

Alaska Department of Environmental Conservation
Air Permits Program

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Kenai Pipeline Company
Kenai Pipeline Terminal

STATEMENT OF BASIS
of the terms and conditions for
Permit No. AQ0033TVP03

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INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0033TVP03.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0033TVP03 contains information on the stationary source, as provided in the Title V permit application.

The stationary source, Kenai Pipeline Terminal, is owned and operated by Kenai Pipeline Company, and Kenai Pipeline Company is the Permittee for the stationary source's Operating Permit. The SIC code for this stationary source is 5171 -- Petroleum Bulk Stations and Terminals. Kenai Pipeline Company describes the Kenai Pipeline Terminal as follows.

Kenai Pipeline Terminal is a marine vessel loading and crude oil storage facility owned by Kenai Pipeline Company. Kenai Pipeline Terminal consists of a marine loading rack with eight loading hoses, seven storage tanks providing storage capacity of 988,000 barrels, and an underground pipeline system that extends from the Tesoro Alaska Kenai Refinery to Kenai Pipeline Terminal for product loading into marine vessels, and facilities for handling and treating ballast water. Crude oil is delivered to Kenai Pipeline Terminal storage tanks by truck, marine vessel, and pipeline. Products produced by the Tesoro Alaska Kenai Refinery are loaded into marine vessels at Kenai Pipeline Terminal. The maximum annual marine vessel loading rates for heavy end products and gasoline are shown in Table 1 of the application for AQ0033TVP03. The maximum crude oil throughput of Kenai Pipeline Terminal is 23,000 barrels per hour. Kenai Pipeline Terminal also operates a soil vapor extraction (SVE) and air sparging system for remediation purposes.

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 Kenai Pipeline Terminal that have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of Operating Permit No. AQ0033TVP03. These units include two diesel-fired firewater pumps, and five fuel storage tanks. Tanks 2400 and 2406 (previously listed as EU IDs 3 and 7) have been removed from the emission unit inventory in Table A because they are not subject to the NESHAP Subpart EEEE provisions and are insignificant based on actual emissions per 18 AAC 50.326(e). Therefore, there are no specific monitoring, recordkeeping, and reporting requirements associated with these two tanks.

Table A of Operating Permit No. AQ0033TVP03 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)¹ and assessable PTE as indicated in the application from the stationary source is shown in Table C.

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

Pollutant	NO _x	CO	PM-10	PM-2.5	SO ₂	VOC	HAPs ⁽⁶⁾	GHG CO ₂ e ⁽⁷⁾	Total
Nikiski Terminal PTE⁽¹⁾	0	0	0	0	0	41.04	1.22	0	42.32
Nikiski Terminal Assessable Emissions⁽¹⁾	0	0	0	0	0	41.04	0	-	41.04
Kenai Refinery PTE⁽²⁾	780	491	51	51 ⁽⁵⁾	129	1,136	30.9	1,306,285	1,307,580.9
Kenai Refinery Assessable Emissions⁽²⁾	780	491	51	51 ⁽⁵⁾	129	1,136	30.9	-	2,668.9
Kenai Pipeline Terminal PTE⁽³⁾	1.92	0.25	0.10	0.10	0.21	870.89	39.65	96.00	1009.12
Kenai Pipeline Terminal Assessable Emissions⁽³⁾	0	0	0	0	0	870.89	39.65	-	910.54
Combined Stationary Source PTE⁽⁴⁾	781.92	491.25	51.1	51.1	129.21	2,047.93	71.77	1,306,381	3,624.25
Combined Stationary Source Assessable Emissions⁽⁴⁾	780	491	51	51	129	2,047.93	70.55	-	3,620.48

(1) Emissions estimates from the Permittee's renewal application for AQ0036TVP03.

(2) Emissions estimates from the Department's records for AQ0035TVP02.

(3) Emissions estimates from the Permittee's renewal application for AQ0033TVP03.

(4) The Nikiski Terminal, Kenai Refinery, and Kenai Pipeline are considered one stationary source. The assessable emissions in PTE included in Condition 30 applies to the Kenai Pipeline Terminal only.

(5) Emissions estimates for PM-2.5 assumed as 100-percent of PM-10.

(6) The stationary source, which consists of the Nikiski Terminal, Kenai Refinery, and Kenai Pipeline, is a major source of HAPs as aggregated.

