any credible evidence may be used to demonstrate compliance or establishing violations of relevant NSPS standards for EU ID 1.

Condition 8 - Concealment of emissions prohibitions in 40 C.F. R. 60.12 are applicable to EU ID 1.

**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 for new, modified and reconstructed affected facilities.

### Conditions 9 - 12, NSPS Subpart OOO Requirements

**Legal Basis:** The Permittee must comply with those New Source Performance Standard (NSPS) provisions incorporated by reference, in the NSPS effective April 28, 2009 for

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

specific industrial activities, as listed in 18 AAC 50.040<sup>7</sup>. Most (with the exception of some storage tanks) affected facilities subject to an NSPS are subject to Subpart A. At this stationary source, EU ID 1 is subject to NSPS Subpart OOO and therefore subject to Subpart A. The affected facilities are enclosed in a building; therefore, the standards under 40 CFR 60.672(e) prevail. Applicability to Subpart OOO was established in the previous operating permit issued to this stationary source, (permit no. AQ0168TVP01).

**Factual Basis:** The Permittee shall comply with the applicable provisions of 40 CFR 60 Subpart OOO-Standards of Performance for Nonmetallic Mineral Processing Plants as the standards apply to EU ID 1. The Permittee has elected to comply with the limits of §60.672(e)(1). Additionally, the Permittee shall comply with the reporting requirements in §60.676. Fugitive dust MR&R is reflected in these conditions, as they are more comprehensive and restrictive than previous condition 26. Applicability to the NSPS Subpart OOO standard for visible emissions previously included under 40 CFR 60.672(h) was removed from the subpart as of the April 28, 2009 update of Subpart OOO, and was accordingly removed from requirements applicable to EU ID 1.

### Conditions 13 - 15, 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 permit conditions that apply to all permits.

### Conditions 16, 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 17 - 18, 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 condition I under 18 AAC 50.346(b) adopted pursuant to AS 46.14.010(d). 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-

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<sup>7</sup> EPA has not delegated to the Department the authority to administer the NSPS program as of the issue date of this permit.

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. Since the Permittee has multiple permits for this stationary source, the Department modified the standard permit condition text to indicate the assessable emissions exclude those from activities permitted under AQ0268TVP01 and AQ0455TVP01. This changed text more appropriately matches the applicable requirements for a source with multiple permits.

The default assessable emissions are generally potential emissions of each air pollutant in excess of 10 tons per year authorized by the permitted activities (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 shall 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 18.2 such that it referenced "submitted" (i.e., postmarked) rather than "received" in accordance with the timeframe of condition 18.1.

### Condition 19, 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 ID 1.

**Factual Basis:** The condition requires the Permittee to comply with good air pollution control practices for all sources.

The Department adopted this condition under 18 AAC 50.346(b) as Standard Operating Permit Condition VI pursuant to AS 46.14.010(d). The Department determined that this standard condition adequately meets the requirements of 40 CFR 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 CFR 71.6(a)(3).

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 20, 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 21, Stack Injection**

**Legal Basis:** This condition ensures compliance with the applicable requirement in 18 AAC 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 source or stack would need to be modified to accommodate stack injection.

### **Condition 22, 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 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.

ADEC adopted this standard condition into 18 AAC 50.346(a) pursuant to AS 46.14.010(d). The Department determined that this condition adequately meets the requirements of 40 CFR 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 CFR 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 submit copies of these records upon request of the Department.

### **Condition 23, 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 41. Excess emission reporting under condition 41 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under condition 41.

### **Condition 24, 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 25, 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, that 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 26, 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.

### **Condition 27, 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.

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. Additional monitoring is achieved through condition 22, which requires a record of complaints.

### **Condition 28, 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 29 - 31, Operating Conditions, Reference Test Methods, Excess Air Requirements**

**Legal Basis:** These conditions ensure compliance with the applicable requirement in 18 AAC 50.220(b) and apply 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 29 through 31.

**Factual Basis:** These conditions supplement the specific monitoring requirements stated elsewhere in this permit. Compliance monitoring with conditions 29 through 31 consist of the test reports required by condition 36.

### **Condition 32, 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 33 - 36, Test Deadline Extension, Test Plans, Notifications and Reports**

**Legal Basis:** These conditions ensure compliance with the applicable requirement in 18 AAC 50.345(1)-(o) and apply because the Permittee is required to conduct source tests by this permit.

**Factual Basis:** Standard conditions 18 AAC 50.345(1) - (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 these conditions.

### **Condition 37, 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 38, 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 all reports 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 39, 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 lists the Department's appropriate address for reports and written notices. Receipt of the submittal at the correct Department office is sufficient monitoring for this condition. This condition supplements the standard reporting and notification requirements of this permit.

### **Condition 40, 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 requires the Permittee to submit information requested by the Department. Monitoring consists of receipt of the requested information.

### **Condition 41, 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(d). The Department determined that this standard condition adequately meet the requirements of 40 CFR 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 CFR 71.6(a)(3). 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.

#### *Section 13, Notification Form*

The Department modified the notification form contained in Standard Permit Condition IV in a revised rulemaking dated August 20, 2008 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 42, 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(d). The Department determined that these standard conditions adequately meet the requirements of 40 CFR 71.6(a)(3)(iii)(A). 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 CFR 71.6(a)(3).

### **Condition 43, 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. Each annual certification provide monitoring records for compliance with this condition.

