

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

**PUBLIC COMMENT - March 6, 2023
Hilcorp Alaska, LLC
Grayling Platform**

**STATEMENT OF BASIS
for
Permit No. AQ0069TVP04**

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INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0069TVP04.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0069TVP04 contains information on the stationary source as provided in the Title V permit application.

The stationary source, Grayling Platform, is owned and operated by Hilcorp Alaska, LLC and Hilcorp Alaska, LLC (Hilcorp) is the Permittee for the stationary source's operating permit. The standard industrial classification (SIC) code for this stationary source is 1311 Crude Oil and Natural Gas.

The stationary source is an offshore oil and gas production platform, producing fuel gas and oil with some residual water in the oil.

EMISSIONS UNIT INVENTORY AND DESCRIPTION

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

The emissions units at the stationary source that have specific monitoring, recordkeeping, and reporting requirements are listed in Table A of the operating permit. Table A contains information on the emissions units regulated by the operating permit as provided in the application. The table is provided for informational and identification purposes only. Specifically, the emissions unit rating/size provided in the table is not intended to create an enforceable limit. The Permittee stated in the operating permit application that EU ID 30 (TEG Dehydration Unit) is no longer in service and requested it be removed from the operating permit. EU IDs 19 and 20 were replaced by EU IDs 19a, 19b, and 20a as stated in the Off-Permit Change Notification dated October 13, 2021, submitted by the Permittee. EU IDs 19a, 19b, and 20a are insignificant units due to potential emissions and do not have any applicable requirements. Therefore, these units are not included in Table A of the operating permit or any other section of the permit. In the Off-Permit Change Notification dated October 11, 2019, the Permittee addressed the replacement of EU ID 4 with EU ID 4a.

EMISSIONS

A summary of the potential to emit (PTE)¹ and assessable PTE for the stationary source is shown in the table below.

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(22).

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

Emissions	NO _x	CO	PM ₁₀	SO ₂	VOC	CO ₂ e ¹	HAPs	Total ²
PTE	297.30	216.70	13.91	109.60	116.10	161,627	1.46	753.61
Assessable PTE	297.30	216.70	13.91	109.60	116.10	0	0	753.61

Table Notes:

¹ CO₂e emissions are defined as the sum of the mass emissions of each individual GHG adjusted for its global warming potential.

² Total PTE and total assessable PTE shown in the table do not include CO₂e and HAPs.

The assessable PTE listed under Condition 50.1 is the sum of the PTE of each individual air pollutant, other than greenhouse gases (GHGs), that the stationary source has the potential to emit. The emissions listed in Table C are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit for the stationary source.

PTE is as provided in the application for the operation permit. The change in CO PTE is due largely to the revised throughput assumed for EU IDs 28 and 29 (flares). The Permittee used the maximum annual throughput for the flares from the previous 10 years rather than the previous assumption of 3 MMscf/day. The revised VOC PTE is also due mainly to the revised annual throughput for EU IDs 28 and 29, along with the Permittee's use of flared gas composition and 98 percent VOC control efficiency rather than using the AP-42 emission factor.

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 CFR 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 the following 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 (NSPS) under Section 111 of the Clean Air Act or National Emission Standards for Hazardous Air Pollutants (NESHAP) under Section 112 of the Clean Air Act;
- Another stationary source designated by the Federal Administrator by regulation.

The Permittee is required to obtain an operating permit for the stationary source as specified under 18 AAC 50.326(a) and 40 CFR 71.3(a), because the stationary source is a major source. This stationary source is a major source because, as defined in Section 302 of the Clean Air Act, it directly emits, or has the potential to emit, 100 tpy or more of any air pollutant subject to regulation.

² Title V source means a stationary source classified as needing a permit under AS 46.14.130(b) [ref. 18 AAC 50.990(111)].

AIR QUALITY PERMITS

Permits to Operate

The stationary source was issued an Air Quality Permit to Operate 9423-AA006 on January 18, 1997. All stationary source-specific requirements established in this previous permit were re-established in Minor Permit AQ0069MSS02.

Title I (Construction and Minor) Permits

The Department has not issued any construction permits for this stationary source.

Minor Permit No. AQ0069MSS01. The Department issued this permit on September 27, 2012 to authorize installation of EU ID 31. All stationary source-specific requirements established in this permit are included in Operating Permit No. AQ0069TVP04 as described in Table D.

