

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

**Public Comment - July 21, 2010  
Copper Valley Electric Association, Inc.  
Valdez Diesel Plant**

**STATEMENT OF BASIS  
of the terms and conditions for  
Permit No. AQ0286TVP03**

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## INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0286TVP03.

## STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. **AQ0286TVP03** contains information on the stationary source as provided in the Title V permit application.

The stationary source is owned and operated by, Copper Valley Electric Association, Inc. and Copper Valley Electric Association, Inc. is the Permittee for the stationary source's operating permit. The SIC code for this stationary source is 4911- Electrical Services.

As provided in the application, the stationary source contains six diesel-fired engine generator sets (Units 1 through 6) and one diesel-fired turbine generator set (Unit 7). Unit No. 6 was installed in 1974. Units 1 through 3 were installed in 1966, followed by Units 4 and 5 in 1971 and 1974, respectively. The stationary source was last modified in 1976 when Unit No. 7 was added.

## EMISSION UNIT INVENTORY AND DESCRIPTION

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

The emission units at the Valdez Diesel Plant that are classified and have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit No. AQ0286TVP03.

Table A of Operating Permit No. AQ0286TVP03 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 emission unit rating/size provided in the table is not intended to create an enforceable limit.

## EMISSIONS

A summary of the potential to emit (PTE)<sup>1</sup> and assessable PTE as calculated by the Department from the Valdez Diesel Plant is shown in the table below.

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

Pollutant	NO <sub>x</sub>	CO	PM-10	SO <sub>2</sub>	VOC	HAPs	Total
PTE	1127	261	20	246	27	1.4	1682
Assessable PTE	1127	261	20	246	27	0	1681

<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.

The assessable PTE listed under Condition 16.1 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 criteria pollutants, emissions were calculated by the Department. Emission factors used for the table are from AP-42, Table 3.4-1, 3.4-2, and 3.1-1.

The Department calculated HAP emissions using emission factors from AP-42, Tables 3.1-4, 3.1-5, 1.3-8, 1.3-9, 1.3-10, and 3.3-2.

Due to the fact that there are no existing BACT requirements, no recurring periodic source testing is necessary for verification. In light of this fact, no periodic source testing requirements have been added.

### **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:

- A major source;
- 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;
- 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 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;

### **AIR QUALITY PERMITS**

#### **Previous Air Quality Permit to Operate**

No previous air quality permit-to-operate exists 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.

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<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)].

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

The owner or operator submitted an application on December 8, 1997.

The owner or operator amended this application on March 9, 1998.

The application was complete on March 10, 1998.

The permit was revised administratively on December 27, 2002, August 27, 2003, and December 22, 2003.

The Permittee submitted an application for renewal Operating Permit No. AQ0286TVP02 on March 14, 2005.

The application was complete on August 27, 2005, and the renewal permit was issued December 8, 2005.

The Permittee submitted an application for renewal Operating Permit No. AQ0286TVP03 on April 25, 2010.

### **COMPLIANCE HISTORY**

The Valdez Diesel Plant is an existing facility, which received an Air Quality Control (AQC) Permit to Operate under former 18 AAC 50.120 on November 29, 1978. This permit was subsequently rescinded by the Department, and because the facility has not been modified, and AQC Permit to Operate was not required under former 18 AAC 50.400, after promulgation of 1980 regulatory changes.

- In February 2001, Copper Valley Electric Association (CVEA) conducted Visible Emissions (VE) observations at the Valdez Diesel Plant, as required under AQ0286TVP01. The observed opacity from the two Fairbanks Morse Diesel standby generators (Emission Unit IDs 1 and 3) were at levels that triggered Particulate Matter (PM) source testing. This was reported to the Department as excess emission on March 2, 2001. The units were tagged as out of service and were not operated pending PM testing.
- On May 30 and 31, 2001, CVEA conducted PM source testing on Valdez Diesel Plant EU IDs 1 and 3. VE and PM emission exceeded the standards during the source tests.
- On June 1, 2001, CVEA submitted an excess emissions report to the Department regarding the VE and PM excess emissions from EU IDs 1 and 3. According to the report, the sources were scheduled to be again tagged out of service and not operated until the problem was solved.
- On July 18, 2001 the Department served a notice of violation to CVEA for the Valdez Diesel Plant EU IDs 1 and 3 for exceedance of VE and PM standards.
- In March 2002, the Department and CVEA entered into Consent Order by Consent (COBC) Number 01-231-50-2000 to resolve the violation. The COBC provides terms and conditions under which the Permittee may permanently decommission EU IDs 1 and 3, continue operations of the units, replace the units, or pay penalties. The units were decommissioned in 2002, and have not operated since then.