(7) CO₂e emissions are defined as the sum of the mass emissions of each individual greenhouse gas (GHG) adjusted for its global warming potential.

The assessable PTE listed under Condition 30.1 is the sum of the emissions of each individual regulated air pollutant for which the stationary source has the potential to emit quantities greater than 10 tons per year (TPY). The emissions listed in Table C are estimates that are for informational purposes only. The listing of the emissions does not create an enforceable limit to the stationary source.

¹ *Potential to Emit or PTE* means the maximum capacity of a stationary source to emit a pollutant under its physical or operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable. Secondary emissions do not count in determining the potential to emit of a stationary source, as defined in AS 46.14.990(23), effective 12/3/05.

Potential criteria and hazardous air pollutant emissions were estimated in the permit renewal application, citing no change from those of the former application and supplement, for both significant and insignificant emission units. Emissions from the combustion units were estimated based on vendor data and mass balance equations. Emissions from marine vessel loading, storage tanks, and component leaks were estimated based on core lab analytical data.

The hazardous air pollutant (HAP) emissions are estimated at 262.3 TPY. These estimates are above the HAP-major emissions thresholds of 25 TPY total HAPs. HAP estimates were not included in the total in the table above because most HAPs are VOCs.

BASIS FOR REQUIRING AN OPERATING PERMIT

In accordance with AS 46.14.130(b), an owner or operator of a Title V source² must obtain a Title V permit consistent with 40 C.F.R. Part 71, as adopted by reference in 18 AAC 50.040.

Except for sources exempted or deferred by AS 46.14.120(e) or (f), AS 46.14.130(b) lists three categories of sources that require an operating permit:

- A major source;
- A stationary source, 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; and
- 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:

- Belonging to a single major industrial grouping as defined in Section 112 of the Clean Air Act that emits or has the potential to emit, in the aggregate, 10 TPY or more of any HAP, 25 TPY or more of any combination of such HAPs, or such lesser quantity as the Administrator may establish by rule;
- 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; and
- Contains a source, including an area source, subject to a standard or other requirement under Section 112 of the Clean Air Act (National Emission Standards for Hazardous Air Pollutants, NESHAP), and not exempted or deferred under AS 46.14.130(e) or (f).

AIR QUALITY PERMITS

Previous Air Quality Permit to Operate

No air quality control permit-to-operate exists for this stationary source before January 18, 1997 (the date of the divided Title I/Title V Program).

Title I (Construction and Minor) Permits

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

Construction Permit No. 0023-AC010 was issued to the Permittee on August 30, 2000. This permit granted authorization for the installation of two new Fisher 2500 Firewater Pumps. All effective stationary source-specific requirements established in the Title I permit is included in the Title V operating permit.

Title V Operating Permit Application, Revisions, and Renewal History

The Permittee submitted an application for a Title V operating permit in 1997. The application was amended in January 2001. On November 1, 2002, the Department issued Title V Operating Permit No. 033TVP01. The Department issued Permit No. AQ0033TVP01 Administrative Revision 1 on December 10, 2004 to correct contact personnel and emission unit ratings.

The Permittee submitted an application for a renewal to the Title V Operating Permit on May 29, 2007.

On December 29, 2009, Tesoro submitted an informal appeal to re-visit Condition 20, NESHAPS Subpart EEEE Initial Compliance Demonstration, and Condition 69, Compliance Plan and Schedule, of Title V Operating Permit AQ0033TVP02. The Director of Air Quality responded in correspondence dated January 11, 2010 agreeing to make changes to the specified conditions as set forth in the review decision. Those changes were incorporated into Revision 1 of the Title V Operating Permit.

On April 26, 2010, Tesoro applied for an Administrative Permit Amendment under 18 AAC 50.040(j)(5) and 40 C.F.R. 71.7(d)(vi) to revise permit Conditions 18.3 and 69 of AQ0033TVP02. Under 40 C.F.R. 71.7(d)(vi), Tesoro's request must be substantially equivalent to the existing condition language for this revision to be completed. The Department determined that this revision could be made since the requested language is essential the equivalent to the Federal applicability requirements. Equipment is subject to regulation only when it is in service. Tesoro's suggested language adds a statement that the work practice standards do not apply to equipment until first returned to service after the compliance due date.