Minor Permit No. AQ0069MSS02. The Department issued this permit on January 28, 2013 to revise the H₂S monitoring requirements for the Grayling Platform.

Minor Permit No. AQ0069MSS03. The Department issued this permit on July 30, 2014 to revise operation requirements (SoLoNO_x mode) for EU ID 31. This permit also rescinded Minor Permits AQ0069MSS01 and AQ0069MSS02 while carrying forward applicable requirements.

Minor Permit No. AQ0069MSS04. The Department issued this permit on February 14, 2019 to increase the H₂S fuel limit for the Grayling Platform. This permit also rescinds Minor Permit AQ0069MSS03 while carrying forward applicable requirements.

- Revision No. 1. The Department issued this revision on November 6, 2020 to correct the assessable emissions. The stationary source-specific requirements established in this Title I permit are included in the new operating permit as described in Table D.

Title V Operating Permits

Operating Permit No. 069TVP01. The Department issued this permit on March 25, 2003.

- Revision No. 1. The Department issued an administrative amendment on July 23, 2007 to update the Responsible Official.

Operating Permit No. AQ0069TVP02. The Department issued this permit on February 5, 2010.

- Revision No. 1. The Department issued an administrative amendment on February 6, 2012 for transfer of ownership from Union Oil Company of California to Hilcorp.
- Revision No. 2. The Department issued an administrative amendment on December 28, 2012 to incorporate the requirements of Minor Permit AQ0069MSS01.
- Revision No. 3. The Department issued an administrative amendment on April 17, 2013 to incorporate the requirements of Minor Permit AQ0069MSS02.

- Revision No. 4. The Department issued an administrative amendment on October 30, 2014 to incorporate the requirements of Minor Permit AQ0069MSS03.

Operating Permit No. AQ0069TVP03. The Department issued this permit on June 13, 2018.

- Revision No. 1. The Department issued an administrative amendment on November 6, 2020 to incorporate the requirements of Minor Permit AQ0069MSS04.

The Department received the application for Operating Permit No. AQ0069TVP04 on December 5, 2022.

COMPLIANCE HISTORY

The stationary source has operated at its current location since 1967. Review of the permit files for this stationary source, which includes the past inspection reports and compliance evaluations, indicate a stationary source generally operating in compliance with its operating permit.

APPLICABLE REQUIREMENTS FROM PRECONSTRUCTION PERMITS

Incorporated by reference at 18 AAC 50.326(j), 40 CFR Part 71.2 defines “applicable requirement” to include the terms and conditions of any preconstruction permit issued under rules approved in Alaska’s State Implementation Plan (SIP).

Alaska’s SIP includes the following types of preconstruction permits:

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

Preconstruction 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 emissions unit- or source-specific requirement established in these permits issued under 18 AAC 50 that are still in effect at the time of issuance of Operating Permit No. AQ0069TVP04. Table D below lists the requirements carried into Operating Permit No. AQ0069TVP04 to ensure compliance with the preconstruction permit requirements.

Table D - Comparison of Minor Permit No. AQ0069MSS04, Rev 1 Conditions to Operating Permit No. AQ0069TVP04 Conditions

AQ0069MSS04, Rev 1 Condition No.	Description of Requirement	AQ0069TVP04 Condition No.	How Condition was Revised
5	ORL for NOx	15	Not revised.
6	ORL for CO	16	Not revised.
7	Operating hour limit	17	EU ID 26 is not included because it was replaced by EU ID 26a in 2017.
8	BACT	18	Not revised.
9	Fuel gas H ₂ S limit	19	To clarify the monitoring frequency if the H ₂ S concentration is 340 ppmv, the language “greater than 85%” in Condition 9.2a of the minor permit is revised to “equal to or greater than 85%”.
10	Fuel oil sulfur limit	20	Not revised.
11 through 13	SO ₂ emissions MR&R for 40 CFR 52.21(r)(6)	21 through 23	EU IDs 4, 19, and 20 are not included because they were replaced by EU IDs 4a, 19a, 19b, and 20a in 2020 and 2021.

Table Note: This table does not include all standard and general conditions.

NON-APPLICABLE REQUIREMENTS

This section discusses standard conditions and other requirements that are not included in the operating permit for specific reasons.

- 40 CFR 64 Compliance Assurance Monitoring (CAM):** None of the emissions units at the stationary source use a control device to achieve compliance with emission limits or standards. Therefore, CAM requirements are not applicable.

STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The Department adopted regulations from 40 CFR 71, as specified in 18 AAC 50.040(j), in addition to creating state regulations, to establish an operating permit program. The EPA fully approved the Alaska Operating Permit Program on November 30, 2001, as noted in Appendix A to 40 CFR 70. This Statement of Basis, required under 40 CFR 71.11(b), provides the legal and factual basis for each condition of Operating Permit No. AQ0069TVP04. Additionally and as required by 40 CFR 71.6(a)(1)(i), the state and federal regulations for each permit condition are cited in the permit.

Conditions 1 through 5, Visible Emissions Standard and MR&R

Legal Basis: These conditions require 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, 3, 4a, 14 through 18, 24, 25, 26a, 27 through 29, and 31 are fuel-burning equipment or industrial processes.

U.S. EPA approved the addition of these standards to the SIP, as noted in 40 CFR 52.70. The Department included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: These conditions prohibit the Permittee from causing or allowing visible emissions in excess of the applicable standard in 18 AAC 50.055(a)(1). MR&R requirements are also specified. These conditions have been adopted into regulation as Standard Permit Condition (SPC) IX.

The Permittee must establish by visual observations, which may be supplemented by other means (e.g., a defined stationary source operation and maintenance program), that the stationary source is in continuous compliance with the state standards for visible emissions. These conditions detail a stepwise monitoring program to determine compliance with the state visible emissions standards. Equipment types covered by these conditions are internal combustion engines, turbines, heaters, boilers, and flares. Initial monitoring frequency schedules are established along with subsequent reductions or increases in frequency depending on the results of the self-monitoring program. Reasonable action thresholds are established in these conditions that require the Permittee to progressively address potential visible emission problems from emissions units through maintenance programs and/or more rigorous tests that will quantify whether a specific emission standard has been exceeded.

Gas Fuel-Burning Equipment:

Monitoring – The monitoring of gas fuel-burning emissions units for visible emissions is waived, i.e. no Method 9 or Smoke/No Smoke observations will be required. The Department has found that natural gas fuel-burning equipment inherently has negligible visible emissions. However, the Department can request a source test for particulate matter emissions from any smoking equipment.

Reporting – The Permittee must state in each operating report whether only gaseous fuels were used in the equipment during the period covered by the report.

Liquid Fuel-Burning Equipment:

Monitoring – The emissions units must be observed using the Method 9 Plan. Corrective actions such as maintenance procedures or more frequent observations may be required depending on the results of the observations.

In accordance with 18 AAC 50.326(d)(1), EU IDs 24, 26a, and 27 do not qualify as insignificant because they are subject to federal requirements in NESHAP Subpart ZZZZ and/or NSPS Subpart III. These units are otherwise insignificant because EU IDs 24 and 27 are intermittently operated engines with actual emissions less than the significant emissions thresholds in 18 AAC 50.326(e), while EU ID 26a is an emergency generator with PTE less than the significant emissions thresholds in 18 AAC 50.326(e). Therefore, the Department has waived visible emissions monitoring for these units, but these units are subject to compliance certification requirements, in accordance with Department Policy and Procedure No. 04.02.103, Topic #3. Additionally, no monitoring is required for EU IDs 24 and 27 in accordance with the policy, as long actual emissions remain below the thresholds in 18 AAC 50.326(e).

Actual NO_x emissions for EU ID 25 were 2 tpy or more for years 2021, 2018, and 2017 according to emission inventories submitted by the Permittee. Additionally, the Permittee states in the operating permit application that estimated actual NO_x emissions for EU ID 25 is 2 tpy. Therefore, EU ID 25 must continue to be monitored according to the Method 9 Plan in Operating Permit No. AQ0069TVP04. This monitoring requirement may be re-evaluated at the next operating permit renewal.

Recordkeeping – The Permittee is required to record the results of all visible emissions observations and record any actions taken to reduce visible emissions.

Reporting – The Permittee is required to report emissions in excess of the state visible emissions standard and deviations from permit conditions. The Permittee is also required to include in the operating report a statement of which visible emissions plan was used for each emissions unit and copies of the results of all visible emission observations.