- The Facility Operating Report for January 1 2006 to June 30 2006 due August 1 2006 was not mailed until February 1 2007. The deviation was self-reported and a permit deviation report was filed. No further action was taken.
- The Facility Operating Report for January 2007 to June 2007 was found to be in violation because information on the Method 9 Visible Emissions plan being used was not provided. This issue was addressed in the FCE conducted on October 2007.

Review of the permit files for this stationary source, which includes the past inspection reports 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 (SIP).

Alaska’s SIP 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 emission unit- or 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. There are no existing construction permits.

### **NON-APPLICABLE REQUIREMENTS**

Each permit is required to contain a discussion of all applicable requirements as set forth in 40 C.F.R. 71.6(a) adopted in 18 AAC 50.040(j). This section discusses standard conditions that have been removed from the permit or are not included for specific reasons.

- NSPS Subpart IIII: Although the Permittee has several RICE (EU IDs 1 through 6), they are not currently applicable to the provisions of this Subpart as they have not been modified or reconstructed since the Subpart applicability date. A permit shield has been granted for this regulation (or parts of this regulation).
- NSPS Subpart GG: Although the Permittee has one stationary gas turbine (EU ID 7), it is not currently applicable to the provisions of this Subpart as it has not been modified or reconstructed since the Subpart applicability date. A permit shield has been granted for this regulation (or parts of this regulation).
- NSPS Subpart KKKK: Although the Permittee has one stationary gas turbine (EU ID 7), it is not currently applicable to the provisions of this Subpart as it has not been modified or

reconstructed since the Subpart applicability date. A permit shield has been granted for this regulation (or parts of this regulation).

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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. AQ0286TVP03. 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 ID(s) 4, 5, and 7 are fuel-burning equipment.

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

**Factual Basis:** Condition 1 prohibits the Permittee from causing or allowing visible emissions in excess of the applicable standard in 18 AAC 50.055(a)(1). The Permittee shall not cause or allow the equipment to violate these standards.

Visible emission monitoring, recordkeeping, and reporting scheme is the same for both applicable requirements. The Permittee must monitor, record, and report emissions in accordance with Conditions 3 and 4 of the permit.

Conditions 2 through 5 MR&R conditions are standard conditions adopted into regulation pursuant to AS 46.14.010(e). These conditions have been modified in this permit as follows. The Department added a provision that clarifies the option to continue an established monitoring frequency for renewal permits.

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

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

Monitoring – The visible emissions will 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.

### **Insignificant Emission Units:**

For EU ID(s) 1, 2, 3, and 6 no visible emissions monitoring is required because these units are insignificant emission units based on actual emissions and have permit Condition 1.2 that limits their hours of operation. As long as the units do not exceed this limit, 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 44 with the opacity standard.

### **Conditions 5 & 6 - 12, 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 7 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 12 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.

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

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

### **Insignificant Emission Units:**

For EU ID(s) 1, 2, 3, and 6, no monitoring is required because these are insignificant emission units based on actual emissions. EU ID(s) 1, 2, 3, and 6 must not exceed the operational hour limit as required by Condition 5.2. As long as they operate within this limit they are considered insignificant emission units 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 44 with the particulate matter standard.

### Condition 8, 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 7 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 Permit Conditions XI and XII adopted into regulation pursuant to AS 46.14.010(e). These conditions have been modified in this permit as follows. The Department corrected Condition 8.2 to replace the text “...method listed in 18 AAC 50.035 or an alternative method approved by the Department” with “...method listed in 18 AAC 50.035(b)-(c) and 40 C.F.R. 60.17 incorporated by reference in 18 AAC 50.040(a)(1)”. The text “...or an alternative method approved by the Department” was discarded during the Revised Action Plan submitted to EPA on July 15, 2007, as a result of the EPA Audit of the September 2006 Title V Program Review. This text is not to be used in subsequent permits since it allows a Permittee to bypass the public process for changing monitoring requirements by submitting off-record requests to change monitoring methods.