COMPLIANCE HISTORY

The Kenai Pipeline Terminal is aggregated with the Kenai Refinery and the Nikiski Terminal for purposes of determining stationary source classification under 18 AAC 50 because they constitute the definition of a single stationary source in AS 46.14.990. In the aggregation review, the Department made a determination that these three Tesoro facilities have a clear support/dependency relationship and are not independent economic entities. These three facilities are also clearly aggregated under Title I and Title III of the CAA. EPA has indicated that “a facility can have more than one operating permit as long as the collection of permits assures that all applicable requirements that would otherwise be required under a single permit for each major source” would be met (EPA Letter, 6/16/96). The three aggregated facilities are each issued a separate Title V Permit, solely for convenience to the Permittee for better management, and personnel assignments. The Kenai Pipeline Terminal, Nikiski Terminal, and the Kenai Refinery are classified as Prevention of Significant Deterioration (PSD) major for having a total potential to emit over 100 TPY of a regulated air pollutant for a petroleum refineries or petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels. The Kenai Pipeline Terminal has been in place since 1977 and has not gone through a PSD review.

Review of the permit files for the Kenai Pipeline Terminal, which includes the past inspection reports, indicate the source generally operating in compliance with the provisions of permit. However, the source does have a compliance plan to come into compliance with 40 C.F.R. 63 Subpart EEEE by installing internal floating roofs in OLD storage tanks as set out in Section 9. As of March 6, 2008, four of the tanks at the stationary source have had internal floating roofs installed (EU IDs 3, 4, 5, and 7); the Permittee has indicated in the application for AQ0033TVP03 that internal floating roofs have been installed on EU IDs 6 and 8, and will have been installed on EU ID 9 before permit issuance. During the public comment period for Title V Operating Permit AQ0033TVP02, the Permittee informed the Department that Tanks 2400 and 2406 (previously listed EU IDs 3 and 7) are used as wastewater storage tanks and not as organic liquids storage tanks, and therefore, these tanks are not subject to the Subpart EEEE provisions. The Department finds the inapplicability determination valid in accordance with 40 C.F.R. 63.2338 and 63.2406. Therefore, the Department removed EU IDs 3 and 7 from NESHAP Subpart EEEE conditions and from Table A since the units are insignificant based on actual emissions (18 AAC 50.326(e)). Condition 23.3 is added to require notification in case these tanks change storage use from wastewater to organic liquids.

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 includes the following types of pre-construction permits:

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

Pre-construction permit terms and conditions include both source-specific conditions and conditions derived from regulatory applicable requirements such as standard conditions, generally applicable conditions, and conditions that quote or paraphrase requirements in regulation.

These requirements include, but are not limited to, each 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. Table D list the requirements carried over from Title V Operating Permit No. AQ0033TVP02 into Title V Operating Permit No. AQ0033TVP03.

Table D - Comparison of Previous Operating Permit No. AQ0033TVP02 Conditions to Operating Permit No. AQ0033TVP03 Conditions³

Permit No. AQ0033TVP02 Condition No.	Description of Requirement	Permit No. AQ0033TVP03 Condition No.	How Condition was Revised
Global	Permittee name	Global	From “Tesoro Alaska Company” to “Kenai Pipeline Company”
Global	Stationary Source Name	Global	From “Kenai Pipeline Facility” to “Kenai Pipeline Terminal”
Section 1	Stationary Source Information	Section 1	Various changes based on application materials
Section 2, Table A	Emission Unit Inventory and Description	Section 2, Table A	Revised description, rating/size, and installation date for EUs 1 and 2; added footnote
Condition 4	Pre-construction Permit Requirements	Condition 4	Revised sub-section heading and added footnote for clarity
Condition 6	Insignificant Emission Units	Condition 6	Added language for clarity
Condition 7	Source aggregation for 40 C.F.R. 63, Subpart CC applicability	Condition 11	Combined under 40 C.F.R. 63, Subpart CC requirements heading
Conditions 8, 9, and 10	Emission Units/Stationary Sources Subject to Federal NESHAPs, Subpart A	N/A	Removed
Conditions 11 and 12	NESHAP Subpart CC Requirements	Conditions 12 and 13	Moved
Conditions 13 through 16	NESHAP Subpart Y Requirements	Conditions 14 through 17	Moved
Conditions 17 through 22	NESHAP Subpart EEEE Requirements	Condition 18 through 23	Moved
Conditions 23 and 24	NESHAP Subpart GGGGG Requirements	Conditions 24 and 25	Moved
Conditions 25	Standard Conditions	Conditions 26	Moved and revised for clarity