Flares:

Monitoring for flares requires Method 9 observations of scheduled daylight flaring events lasting more than one hour. The Permittee must report the results of these observations to the Department. An observation of EU ID 28 in 2018 showed compliance with the VE standard and observations of EU ID 29 in 2018 and 2019 showed compliance with the VE standard. Therefore, the requirement for an initial VE observation is not included in the operating permit. The Permittee must continue to observe daylight flare events every 14 months or at the next daylight flare event if one does not occur during the 14-month period.

Conditions 6 through 9, Particulate Matter Standard and MR&R

Legal Basis: These conditions require compliance with the applicable requirement in 18 AAC 50.055(b).

- 18 AAC 50.055(b)(1) applies to the operation of fuel-burning equipment and industrial processes. EU IDs 1, 3, 4a, 14 through 18, 24, 25, 26a, 27 through 29, and 31 are fuel-burning equipment or industrial processes.

This particulate matter standard applies because it is contained in the federally-approved SIP. The Department included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: These conditions prohibit emissions in excess of the applicable state particulate matter standard. MR&R requirements are also specified. These conditions have been adopted into regulation as SPC IX.

The Permittee must establish by visual observations, which may be supplemented by other means (e.g., a defined stationary source operation and maintenance program), that the stationary source is in continuous compliance with the state's emission standards for particulate matter.

Gas Fuel-Burning Equipment:

Monitoring – The monitoring of gas fuel-burning emissions units for particulate matter is waived, i.e. no source testing is required. The Department has found that natural gas fuel-burning equipment inherently has negligible particulate matter emissions. However, the Department can request a source test for particulate matter emissions from any smoking equipment.

Reporting – The Permittee must state in each operating report whether only gaseous fuels were used in the equipment during the period covered by the report.

Liquid Fuel-Burning Equipment:

Monitoring – The Permittee is required to either take corrective action, or conduct PM source testing, if opacity threshold values are exceeded. For liquid fuel-burning engines and turbines, the Department set opacity threshold values of 15 percent for stack diameters less than 18 inches and 20 percent for stack diameters equal to or greater than 18 inches. These opacity thresholds are based on a study conducted by the Department in an effort to establish a correlation between opacity and PM. The data was collected from diesel engines of various stack sizes and the results are as follows:

- For stacks normalized to 21 inches – 0.05 gr/dscf corresponds to 27% opacity
- For stacks normalized to 18 inches – 0.05 gr/dscf corresponds to 23% opacity
- For stacks normalized to 12 inches – 0.05 gr/dscf corresponds to 16.8% opacity
- For stacks normalized to 10 inches – 0.05 gr/dscf corresponds to 14.3% opacity

This means that the trend line for the complete data set predicts that 20 percent opacity corresponds to a little less than the PM limit for an 18-inch stack. There may be engines that exceed the thresholds but the intent of the standard condition is not to guarantee that each engine that might exceed the PM standard will be tested. The Department expects few, if any, engines to actually be tested under this condition. What the Department does expect is that with the adopted condition in place, operators that find an opacity above or near the testing threshold will take corrective action necessary to reduce PM emissions. This would achieve the desired environmental outcome without the added cost of testing. The Department expects this to be the case with both thresholds.

The method is premised on the fact that a five percent difference in opacity is distinguishable. The conditions mean that if opacity readings as measured using Method 9 – with all of its limitations – exceed the threshold, the Permittee must either take corrective action or conduct a PM source test. The compliance conditions for PM do not draw a legal conclusion about whether the method shows compliance with the visible emissions standard.

Recordkeeping – The Permittee is required to record the results of particulate matter source tests and visible emissions observations conducted during the source test.

Reporting – The Permittee is required to report incidents when emissions in excess of the opacity threshold are observed and results of particulate matter source tests. The Permittee is also required to include copies of the results of all visible emission observations taken during particulate matter source testing in the operating report.

Flares:

Monitoring of gas-fired flares for particulate matter is waived, i.e. no source testing is required, because of the difficulty and questionable results these tests produce when applied to flares. Compliance with the state visible emissions standard serves as surrogate compliance demonstration for the state particulate matter emissions standard.

Conditions 10 through 14, Sulfur Compound Emissions Standard and MR&R

Legal Basis: This condition requires compliance with the sulfur compound emission standards under 18 AAC 50.055(c).

- 18 AAC 50.055(c) applies to the operation of fuel-burning equipment and industrial processes. EU IDs 1, 3, 4a, 14 through 18, 24, 25, 26a, 27 through 29, and 31 are fuel-burning equipment or industrial processes.