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

### Conditions 9, 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 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 10, NESHAP Subpart A Requirements**

**Legal Basis:** The Department has incorporated by reference the NESHAP requirements effective July 16, 2007, for specific industrial activities, as listed in 18 AAC 50.040(c). Most sources subject to a NESHAPs requirement are subject to Subpart A. EU IDs 1-3 and 7-12 are subject to NESHAPs Subpart ZZZZ and are therefore subject to the provisions of Subpart A listed in Table 8 of Subpart ZZZZ.

**Factual Basis:** These conditions incorporate applicable 40 C.F.R. 63 requirements. The Permittee may not cause or allow violations of these prohibitions.

### **Condition 11, NESHAP, 40 CFR 63, Subpart ZZZZ**

**Legal Basis:** These rules became effective May 3, 2010 and are applicable to compression ignition reciprocating internal combustion engines (CI RICE) located at the Valdez Diesel Plant. Compliance date for this standard is May 3, 2013.

**Factual Basis:** These conditions incorporate applicable 40 C.F.R. 63 requirements. The Permittee may not cause or allow violations of these prohibitions. The fuel requirements contained in 40 CFR 63.6604 direct the Permittee to 40 CFR 80.510(b) for sulfur content specifications: *“Beginning June 1, 2010. Except as otherwise specifically provided in this subpart, all NR and LM diesel fuel is subject to the following per-gallon standards:...”* Since the compliance date of the Subpart is in conflict with the compliance date of the fuel requirements, the Department used the compliance date of the Subpart in order to remove uncertainty.

### **Conditions 12 - 14, 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, as updated effective November 9, 2008.

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

### **Condition 15, 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 16 - 17, Emission Fees

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

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

These standard conditions require the Permittee to pay fees in accordance with the Department's billing regulations. The billing regulations set the due dates for payment of fees based on the billing date.

The default assessable emissions are 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 17.2 such that it referenced “submitted” (i.e., postmarked) rather than “received” in accordance with the timeframe of Condition 17.1.

## Condition 18, Good Air Pollution Control Practice

**Legal Basis:** This condition ensures compliance with the applicable requirement in 18 AAC 50.346(b)(5) and applies to all emission units, **except** those subject to federal emission standards, those subject to continuous emission or parametric monitoring, and for insignificant emission units, i.e., except EU IDs 1 through 6, which are subject to NESHAPs Subpart ZZZZ, beginning on the applicable compliance date as set forth in Conditions 10 and 11.

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

The Department adopted this condition under 18 AAC 50.346(b) as Standard Permit Condition VI pursuant to AS 46.14.010(e). This condition has been modified in the permit as follows. The Department added the text “EU IDs 1 through 6 are subject to this condition only until the applicable compliance date as set forth in Condition 11” because on the

compliance date in Condition X, EU IDs 1 through 6 subject to NESHAPs Subpart ZZZZ will no longer be subject to this condition (as units subject to federal emission standards) and will instead be required to comply with Condition 11. Records kept in accordance with Condition 1.2 for units previously subject to GAPCP need to be maintained for 5 years in accordance with Condition 38 even if a unit is no longer subject to this condition.

Beyond as noted above, the Department previously determined that this standard condition adequately meets the requirements of 40 C.F.R. 71.6(a)(3). No additional 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 as modified meets the requirements of 40 C.F.R. 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 19, 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 20, 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.

**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 Permit Condition X under 18 AAC 50.346(c) pursuant to AS 46.14.010(e). The Department determined that this standard condition adequately meets the requirements of 40 C.F.R. 71.6(a)(3). No emission unit or

stationary source operational or compliance factors indicate that unit-specific or stationary-source specific conditions would better meet these requirements. Therefore, the Department concluded that the standard condition meet the requirements of 40 C.F.R. 71.6(a)(3).