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

Permit No. AQ0033TVP02 Condition No.	Description of Requirement	Permit No. AQ0033TVP03 Condition No.	How Condition was Revised
through 35		through 36	
Condition 36	NESHAP Subpart M Asbestos	Condition 7	Moved
Condition 37, 39, and 40	Protection of Stratospheric Ozone 40 C.F.R. 82 Subpart F, Subpart G and Subpart H	Conditions 8.1, 8.2, and 8.3	Moved, combined, and revised
Condition 38	NESHAPs Applicability Determination	Condition 9	Moved
Condition 41	Open Burning Requirements	Condition 37	Moved
Conditions 42 through 50	Source testing requirements	Condition 38 through 46	Moved
Conditions 51-57	Recordkeeping and Reporting Requirements	Conditions 47 through 53	Moved and updated
Condition 58	NSPS and NESHAP Reports	Condition 10	Moved
Condition 59 - 63	Permit Changes and Renewals	Conditions 54 through 58	Moved
Conditions 64 - 67	Compliance Requirements	Conditions 59 through 62	Moved
Conditions 68-70	Compliance Schedule	None	Deleted obsolete conditions
Condition 71	Permit Shield	Conditions 63	Moved
Condition 72 Table C	Permit Shields Granted	Condition 64, Table B	Added NESHAP Subpart DDDD for hot water heaters and 40 C.F.R. 68 for Chemical Accident Prevention provisions; revised Subpart ZZZZ language

STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The State and Federal regulations for each condition are cited in Operating Permit No. AQ0033TVP03. This Statement of Basis provides the legal and factual basis for each term and condition as set forth in 40 C.F.R. 71.6(a)(1)(i).

Condition 1, Visible Emissions Standard and MR&R

Legal Basis: This condition ensures compliance with the applicable requirements in 18 AAC 50.055(a). 18 AAC 50.055(a) applies to the operation of fuel-burning equipment and industrial processes. EU IDs 1 and 2 are fuel burning equipment or industrial processes. U.S. EPA incorporated these standards as revised in 2002 into the State Implementation Plan (SIP) 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). MR&R is not required since the units are insignificant as listed in Condition 1.1 of the permit.

Insignificant Emission Units:

For EU IDs 1 and 2, no monitoring is required because these emission units are insignificant based on permitted emissions as set out by 18 AAC 50.326(e). As long as emissions are below the rates set out by 18 AAC 50.326(e), they are considered insignificant emission units and no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, dated October 8, 2004. The Permittee must annually certify compliance under Condition 53 with the visible emission standard.

Conditions 2, Particulate Matter (PM) Standard

Legal Basis: This condition ensures compliance with the applicable requirement in 18 AAC 50.055(b). This requirement applies to operation of all industrial processes and fuel burning equipment in Alaska. EU IDs 1 and 2 are fuel-burning equipment. These PM standards also apply because they are contained in the federally approved SIP effective September 13, 2007.

Factual Basis: Condition 2 prohibits emissions in excess of the state PM (also called grain loading) standard applicable to fuel-burning equipment and industrial processes. The Permittee shall not cause or allow fuel-burning equipment to violate this standard.

MR&R is not required since the units are insignificant as listed in Condition 2.1 of the permit.

Insignificant Emission Units:

For EU IDs 1 and 2, no monitoring is required because these emission units are insignificant based on permitted emissions as set out by 18 AAC 50.326(e). As long as emissions are below the rates set out by 18 AAC 50.326(e), they are considered insignificant emission units and no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, dated October 8, 2004. The Permittee must annually certify compliance under Condition 52.4 with the particulate matter standard.

Condition 3, Sulfur Compound Emissions

Legal Basis: This condition requires the Permittee to comply with the sulfur compound emission standard for all fuel-burning equipment and industrial processes in the State of Alaska. EU IDs 1 and 2 are fuel-burning equipment and industrial processes. These sulfur compound standards also apply because they are contained in the federally approved SIP effective September 13, 2007.

