

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

**Public Comment Draft - March 4, 2010
BP Exploration (Alaska) Inc.,
Prudhoe Bay Operations Center / Main Construction Camp
(PBOC/MCC)**

**STATEMENT OF BASIS
of the terms and conditions for
Permit No. AQ0274TVP02**

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INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0274TVP02.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0274TVP02 contains information on the stationary source as provided in the Title V permit application.

The stationary source is owned by BP Exploration (Alaska) Inc., ConocoPhillips Alaska, Inc., Chevron USA Inc., and ExxonMobil Corporation., and BP Exploration (Alaska) Inc., is the Permittee for the stationary source's operating permit. The SIC code for this stationary source is 1311.

PBOC provides billeting, dining, laundry, and recreational facilities for up to 450 camp residents. The PBOC complex also includes administrative offices, the communication center, water and wastewater treatment plants, an emergency power generation facility, the fire station, a vehicle repair shop, vehicle garages, and the camp maintenance shop. Satellite buildings house a sheet metal shop, vibration shop, and warehouse storage space.

MCC provides billeting, dining, laundry, and recreational facilities for up to 675 camp residents. The complex also includes an infirmary (known as the Medical Clinic) which consists of a trauma bay, examining rooms, offices, an x-ray room, equipment and supply rooms, and billeting rooms for medical staff. The MCC complex also houses administrative offices for engineering and engineering support services. Satellite buildings (U-Buildings) house various shops and warehouses including the radio shop, the Halon shop, the tool room, and the electrical power plant. In the Halon shop, empty Halon bottles from the production facilities are refilled with Halon 1301 from bulk stores. Halon 1301 is used as an atmosphere inerting and fire-extinguishing agent in the production facilities. Empty dry chemical (Purple K and sodium bicarbonate) fire extinguishers are also refilled in the Halon Shop. The Tarmac-Camp is a 212-person modular living facility for BPXA located in close proximity to the PBOC and MCC. The design includes a kitchen dining facility for 400 people, a waste-water facility and a generator system for temporary power.

For operating permit applicability the PBOC/MCC is aggregated with the BPXA Crude Oil Topping Unit (COTU) as described in the Department's North Slope oil and gas aggregation decision in the BPXA Flow Station #1 (AQ0268TVP01 Rev.1) Statement of Basis. The permit terms, limits and emissions represented in this permit for PBOC/MCC represent only those emissions and applicable permit terms for this portion of the stationary source. The stationary source is thus issued multiple permits under the authority of AS 46.14.190(b). The COTU is issued permit number AQ0265TVP02.

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 Prudhoe Bay Operations Center / Main Construction Camp (PBOC/MCC) that are classified and have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit No. AQ0274TVP02.

Table A of Operating Permit No. AQ0274TVP02 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.

Tanks with the tag number 90-1933 and 90-1934, identified in AQ0274TVP01 as EU IDs 16 and 17, respectively, have been dismantled and removed from the site and are not addressed in AQ0274TVP02. Additionally, tanks with tag numbers 94-1901, 90-1939 (now 90-939), and 90-1940 (now 90-940), are not identified in AQ0274TVP02 as EU IDs 15, 18, and 19, since the tanks are no longer associated with regulatory requirements 40 C. F. R. 60 Subpart K, Ka, and/or Kb.

EU ID 14 Bayco Incinerator (Tag No. 74-138) was stated as “abandoned in place for eventual dismantling and removal” in the Permittee’s application amendment No.2 dated April 28, 2009. ADEC removed this emission unit and all terms and conditions in processing this permit under the application.

EMISSIONS

As provided in the application, pertinent operations from an air emissions for the PBOC/MCC standpoint include the wastewater treatment plant at PBOC, the two large Cleaver Brooks heaters at MCC (EU IDs 4 through 5), the Rapid Engineering Heater at PBOC (EU ID 21) and the emergency power generation facilities (EU IDs 1 through 3, 6 through 8, 10, 11, and 20). EU IDs 9, 12, and 13 are emergency fire water pumps.