Condition 43.2 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 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 and the effective permit at that time, 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 may submit one of the required copies electronically at their discretion. 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 44, 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 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 C.F.R. 60, 40 C.F.R. 61, and 40 C.F.R. 63. The reports themselves provide monitoring for compliance with this condition.

#### **Condition 45, 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 46 - 48, 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 CFR 71.6(a)(10), (12), and (13) incorporated by reference under 18 AAC 50.040(j) require these provisions within this permit. 40 CFR 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 CFR 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 49, 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 CFR 71.5 incorporated by reference in 18 AAC 50.040(j)(3). 40 CFR 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 Grind and Inject Facility 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 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, for as long as an application has been submitted within the timeframe allowed 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. Monitoring, recordkeeping, and reporting for this condition consist of the application submittal.

### **Condition 50 - 51, Permit Applications**

**Legal Basis:** These conditions set out the protocol the Permittee must follow to submit amendment, modification and renewal applications to the Department under 18 AAC 50.326(j)(3) and to the Federal Administrator under 40 CFR 71.5, 71.7 and 71.10.

**Factual Basis:** This condition directs the Permittee to submit application materials to the Department's Anchorage office. The current address at time of permit issuance is provided in a footnote because it may change during the life of this permit. The current address can be obtained by contacting the Department, checking the website, or by other reasonable means. The Permittee may submit copies of application materials in electronic formats compatible with ADEC software as the Department can more efficiently distribute the electronic copy to staff in other locations. Condition 51 directs the applicant to send copies of all application materials directly to the EPA, in electronic format if practicable.

### **Conditions 52 - 56, General Compliance Requirements and Schedule**

**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 CFR 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 57 - 1, Permit Shield**

**Legal Basis:** These conditions ensure compliance with the applicable requirement in 18 AAC 50.326(j) and apply 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 B of Operating Permit No. AQ0168TVP02 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 E - Permit Shields Denied**

Shield requested for:	Reason for shield request:	Reason for request denial:
40 CFR 61 Subpart A §61.05(a) - Prohibited Activities §61.07 - Application for Approval of Construction or Modification §61.09 - Notification of Startup §61.10 - Source Reporting and Waiver Request §61.13 - Emission Tests §61.14 - Monitoring Requirements	Owners or operators of demolition and renovation operations are exempt from the requirements of §§61.05(a), 61.07, and 61.09 [ref. 40 CFR 61.145(a)(5)]  Demolition and renovation operations are exempt from §61.10(a) [ref. 40 CFR 61.153(b)]  Emission tests and monitoring are not required under the standards for demolition and renovation [§61.145]	A shield is justified only for the asbestos demolition and renovation activities at the site, not stationary source wide.
40 CFR Part 63 – NESHAP Source Categories	The stationary source; which is a minor stationary source of HAPs, is not regulated by any standard or provision under Part 63.	Absent a comprehensive HAP estimate for non-drill site emissions, its unclear whether the aggregated source is HAP major. Shield is denied based upon inconclusive HAP PTE assessment in the G&I application.
18 AAC 50.201	This requirement is not applicable until such time as the Department requests an ambient air quality investigation.	The regulation applies to this source. The Department may request an ambient air quality investigation.
40 CFR 60 Subpart IIII	There are no stationary IC engines constructed, modified, or reconstructed prior to the applicability date of July 11, 2005 included in the stationary source inventory.	Off-permit IC engines may be anticipated during the permit life.

**Attachment A**

Pollutant (Circle One—SO<sub>2</sub>/NO<sub>x</sub>/fuel sulfur)

Reporting period dates:

From \_\_\_\_\_ to \_\_\_\_\_

Company: \_\_\_\_\_

Emission Limitation \_\_\_\_\_

Address: \_\_\_\_\_

Monitor Manufacturer and Model No \_\_\_\_\_

Date of Latest CMS (CEMS and PEMS) Certification or Audit \_\_\_\_\_

Process Unit(s) Description: \_\_\_\_\_

Total source operating time in reporting period<sup>1</sup> \_\_\_\_\_

**Figure 1 -- Summary Report -- Excess Emission and Monitoring System Performance**

<b>Emission data summary<sup>1</sup></b>	<b>CMS (CEMS and PEMS) performance summary<sup>1</sup></b>
1. Duration of excess emissions in reporting period due to: a. Startup/shutdown _____ b. Control equipment problems _____ c. Process problems _____ d. Other known causes _____ e. Unknown causes _____	1. CMS (CEMS and PEMS) downtime in reporting period reporting period due to: a. Monitor equipment malfunctions _____ b. Non-Monitor equipment malfunctions _____ c. Quality assurance calibration _____ d. Other known causes _____ e. Unknown causes _____
2. Total duration of excess emission _____	2. Total CMS (CEMS and PEMS) Downtime _____
3. Total duration of excess emissions X (100)/[Total source operating time] _____ % <sup>2</sup>	3. [Total CMS (CEMS and PEMS) Downtime] X (100)/[Total source operating time] _____ % <sup>2</sup>

<sup>1</sup>For opacity, record all times in minutes. For gases, record all times in hours.

<sup>2</sup>For the reporting period: If the total duration of excess emissions is 1 percent or greater of the total operating time or the total CMS (CEMS or PEMS) downtime is 5 percent or greater of the total operating time, both the summary report form and the excess emission report described in this condition shall be submitted.

On a separate page, describe any changes since last quarter in CMS, process or controls. I certify that the information contained in this report is true, accurate, and complete.

\_\_\_\_\_  
 Name

\_\_\_\_\_  
 Signature