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

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

Liquid Fuels:

Fuel containing no more than 0.75 percent sulfur by weight will always comply with the emission standard (i.e., No. 2 diesel fuel is 0.5 percent by weight or less by grade specification). The Department modified Standard Condition XI MR&R to serve to be adequate for the 0.35 percent limit. The MR&R conditions have been streamlined based on the more stringent sulfur limit of 0.35 percent rather than have two sets of MR&R. The Department also corrected Condition 3.3 to replace the text “...method listed in 18 AAC 50.035 or an alternative method approved by the Department” with “...method listed in 18 AAC 50.035(b)-(c) and 40 C.F.R. 60.17 incorporated by reference in 18 AAC 50.040(a)(1)”. The text “...or an alternative method approved by the Department” was discarded during the Revised Action Plan submitted to EPA on July 15, 2007, as a result of the EPA Audit of the September 2006 Title V Program Review. This text is not to be used in subsequent permits since it allows a Permittee to bypass the public process for changing monitoring requirements by submitting off-record requests to change monitoring methods.

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

Conditions 4 - 5, Title I Permit Requirements

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

Factual Basis: Conditions 4 and 5 incorporate owner requested limits developed in Construction Permit No. 0023-AC010 issued on January 19, 1997 to protect ambient air quality.

Conditions 6, 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 condition re-iterates 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 6.4a requires certification that the units did not exceed State emission standards during the previous year and did not emit any prohibited air pollution. For EU IDs 1 and 2, as long as they remain insignificant based on actual operations, no monitoring is required in accordance with Department Policy and Procedure No. AWQ 04.02.103, Topic # 3, dated October 8, 2004 for standby emission units.

Condition 7, Asbestos NESHAP

Legal Basis: This condition requires the Permittee to comply with asbestos demolition or renovation requirements in 40 C.F.R. 61, Subpart M. The 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 8, Protection of Stratospheric Ozone, 40 C.F.R. 82

Legal Basis: Condition 8 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.

Condition 8.3 prohibitions also apply to all stationary sources that use halon for extinguishing fires and inert gas to reduce explosion risk. The condition prohibits the Permittee from causing or allowing violations of these prohibitions. The stationary source uses halon and is therefore subject to the Federal regulations contained in 40 C.F.R. 82.

Factual Basis: 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. These conditions also incorporate applicable 40 C.F.R. 82 requirements. The Permittee may not cause or allow violations of these prohibitions.

Condition 9, 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 a major HAPs stationary source based on emissions. This condition requires the Permittee to keep and make available to the Department copies of the major stationary source determination.

Condition 10, NSPS and NESHAP Reports

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

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

Condition 11, Source Aggregation

Legal Basis: A stationary source is any building, structure, facility, or installation that emits or may emit any regulated air pollutant or any pollutant listed under Section 112(b) of the Act per 40 C.F.R. 71.2 and AS 46.14.990(27). A stationary source includes all sources located on are contiguous or adjacent properties under common control and belonging to a single major industrial grouping [two (2)-digit Standard Industrial Classification (SIC) code]. The Department makes stationary source aggregation determinations on a case-by-case basis using EPA guidance

Factual Basis: The Department asserts that actual emissions from the marine vessel loading operations at this stationary source, the Kenai Refinery and the Nikiski Terminal operations are to be aggregated because they constitute the definition of a single stationary source in AS 46.14.990. The Department has determined that these three Tesoro facilities are a single aggregated stationary source for NSR permitting (40 C.F.R. 51 and/or 52), Title V (40 C.F.R. Part 70 and/or 71), and for NESHAP (40 C.F.R. 63.2) major source criteria. In the aggregation review, the Department made a determination that these three Tesoro facilities have a clear support/dependency relationship and are not independent economic entities. EPA has indicated that “a stationary source can have more than one operating permit as long as the collection of permits assures that all applicable requirements that would otherwise be required under a single permit for each major source” would be met (EPA Letter, 6/16/96). The three aggregated facilities are each issued a separate Title V Permit, solely for convenience to the Permittee for better management, and personnel assignments.

Therefore, the Permittee shall aggregate actual emissions from the three sources for the purpose of determining applicability of 40 C.F.R. 63, Subpart CC as well as stationary source classifications under 18 AAC 50.