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

Pollutant	NO _x	CO	PM-10	SO ₂	VOC	HAPs	Total
Total Potential Emissions (COTU & PBOC/MCC), (12 consecutive month basis)	233.0	134.0	11.1	25.8	16.1	8.4	
PTE for PBOC and MCC (Calendar year basis)	129.3	60.6	6.2	14.0	6.0		216.1
PTE for COTU (Calendar year basis)	33.9	58.6	2.7	3.9	8.0		
Combined PTE for PBOC, MCC, and COTU (Calendar year basis)	164.2	119.2	8.9	18.0	14.0		
Assessable Emissions – PBOC/MCC only	129.3	60.6	0.0	14.0	6.0	0.0	210

The assessable PTE listed under Condition 31.1 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 TPY. The emissions listed in Table A are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit to the stationary source.

For emission units 1 through 3 and 6 through 13, there is a 500 hour per calendar year limit (Condition 11). However, these units could operate up to 1,000 hours per any 12 consecutive month period, and still be in compliance with the calendar year limit. Therefore, the PTE for permitting purposes is based on a 1,000 hour annual operating time for these units, while the PTE for fees is based on 500 hours. For EU ID 20, PTE is based on the operating time limit of 400 hours per rolling 12-month period as established in that permit. For all other PBOC/MCC emission units, emission calculations are based on an assumed 8,760 hours of annual operation.

Except for EU ID 16, PTE estimates for all criteria pollutants except SO₂ are based on AP-42 emission factors. Potential emissions are estimated assuming the worst-case emission factor from the dual-fired generators. Emission estimates for EU ID 16 are based on vendor emission factors provided for the Caterpillar 3512DITA engine. For all emission units, the SO₂ potential emissions are based on 0.25% by weight diesel fuel sulfur content and 60 ppmv H₂S in the fuel gas. VOC emissions from storage vessels are estimated using EPA Tanks v4.09 software.

Total HAP emissions for the PBOC/Tarmac Camp and COTU are estimated at 6.4 tpy, with n-Hexane being the highest emitted individual HAP at 0.8 tpy. Sources of HAP emissions located at PBOC/Tarmac and COTU include equipment leaks (3.77 tpy), tanks (0.043 tpy), truck rack operations (0.02 tpy), and fuel combustion by turbines, heaters, flares and engines (2.54 tpy total). These estimates (6.4 tpy aggregate total and 0.8 tpy maximum individual HAP) are below the HAP-major ton-per-year emissions thresholds of 25 tpy total and 10 tpy per individual HAP.

Total HAP emissions for MCC are estimated at 2.0 tpy, with n-Hexane being the highest emitted individual HAP at 0.2 tpy. Sources of HAP emissions located at MCC include motor vehicle refueling (1.2 tpy), tanks (0.18 tpy), and fuel combustion by heaters and engines (0.7 tpy). These estimates (2.0 tpy aggregate total and 0.2 tpy maximum individual HAP) are below the HAP-major ton-per-year emissions thresholds of 25 tpy total and 10 tpy per individual HAP.

The HAP emissions estimates and methodologies are documented in *Hazardous Air Pollutant Potential to Emit Estimates – Crude Oil Topping Unit Prudhoe Bay Eastern Operating Area*, November 2004, which was included with the September 2008 amended PBOC/MCC operating permit renewal application.

BASIS FOR REQUIRING AN OPERATING PERMIT

In accordance with AS 46.14.130(b), an owner or operator of a Title V source¹ 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 “Title V source” means a stationary source classified as needing a permit under AS 14.130(b) [ref. 18 AAC 50.990(111)].

- (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,

PBOC/MCC requires an operating permit because it has the potential to emit 100 tpy or more of a regulated air contaminant.