These sulfur compound standards apply because they are contained in the federally approved SIP. The Department included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: The Permittee may not cause or allow the affected equipment to violate the applicable sulfur compound standard. Sulfur dioxide comes from the sulfur in the fuel (e.g. coal, natural gas, fuel oils).

Liquid Fuels:

For liquid fuel-burning equipment, the MR&R conditions are SPCs XI and XII, adopted into regulation pursuant to AS 46.14.010(e).

Gaseous Fuels:

Fuel sulfur testing must be conducted to determine compliance with the SO₂ emission standard. The Permittee must monitor the fuel H₂S content in accordance with the requirements for the limit for ambient air quality. The Permittee is required to report excess emissions whenever the fuel combusted causes sulfur compound emissions to exceed the standards in this condition.

Conditions 15 through 23, Preconstruction Permit Requirements

Legal Basis: The Permittee is required to comply with all stationary source-specific requirements that were carried forward from previous SIP-approved Permits to Operate issued on or before January 17, 1997 and operating permits issued between January 18, 1997 and September 30, 2004, and with all stationary source-specific requirements in EPA PSD permits, SIP-approved construction permits, SIP-approved minor permits, and owner requested limits established under 18 AAC 50.225. These requirements include Best Available Control Technology (BACT) limits, limits to ensure compliance with the attainment or maintenance of ambient air quality standards or maximum allowable ambient concentrations, and owner requested limits. Requirements from the permits listed above apply because they were originally developed through case-by-case action under a federally-approved SIP or approved operating permit program.

Factual Basis: The requirements from Title I permit conditions are included in the operating permit as described in Table D above.

Condition 9 in Minor Permit AQ0069MSS04, Rev 1 includes a gas fuel H₂S limit and monitoring requirements. These requirements are included in Condition 19 in Operating Permit No. AQ0069TVP04. The minor permit addresses monitoring frequency requirements for H₂S concentrations greater than 340 ppm and less than 340 ppm but does not address monitoring frequency requirements if the fuel gas H₂S concentration is equal to 340 ppm. Therefore, the Department added monitoring frequency requirements if H₂S is equal to 340 ppm in accordance with 40 CFR 71.6(a)(3)(i)(B), which states that monitoring requirements must be added when not specified by the applicable requirement.

Condition 24, Insignificant Emissions Units

Legal Basis: The Permittee is required to meet the state emission standards in 18 AAC 50.050(a) for all incinerators regardless of size and 18 AAC 50.055 for all industrial processes and fuel-burning equipment regardless of size. As previously noted, 18 AAC 50.050(a) and 50.055 are contained in the federally-approved SIP. The Department also added permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: The condition requires insignificant emissions units to comply with the state emission standards for visible emissions, particulate matter emissions, and sulfur-

compound emissions. Insignificant emissions units are not generally listed in operating permits unless specific monitoring, recordkeeping and reporting are necessary to ensure compliance. However, the Permittee may not cause or allow insignificant emission units at the stationary source to violate these standards whether or not they are listed in the operating permit.

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. The conditions require certification that the units did not exceed state emission standards during the previous year and did not emit any prohibited air pollution. The Department used the language in SPC V for the permit condition.

Conditions 25 through 33, 40 CFR 60 Subpart A Requirements

Legal Basis: New Source Performance Standard³ (NSPS) requirements in 40 CFR 60 are included in the applicable requirement definition under 40 CFR 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1). The provisions of 40 CFR 60 apply to the owner or operator of any stationary source which contains an affected facility⁴, the construction or modification of which is commenced after the date of publication in 40 CFR 60 of any standard (or, if earlier, the date of publication of any proposed standard) applicable to that facility.

The Department is unable to change the wording of relevant NSPS to substitute “the Department” for “the Administrator”. The Department requires access to any permit-related information provided by the Permittee to the EPA to act on its responsibility as the permitting authority to determine compliance with the NSPS. Therefore, the Department has defined “the Administrator” to mean the “EPA and the Department” for conditions implementing the federal emission standards under Section 4 of the operating permit.

The Permittee must comply with 40 CFR 60 Subpart A if the stationary source is subject to the requirements of another subpart under 40 CFR 60.

Condition 25.1 - The Permittee is subject to these requirements in the event of a modification or reconstruction of an existing facility⁵ into an affected facility.

Condition 25.2 - The requirements to notify the Administrator of any proposed replacement of components of an existing facility (40 CFR 60.15) apply in the event that the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable entirely new facility.