Conditions 12 - 17, NESHAPs Subpart CC and Subpart Y Requirements

Legal Basis: EPA has determined that the stationary source is subject to 40 C.F.R. 63, Subpart CC (Marine Vessel loading MACT) because the stationary source is part of the Tesoro Petroleum Refinery "plant site" as it is defined in Subpart CC. Therefore, the stationary source is a related emission point under 40 C.F.R. 63.640. Under 40 C.F.R. 63.651, the requirements of 40 C.F.R. 63.560 through 63.567 (Subpart Y, Marine Vessel Loading RACT) apply to the marine vessel loading operation, except for the initial notification requirements in 40 C.F.R. 63.567(b). The stationary source storage vessels, wastewater streams, and equipment from which leaks may occur are not subject to Subpart CC (EPA, 1997).

The stationary source is exempt from the provisions of 40 C.F.R. 63.562(c) and (d) pertaining to RACT standards under 40 C.F.R. 63.560(b)(2) because the throughput is less than 10 M barrels per year. The stationary source is exempt from provisions of both MACT and RACT standards in 40 C.F.R. 63.562(b), (c), and (d) because loading of commodities with a vapor pressure equal to or greater than 1.5 psia results in HAP emissions of less than 10 tons per year, based on actual emissions. Therefore, based on all the standards listed in 40 C.F.R. 63.562, the stationary source is subject only to the good air pollution control practice requirements in 40 C.F.R. 63.562(e), because this requirement is not a MACT or RACT standard.

The stationary source is subject to the recordkeeping requirements of 40 C.F.R. 63.567(j)(4) and the emission estimation requirements of 40 C.F.R. 63.565(l) because it is an existing source with emissions less than 10 and 25 tons, under 40 C.F.R. 63.560(a)(3).

Under 40 C.F.R. 63.560(e)(iii), if a source with emissions less than 10 and 25 tons increases its emissions subsequent to September 20, 1999, such that it becomes a source with emissions of 10 or 25 tons, it must comply with the provisions of Subpart Y pertaining to MACT standards in 40 C.F.R. 63.562(b) within three years following the exceedance of the threshold level.

Since the source is exempt from MACT and RACT standards, there are no applicable relevant standards, therefore there are no reports required for Subparts CC or Y, except the notification and application requirements that apply for the construction or reconstruction of an affected source.

Factual Basis: Conditions 12 through 17 incorporate the NESHAPs Subpart CC and Y requirements as they apply to this stationary source. No additional requirements are necessary to ensure compliance with this condition.

Conditions 18 - 23, NESHAPs Subpart EEEE Requirements

Legal Basis: The requirements of this Organic Liquids Loading MACT affect storage, transfer, and loading of organic liquids, defined as follows: any non-crude oil liquid or liquid mixture that contains five percent by weight or greater of the organic HAP, or any crude oils downstream of the first point of custody transfer.

Factual Basis: Conditions 18 through 23 incorporate the NESHAPs Subpart EEEE requirements as they apply to this stationary source. The source has not yet completely fulfilled demonstration of compliance with the emission limits, operating limits, and work practice standards of Subpart EEEE. Condition 19.1 sets out three options for the Permittee

to comply with the emission limitation required in 40 C.F.R. 63 Subpart EEEE through 40 C.F.R. 63 Subpart WW provisions: (1) operate and maintain an internal floating roof (IFR), (2) operate and maintain an external floating roof (EFR), or (3) alternative means of emission limitation set out in 40 C.F.R. 63.1064. The Permittee has elected to comply with the work practice standard by installing IFRs on EU IDs 3 – 9. As of the issue date of this permit, six of the tanks at the stationary source have had internal floating roofs installed, EU IDs 3, 4, 5, 6, 7 and 8; the Permittee has indicated in the application for AQ0033TVP03 that the internal floating roof will have been installed on EU ID 9 before permit issuance. During the public comment period for Title V Operating Permit AQ0033TVP02, the Permittee informed the Department that EU IDs 3 and 7 (Tanks 2400 and 2406) are used as wastewater storage tanks and not as organic liquids storage tanks, and therefore, these tanks are not subject to the Subpart EEEE provisions. The Permittee referenced Tesoro Alaska Company's amended Notice of Compliance Status (NOCS) dated 1/21/2008, which indicates the source's compliance with the initial performance test requirements for EU IDs 3, 4, 5, and 7; and the 2/8/08 letter to EPA documenting the reasons for the EU IDs 3 and 7 (Tanks 2400 and 2406) inapplicability to NESHAP Subpart EEEE. The Permittee has also provided a copy of the 2008 actual VOC emissions from EU IDs 3 and 7 indicating annual emissions of well below the significant thresholds in 18 AAC 50.326(e). The Department finds the inapplicability determination valid in accordance with 40 C.F.R. 63.2338 and 63.2406. Therefore, the Department removed EU IDs 3 and 7 from NESHAP Subpart EEEE conditions and from Table A since the units are insignificant based on actual emissions (18 AAC 50.326(e)). Condition 23.3 is added to require notification in case EU IDs 3 and 7 change storage use from wastewater to organic liquids.