AIR QUALITY PERMITS

Previous Air Quality Permit to Operate

The most recent permit issued for this stationary source was permit-to-operate number 8336-AA001. This permit-to-operate included all construction authorizations issued through January 30, 1983, and was issued before January 18, 1997. Permit No. 8336-AA001 expired on January 1, 1988, and was not in effect as of the issuance date of Permit No. AQ0274TVP01. Therefore, the conditions of Permit No. 8336-AA001 were not considered when preparing Permit No. AQ0274TVP01, or in the renewal (AQ0274TVP02).

Title I (Construction and Minor) Permits

The Department issued minor permit no. AQ0274MSS01 to this stationary source on September 17, 2007. The Department established stationary source-specific requirements in this Title I permit included in the new operating permit as described in Table D.

Title V Operating Permit Application, Revisions and Renewal History

The owner or operator submitted an application on December 4, 1997.

The owner or operator amended this application on January 20, 1998, April 28, 1998, June 18, 1999, and October 26, 2000; the latter two in response to an information request.

Additional information was received on February 23, 2001. This information was certified and notarized on April 2, 2001.

Permit No. AQ0274TVP01 was issued to the Permittee on October 4, 2002.

BP Exploration (Alaska) Inc. submitted a renewal application on May 7, 2007.

BP Exploration (Alaska) Inc. submitted a "Final Amended" renewal application on September 22, 2008.

BP Exploration (Alaska) Inc. amended the "Final Amended" renewal application on April 28, 2009 to remove EU ID 14.

COMPLIANCE HISTORY

The stationary source has operated at its current location since the early 1960's. Review of the stationary source's files indicates general compliance with its operating permit. As a result of compliance evaluations conducted in 2003, 2006 and 2008, the Department has found the activities at PBOC/MCC to generally be operating in compliance with the operating permit.

The following bulleted historical information is carried forward from permit AQ0274TVP01 for continuity.

- January 5, 1988: the previous operator of PBOC/MCC, i.e. AAI, requested to renew their operating permit (i.e. 8336-AA001).
- January 30, 1988: operating permit 8336-AA001, i.e. the previous operating permit for PBOC/MCC, expired.
- February 22, 1988: the Department requested information from AAI regarding PBOC/MCC.
- March 2, 1988: AAI responded to the Department's February 22nd information request.
- March 23, 1988: the Department sent a letter to the previous operator of PBOC/MCC, i.e. AAI, stating that " the PBOC does not need an Air Quality Control Permit to operate. However, please realize that the fired units must still meet the emission standards of 18 AAC 50.050, and the Department may still conduct air quality control inspections."
- September 6, 1995: EPA's John Seitz, Director of the Office of Air Quality Planning and Standards, addressed the subject of "Calculating PTE for Emergency Generators" in a guidance memorandum. According to the memorandum, EPA "believes that 500 hours is an appropriate default assumption for estimating the number of hours that an emergency generator could be expected to operate under worst-case conditions."
- January 18, 1997: 18 AAC 50.210. "Potential To Emit" was promulgated, which defines PTE per AS 46.14.990(21) as being based on 8760 hours of source operation per year unless limited by enforceable limits.
- December 4, 1997: AAI submitted a Title-V operating permit application for PBOC/MCC. On and after this date, PBOC/MCC operated under their Title-V application, which included enforceable owner requested limits (ORL) to keep the PTE below 250 TPY and avoid classification as a PSD Major Facility.
- December 7, 1997: the due date for facilities in Alaska to submit timely and complete Title-V operating-permit applications.
- February 23, 2001/ April 2, 2001: the Permittee faxed a draft letter to the Department stating that, the total actual emissions for each regulated air contaminant at PBOC / MCC did not exceed 250 tons per year between January 30, 1988 (the date that operating permit 8336-AA001 expired) and December 4, 1997 (the date that the Title V permit application was submitted for this stationary source). The information was certified and notarized on April 2, 2001. The Department believes that this conclusion is accurate

based on a review of the operating and maintenance records of the facility from 1988 to 1996.