### **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 unit constructed or modified after November 1, 1982.

**Factual Basis:** No specific monitoring for this condition is practical. Compliance is ensured by inspections, because the unit 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 limitation should ensure compliance with this condition, unforeseen emission impacts can cause violations of this standard. These violations would go undetected except for complaints from affected persons. Therefore, to monitor compliance, the Permittee must monitor and respond to complaints.

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

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

### **Condition 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 42. Excess emission reporting under Condition 42 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under Condition 42.

#### **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 determine rule applicability of NESHAPS, and requires record keeping for those determinations if required by the source classification.

**Factual Basis:** The Permittee has conducted an analysis of the stationary source and determined that it is not a major HAPs stationary source based on emissions. This condition requires the Permittee to notify the Department and Administrator if the stationary source becomes an affected facility and 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. Condition 27.1 requires the Permittee to keep "sufficient records" to demonstrate compliance with the standards for conducting open burning, but does not specify what these records should contain.

More extensive monitoring and recordkeeping is not warranted because the Permittee does not conduct open burning as a routine part of their business. Also, most of the requirements are prohibitions, which are not easily monitored. Compliance is demonstrated through annual certification required under Condition 44.

### **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 tests 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 unit exhaust is observed for visible emissions.

**Factual Basis:** As provided in 18 AAC 50.345(a), amended November 9, 2008, 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(l)-(o) and apply 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 37, Particulate Matter (PM) Calculations**

**Legal Basis:** This condition requires the Permittee to reduce particulate matter data in accord with 18 AAC 50.220(f). It applies when the Permittee tests for compliance with the PM standards in 18 AAC 50.050 or 50.055.

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

### **Condition 38, 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 39, Certification**

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

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

### **Condition 40, 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. The Permittee is required to submit an original and one copy of reports, compliance certifications, and other submittals required by this permit. Receipt of the submittal at the correct Department office is sufficient monitoring for this condition. This condition supplements the standard reporting and notification requirements of this permit.

### **Condition 41, 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 42, 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 Permit Condition III under 18 AAC 50.346(c) pursuant to AS 46.14.010(e). The Department made a correction to the Standard Operating Permit Condition III to allow identical reporting methodology for both Excess Emissions and Permit Deviations reports which use identical forms and should have identical submissions methods. Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meets the requirements of 40 C.F.R. 71.6(a)(3).

### *Section 13, Notification Form*

The Department modified the notification form 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 rulemaking for these changes took effect November 9, 2008. The modification consisted of correcting typos and moving “Failure to Monitor/Report” and “Recordkeeping Failure” to Section 2 - permit deviations.

## **Condition 43, 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 pursuant to AS 46.14.010(e). The Department has made a correction to the Standard Permit Condition VII by changing the number of copies of documents to be submitted from “an original and two copies” to “an original and one copy”. Beyond as noted above, the Department has previously determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emission unit or stationary source operational or compliance factors indicate the unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions as modified meets the requirements of 40 C.F.R. 71.6(a)(3).

#### **Condition 44, 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 provides monitoring records for compliance with this condition.

Condition 44.2 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 for each of the effective permits during the certification period, or may choose to provide two reports – one certifying compliance with permit terms and conditions from January 1 until the date of expiration of the old permit, and a second report certifying compliance with terms and conditions in effect from the effective date of the renewal permit until December 31.

The Permittee is required to submit to the Department an original and one copy of an annual compliance certification report. 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 45, NSPS and NESHAP Reports**

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

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

#### **Condition 46, Permit Applications and Submittals**

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

**Factual Basis:** 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 47 - 49, Permit Changes and Revisions Requirements**

**Legal Basis:** The Permittee is obligated to notify the Department of certain off-permit source changes and operational changes under 18 AAC 50.326(j)(4). 40 C.F.R. 71.6(a)(10), (12), and (13) incorporated by reference under 18 AAC 50.040(j) require these provisions

within this permit. 40 C.F.R. 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

**Factual Basis:** These are conditions required in 40 C.F.R. 71.6 for all operating permits to allow changes within a permitted stationary source without requiring a permit revision.

### **Condition 50, Permit Renewal**

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

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

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

### **Conditions 51 - 55, General Compliance Requirements**

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

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

### **Conditions 56 - 57, 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. AQ0286TVP03AQ0286TVP03 shows the permit shield that the Department granted to the Permittee.