EPA issued a letter dated May 27, 2009 in response to the Permittee's request for clarification on the inconsistencies on the compliance date in 40 C.F.R. 63.2342(b)(1) (February 5, 2007) and the compliance demonstration date in 63.2358(c)(1)(ii) (180 days after April 25, 2011). The EPA letter states that the intent was to apply the February 5, 2007 compliance date for fixed roof converting to internal floating roof (Subpart WW controls, as required in Condition 19.1) with a compliance demonstration date of 180 days after February 5, 2007. In the preambles to the 2004 and 2006 final rulemaking, it was explained that emissions from degassing and cleaning fixed roof tanks can be balanced within one year by installing Subpart WW controls or by a 95 percent efficient control device, and that therefore it is not appropriate to allow such sources additional time to comply with the rule. However, EPA acknowledges the inconsistencies between 40 C.F.R. 63.2342 and 2358. As written, 40 C.F.R. 63.2358 creates some ambiguity to the regulations that does not comport to the previous intent. Therefore, 40 C.F.R. 63.2358(c)(1)(ii) could be read to provide a compliance date of October 22, 2011 (180 days after April 25, 2011) for fixed roof tanks installing an internal floating roof to meet the work practice standards of Table 4 of Subpart EEEE. For this reason, the EPA has allowed Tesoro to meet the later compliance demonstration date of October 22, 2011. Nonetheless, the compliance date in 63.2342(b)(1) remains February 5, 2007, and as such a compliance schedule was needed for EU ID 9, as set out in Condition 69 of Title V Operating Permit AQ0033TVP02. On April 26, 2010, Tesoro requested an Administrative Amendment revising Condition 18.3 of Title V Operating Permit AQ0033TVP03 to clarify that the subject tanks are not subject to this condition when out of service. Since the permittee certifies that the subject tank is currently not in service, but is planned to be returned to service during the permit term the Department found the

Administrative Amendment acceptable under 40 C.F.R. 71.7(d)(vi). Rather than change the permit terms and conditions to remove the EU as not-in-service and then revise the permit again once the tank has been returned to service, the Department accepted Tesoro's clarification as an administrative amendment. The Department has removed Conditions 18.3 and 18.4 in Title V Operating Permit AQ0033TVP02 from AQ0033TVP03 as obsolete. It notes that the Permittee has indicated in the application for AQ0033TVP03 that the internal floating roof will have been installed on EU ID 9 before permit issuance, thus obviating the continued need for a compliance schedule.

Conditions 24 - 25, NESHAPs Subpart GGGGG Requirements

Legal Basis: The requirements of this Site Remediation MACT exemption apply to sources where the total amount of Subpart GGGGG Table 1 HAPs removed from the site is less than 1 mega gram per year.

Factual Basis: Conditions 24 through 25 incorporate the NESHAPs Subpart GGGGG recordkeeping requirements as they apply to this stationary source. No additional requirements are necessary to ensure compliance with this condition.

Conditions 26 - 28, Standard Terms and Conditions

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

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

Condition 29, 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 30 - 31, 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(e). Except for the modification noted in the last paragraph of this "Factual Basis", the Department determined that these standard conditions adequately meet the requirements of AS 46.14.250. No emission unit or stationary source operational or compliance factors indicate that unit-specific or stationary-source specific conditions would better meet these requirements. Therefore, the Department concluded that the standard conditions meet the requirements of AS 46.14.250.

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

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

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

This standard condition specifies that, unless otherwise approved by the Department, calculations of assessable emission based on actual emissions use the most recent previous calendar year's emissions. Since each current year's assessable emission are based on the previous year, the Department will not give refunds or make additional billings at the end of the current year if the estimated emissions and current year actual emissions do not match.