STATIONARY SOURCE-SPECIFIC REQUIREMENTS CARRIED FORWARD

State of Alaska regulation in 18 AAC 50.326(j) with reference to 40 C.F.R. 71.6(a)(1) requires that an operating permit include all emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of permit issuance. These requirements include, but are not limited to, each stationary source-specific requirement established in the most recent operating permit or in any other construction permit issued under 18 AAC 50 that is still in effect at the time of permit issuance. 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. AQ0274TVP01, and Minor Permit No. AQ0274MSS01 into Operating Permit No. AQ0274TVP02 to ensure compliance with the applicable requirements.

Table D - Comparison of Previous Permit-to-Operate No. AQ0274TVP01 and Minor Permit AQ0274MSS01 Conditions to Operating Permit No. AQ0274TVP02 Conditions²

Permit No. AQ0274TVP01 ³ and AQ0274MSS01 ⁴ Condition Number	Description of Requirement	Permit No. AQ0274TVP02 Condition Number	How condition was revised
MS-2 and TV-4	Visible emission standards	1	Similar updated provisions.
TV-64, 65, and 66	Visible emissions monitoring, recordkeeping, and reporting	2, 3, and 4	Similar updated provisions.
MS-3 and TV-5	Particulate emissions standards	5	Similar updated provisions.
TV-67, 68, and 69	Particulate emissions monitoring, recordkeeping, and reporting	6, 7, 8, and 9	Similar updated provisions.
MS-6 and TV-6	Sulfur compound emission standards	10	Similar updated provisions.

² This table does not include all standard and general conditions.

³ Indicated as "TV" for Title V.

⁴ Indicated as "MS" for Minor Permit.

Permit No. AQ0274TVP01³ and AQ0274MSS01⁴ Condition Number	Description of Requirement	Permit No. AQ0274TVP02 Condition Number	How condition was revised
MS-5, 6, 7, and 8 and TV-19 and 20	Owner requested limits	11, 12	Similar updated provisions.
TV-17	NSPS Subpart Kb	N/A	Tanks 15 through 19 are no longer subject to Subpart Kb effective with the 10/15/03 amendment to the subpart and therefore are no longer significant sources.
TV-21 through 27	Insignificant Sources	13 through 13.3	Similar updated provisions.
TV- 1, 2, 3, 18, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 58, 60, 61,	General Conditions	Section 5	Similar updated provisions. The location and order of the conditions in the new permit reflects new Department permit template.
MS- Section 4 and TV-40, 41, 42, 43, 44, 45, 46, 47	General Source Testing and Monitoring Requirements	Section 6	Similar updated provisions. The location and order of the conditions in the new permit reflects new Department permit template.
MS-Section 5 and TV-48, 49, 50, 51, 53, 52, 54, 55	General Recordkeeping and Reporting Requirements	Section 7	Similar updated provisions. The location and order of the conditions in the new permit reflects new Department permit template.
TV-39	Permit Renewal	66	Similar updated provisions.
MS-Section 6 and TV-56, 57, 59, and 62	Compliance Requirements	Section 9	Similar updated provisions.
TV-Section 12	Permit Shield	Section 10	Similar updated provisions.
TV-Section 14	Visible Emissions Form	Section 11	Similar updated provisions.
TV-Section 15	Material Balance Calculation	Section 12	Similar updated provisions.
TV-Section 16	ADEC Notification Form	Section 13	Similar updated provisions.

STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The state and federal regulations for each condition are cited in Operating Permit No. AQ0274TVP02. 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 1 through 13, 20, and 21 are fuel burning equipment.

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).

The Permittee must monitor, record-keep and report emissions in accordance with Conditions 2 through 4, of the permit for EU IDs 1 through 13, 20, and 21.