The Department modified the standard condition to correct Condition 31.2 such that it referenced "submitted" (i.e., postmarked) rather than "received" in accordance with the timeframe of Condition 31.1.

Condition 33, 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 33, Reasonable Precautions to Prevent Fugitive Dust

Legal Basis: This condition requires the Permittee to use reasonable precautions when handling, storing or transporting bulk materials or engineering in an industrial activity in accordance with the applicable requirement in 18 AAC 50.045(d). Bulk material handling requirements apply to the Permittee because the Permittee will engage in bulk material handling, transporting, or storing; or will engage in industrial activity at the stationary source.

Factual Basis: The condition requires the Permittee to comply with 18 AAC 50.045(d), and take reasonable action to prevent particulate matter (PM) from being emitted into the ambient air.

Condition 34, 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 emission unit or stack would need to be modified to accommodate stack injection.

Condition 35, 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 36, 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 51. Excess emission reporting under Condition 51 requires information on the steps taken to minimize emissions. Monitoring of compliance for this condition consists of the report required under Condition 51.

Condition 37, Open Burning

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

regulation in 18 AAC 50.065 applies to the Permittee if the Permittee conducts open burning at the stationary source.

Factual Basis: No specific monitoring is required for this condition. The Department has modified the Public Notice draft condition by incorporating the requirements of 18 AAC 50.065 by reference. Condition 37.1 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 53.

Condition 38, 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 39 - 41, Operating Conditions, Reference Test Methods, Excess Air Requirements

Legal Basis: These conditions ensure compliance with the applicable requirement in 18 AAC 50.220(b) and apply because the Permittee is required to conduct source tests by this permit. The Permittee is required to conduct source test as set out in Conditions 39 through 41.

Factual Basis: These conditions supplement the specific monitoring requirements stated elsewhere in this permit. Compliance monitoring with Conditions 39 through 41 consists of the test reports required by Condition 46.

Condition 42, 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 43 - 46, 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 47, 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 48, 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 49, Submittals

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

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

Condition 50, Information Requests

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

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

Condition 51, Excess Emission and Permit Deviation Reports

Legal Basis: This condition requires the Permittee to comply with the applicable requirement in 18 AAC 50.235(a)(2) and 18 AAC 50.240. Also, the Permittee is required to notify the Department when emissions or operations deviate from the requirements of the permit.

Factual Basis: This condition satisfies two state regulations related to excess emissions - the technology-based emission standard regulation and the excess emission regulation.

Although there are some differences between the regulations, the condition satisfies the requirements of each regulation.

The Department adopted this condition as Standard Operating Permit Condition III under 18 AAC 50.346(c) pursuant to AS 46.14.010(e). The Department made a correction to the Standard Operating Permit Condition III to allow identical reporting methodology for both Excess Emissions and Permit Deviations reports which use identical forms and should have identical submissions methods. 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).

0, Notification Form

The Department incorporated the August 20, 2008 Standard Permit Condition IV notification form. The rulemaking for these changes took effect November 9, 2008. The Department determined that this standard condition meets the requirement 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).

Condition 52, Operating Reports

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

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

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

Condition 53, Annual Compliance Certification

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

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

Condition 53.2 provides clarification of transition periods between an expiring permit and a renewal permit to ensure that the Permittee certifies compliance with the permit terms and conditions of the permit that were in effect during those partial date periods involved in the transition. No format is specified: the Permittee may provide one report certifying compliance with each permit term or condition and the effective permit at that time, or may chose to provide two reports – one certifying compliance with permit terms and conditions from January 1 until the date of expiration of the old permit, and a second report certifying compliance with terms and conditions in effect from the effective date of the renewal permit until December 31.

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

Condition 54, Permit Applications and Submittals

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

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

Conditions 55 - 57, Permit Changes and Revisions Requirements

Legal Basis: The Permittee is obligated to notify the Department of certain off-permit source changes and operational changes under 18 AAC 50.326(j)(4). 40 C.F.R. 71.6(a)(10), (12), and (13) incorporated by reference under 18 AAC 50.040(j) require these provisions within this permit. 40 C.F.R. 70 Appendix A documents that EPA fully approved the Alaska operating permit program effective November 30, 2001.

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

Condition 58, 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 59 - 62, 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 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 63 - 64, 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. AQ0033TVP03 shows the permit shields that the Department granted to the Permittee.