Conditions 2 - 4 (MR&R conditions) detail a stepwise process for monitoring compliance with the State's visible emissions and, indirectly for particulate matter standards from liquid fuel fired sources. Equipment types covered by these conditions are liquid fuel fired internal combustion engines, turbines, and heaters at PBOC/MCC. Initial monitoring frequency schedules are established along with subsequent reductions or increases in frequency depending on the results of the self-monitoring program. The monitoring frequency in Condition 2 is not modeled after the tiers set out in the Standard Condition IX of 18 AAC 50.346(c) because the oil-fired equipment is emergency equipment which has seldom experienced more than 400 hours of operations per year. The standard condition's tiered monitoring frequency were not developed for intermittently operated emergency equipment.

Reasonable action thresholds are established in these conditions that require the Permittee to progressively address potential visible emission problems from these emission units either through maintenance programs and/or more rigorous tests that will quantify whether a specific emission standard has been exceeded.

Notification of the department via recordkeeping and reporting requirements are included in Conditions 3 and 4.

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 1.3, the Permittee must annually certify that only gaseous fuels are used in the equipment.

Liquid Fired Fuel Burning Equipment:

Monitoring – The visible emissions may be observed by Method-9 as detailed in Condition 2. 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.

Dual Fuel-Fired Units:

For EU IDs 1 and 2, as long as they operate only on gas, monitoring consists of an annual certification that only gaseous fuels were used in the equipment. When any of these emission units operates on a backup liquid fuel for more than 400 hours in a calendar year, monitoring as detailed in Condition 1.4 is required for that source in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 2, 10/8/04. When any of these units operates on a backup liquid fuel for less than 400 hours in a calendar year, monitoring for that unit consists of an annual certification of compliance with the opacity standard. The 400-hour trigger for additional monitoring applies to each individual unit and not as a combined total for all units.

Insignificant Emission Units:

As long as insignificant units do not exceed significant emission thresholds they are insignificant by emissions rate as specified in 18 AAC 50.326(e) and no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, 10/8/04. The Permittee must annually certify compliance under Condition 60 with the opacity standard.

Conditions 5 - 9, Particulate Matter (PM) Standard

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 1 through 13, 20, and 21 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 nor industrial processes to violate this standard.

MR&R requirements are listed in Conditions 6 through 9 of the permit.

The Permittee must establish by actual visual observations which can be supplemented by other means, such as a defined Operation and Maintenance Program that the emission unit is in continuous compliance with the State's emission standards for particulate matter.

For liquid fuel units the MR&R conditions are Standard Condition IX 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).

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).

Liquid Fired:

For liquid fuel units the MR&R conditions are Standard Condition IX 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).

Dual Fuel-Fired Units:

For EU IDs 1 and 2, as long as they operate only on gas, monitoring consists of an annual certification that only gaseous fuels were used in the equipment akin to the gas fired Standard Permit Condition VIII. When any of these emission units operates on a backup liquid fuel for more than 400 hours in a calendar year, liquid fuel monitoring as detailed in Condition 6 is required for that unit in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 2, 10/8/04. When any of these units operates on a backup liquid fuel for less than 400 hours in a calendar year, monitoring for that unit consists of an annual certification of compliance with the particulate matter standard. The 400-hour trigger for additional monitoring applies to each individual unit and not as a combined total for all units.

Insignificant Emission Units:

As long as insignificant units do not exceed significant emission thresholds they are insignificant by emissions rate as specified in 18 AAC 50.326(e) and no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, 10/8/04. The Permittee must annually certify compliance under Condition 60 with the particulate matter standard.

Condition 10, 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 through 13, 20, and 21 are fuel-burning equipment.

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: For oil fired fuel burning equipment the MR&R conditions are Standard Condition XI and XII 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).

Gaseous fuels: Fuel gas sulfur content is measured as hydrogen sulfide (H₂S) concentration in ppm by volume (ppmv). Calculations⁵ show that fuel gas containing no more than 4000 ppm total sulfur will comply with this emission standard at stoichiometric or excess air combustion conditions. This is true for all methane.

Equations to calculate the exhaust gas SO₂ concentrations resulting from the combustion of fuel gas were not included in this permit. Fuel gas with a total sulfur concentration of even 10 percent of 4000 ppm is currently not available from North Slope gas sources and is not projected to be available during the life of this permit. The Permittee is required to record the fuel gas total sulfur concentration of the fuel gas. 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.

Condition 11 - 12 Owner Requested Limits

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 may 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

⁵ 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 SO₂ Concentration."

under a federally approved SIP or approved Operating Permit program. EPA approved the latest SIP effective September 13, 2007.

Factual Basis: These conditions include owner requested limits with monitoring, recordkeeping, and reporting requirements that are verifiable and that can be determined at least monthly. The operating-hour limits (Conditions 11 and 12) reduce the potential emissions of the source. This limit maintains emissions well below the PSD trigger limit of 250 TPY.

Conditions 13, 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.

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 13.4a requires certification that the units did not exceed state emission standards during the previous year and did not emit any prohibited air pollution.

Conditions 14 – 19, 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 50.040⁶.

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(s) < > are subject to NSPS Subpart < > and therefore subject to Subpart A.

Conditions 14.1 through 14.3 - The Permittee shall comply with the notification requirements in 40 C.F.R. 60.7 (a)(1) - (4) for EU ID 13. The date of the initial opacity observation required in Condition 14.4.

Condition 14.5- 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 15 - 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.

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

Condition 16 - The Permittee shall comply with the initial performance test requirements in 40 C.F.R. 60.8 for EU ID 13. However, the Permittee is still subject to these requirements at such other times as may be required by EPA.

Condition 17 - 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 13).

Condition 18 - 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 (emission units) subject to NSPS. In general, the intent of NSPS is to provide technology-based emission control standards for new, modified and reconstructed affected facilities.

Conditions 20 - 24, NSPS Subpart III Requirements

Legal Basis: NSPS Subpart III applies to stationary compression ignition internal combustion engines (CI ICE) that commence construction, modification, or reconstruction after July 11, 2005 where the stationary CI ICE are manufactured after April 1, 2006 for non-fire pump engines and after July 1, 2006 for certified fire pump engines. EU ID 13 is subject to Subpart III under 40 C.F.R. 60.4200 because the unit is a NFPA firewater pump engine manufactured after July 1, 2006.

Factual Basis: These conditions incorporate the Subpart III emissions standards applicable to EU ID 13. The Permittee may not cause or allow EU ID 13 to violate these standards. These conditions also provide MR&R specifically called out for within the Subpart. The Permittee is required to operate and maintain the stationary CI ICE according to the manufacturer's written instructions or procedures developed by the Permittee that are approved by the engine manufacturer. The Permittee is required to monitor and record the monthly engine hours of operation and the rolling 12-month hours of operation on each affected CI ICE. Upon initial startup the Permittee shall provide a copy of the Manufacturer's Engine Certification in the next operating report required by Condition 59. The requirement in Condition 24 is added to fill gap in the reporting requirement under this Subpart.

Conditions 25 - 26, NESHAPS Subpart ZZZZ Requirements

Legal Basis: EU ID 13 is designated as an affected facility under 40 CFR 63.6585(a) & (c). NESHAPS Subpart ZZZZ for RICE applies because the RICE is a new, affected source which commenced construction after June 12, 2006.

Factual Basis: The RICE is exempt from the requirements of NESHAPS Subpart ZZZZ because it is an emergency RICE with a rating less than 500 hp, and because it is a compression-ignition RICE with a rating less than 500 hp located at an area source of HAPS under 40 CFR 63.6590(c).

Conditions 27 - 29, 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.

Conditions 30, 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 31 - 32, 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-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 generally potential emissions of each air pollutant in excess of 10 tons per year 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 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 32.2 such that it referenced “submitted” (i.e., postmarked) rather than “received” in accordance with the timeframe of Condition 32.1.

Condition 33, 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.

- EU IDs 20 (and 14 when combusting waste containing less than 10 percent sewage sludge) are not required to comply with this condition.

Factual Basis: The condition requires the Permittee to comply with good air pollution control practices for all sources. As there are no emissions units with Federal standards that apply at PBOC/MCC, this condition applies to all emissions units listed in Table A.

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 34, 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 35, 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 engaging 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.

This condition applies to stationary source operating permits that do not have an approved dust control plan, and contain one of the following sources: coal-fired boilers; coal handling facilities; construction of gravel pads or roads that are part of a permitted stationary source or other construction that has the potential to generate fugitive dust that reaches ambient air; commercial/industrial/municipal solid waste, air curtain, and medical waste incinerators; sewage sludge incinerators not using wet methods to handle that ash; mines; urea manufacturing; soil remediation units; or dirt roads under the control of the operator with frequent vehicle traffic.

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.

The Department adopted this standard condition as Standard Operating Permit Condition X under 18 AAC 50.346(c) 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 meet the requirements of 40 CFR 71.6(a)(3).

Condition 36, Stack Injection

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.045(e)-(f). 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 37, 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(d). The Department determined that this 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 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 38, 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 58. Excess emission reporting under Condition 58 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under Condition 58.

Condition 39, 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 40, 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 41, 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 42 - 43, 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 Prudhoe Bay Operations Center / Main Construction Camp (PBOC/MCC) 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.

Condition 0, 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 37, which requires a record of complaints.

The Permittee may conduct open burning by first applying for a separate open burn permit as set forth in Department Guidelines at <http://www.dec.state.ak.us/air/ap/permit.htm>.

Condition 45, 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 46 - 48, 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 46 through 48.

Factual Basis: These conditions supplement the specific monitoring requirements stated elsewhere in this permit. Compliance monitoring with Conditions 46 through 48 consist of the test reports required by Condition 53.

Condition 49, 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 50 - 53, 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 54, 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 55, 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 operating report, even though it must still be **submitted** more frequently than the operating report. This condition supplements the reporting requirements of this permit.

Condition 56, 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 57, 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 58, 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 59, 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 modified Standard Permit Condition VII to clarify reporting for transition periods between an expiring permit and a renewal permit. The changes ensure that the Permittee reports against the permit terms and conditions of the permit that was in effect during those partial date periods of the transition. No format is specified. The Permittee may provide one report accounting for each permit term or condition and the effective permit at that time. The Permittee may chose to provide two reports: the first report accounting for reporting elements of permit terms and conditions from the end date of the previous operating report until the date of expiration of the old permit, and a second operating report accounting for reporting elements of terms and conditions in effect from the effective date of the renewal permit until the end of the reporting period.

The Department further modified this condition to allow the Permittee to submit one of the required two copies of the report electronically in lieu of paper. This change more adequately meets the requirements of 18 AAC 50 and agency needs provided the electronic version is compatible with ADEC software, as the Department can more efficiently distribute the electronic copy to staff in other locations.

A final change was inserted to ensure that permit deviation or excess emissions notices provided as part of Condition 58 were also reported under this condition.

The Department has proposed to adopt these changes into a revised standard condition.

A schedule change was made in this permit to allow BPXA to submit quarterly operating reports instead of semi-annual operating reports specified in the standard condition.

Condition 60, 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 60.2 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 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.

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 61, 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 62, Permit Applications and Submittals

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

Factual Basis: This condition requires the Permittee to provide copies of applications or changes to the Department, and allows for electronic submittal of documents. Standard Permit 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 63 - 65, 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 66, 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 Prudhoe Bay Operations Center / Main Construction Camp (PBOC/MCC) 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.

Conditions 67 - 70, 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 conditions for compliance required for all operating permits.

Conditions 71 - 72, 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 B of Operating Permit No. AQ0274TVP02 shows the permit shield that the Department granted to the Permittee. 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.