³ EPA has not delegated to the Department the authority to administer the NSPS program as of the issue date of this permit

⁴ *Affected facility* means, with reference to a stationary source, any apparatus to which a standard applies, as defined in 40 CFR 60.2.

⁵ *Existing facility* means, with reference to a stationary source, any apparatus of the type for which a standard is promulgated in this part, and the construction or modification of which was commenced before the date of proposal of that standard; or any apparatus which could be altered in such a way as to be of that type, as defined in 40 CFR 60.2.

Condition 26 - The requirements in 40 CFR 60.7(b) to maintain start-up, shutdown, or malfunction records are applicable to most NSPS affected facilities.

Conditions 27 and 28 - NSPS excess emission reporting requirements and summary report form in 40 CFR 60.7(c) & (d) are applicable if the Permittee elects to periodically determine fuel sulfur content under NSPS Subpart GG. The Department has included a copy of the federal EEMSP summary report form as Attachment 1 to the operating permit.

Condition 29 - Recordkeeping requirements in 40 CFR 60.7(f) are applicable to all NSPS affected facilities. Records are required to be kept for five years in accordance with 40 CFR 71.6(a)(3)(ii)(B) rather than the two years specified in 40 CFR 60.7(f).

Condition 30 - The Permittee has already complied with the initial performance test requirements in 40 CFR 60.8. However, the Permittee is still subject to these requirements in the event of a new NSPS affected facility, in the event of a modification or reconstruction of an existing facility into an affected facility, or at such other times as may be required by EPA.

Condition 31 - Good air pollution control practices in 40 CFR 60.11 are applicable to most NSPS affected facilities.

Condition 32 - Credible evidence may be used to demonstrate compliance or to establish violations of relevant NSPS standards.

Condition 33 - Concealment of emissions prohibitions in 40 CFR 60.12 are applicable to most NSPS affected facilities.

In accordance with 40 CFR 60.18(a)(1), the flares are not subject to 40 CFR 60.18 because the stationary source is not covered by any subparts that refer to 40 CFR 60.18.

Factual Basis: Subpart A contains general requirements applicable to all affected facilities (emissions units) subject to NSPS. In general, the intent of NSPS is to provide technology-based emission control standards for new, modified and reconstructed affected facilities.

Condition 34, 40 CFR 60 Subpart GG Requirements

Legal Basis: The Department has incorporated by reference the NSPS requirements for specific industrial activities, as listed in 18 AAC 50.040(a). NSPS Subpart GG applies to stationary gas turbines with a heat input at peak load equal to or greater than 10.7 gigajoules (10 million Btu) per hour. EU IDs 1, 3, 4a, and 31 are subject to the requirements of Subpart GG because they are rated at greater than 10 MMBtu/hr.

Factual Basis: These conditions incorporate NSPS Subpart GG NO_x emission and sulfur compound limits.

NO_x Standard: For a turbine subject to 40 CFR 60.332, the NO_x standard is determined by the following equation:

$$\text{STD}_{\text{NO}_x} = 0.015 \left(\frac{14.4}{Y} \right) + F$$

Where:

- STD_{NO_x} = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis)
- Y = manufacturer's maximum rated heat input (kJ/W-hr), or actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the affected stationary source. The value of Y shall not exceed 14.4 kJ/W-hr; and
- F = NO_x emissions allowance for fuel bound nitrogen, percent by volume, assumed to be zero for distillate fuel oil and gaseous fuels.

The Permittee assumes zero fuel bound nitrogen.

The Department included periodic monitoring for the NSPS NO_x limit as required under 40 CFR 71.6(a)(3), because NSPS Subpart GG does not contain MR&R sufficient for an operating permit. The intent of these conditions is that turbines or groups of turbines be routinely tested on no less than a 5-year cycle. These turbines have operated significantly more than 400 hours per year for the past five years. Therefore, the 400-hour threshold from the previous operating permit is no longer included. Source testing is required no more than 5 years from the previous test if the previous test results are 90 percent of the emissions limit or less and source testing is required every year until two consecutive test results are less than or equal to 90 percent of the limit if the previous test results were more than 90 percent of the limit.

These conditions do not state how load must be measured. For some turbines, it may be possible to directly measure load as either mechanical or electrical output. For others, it may be necessary to calculate load indirectly based on measurements of other parameters. The Department is not attempting to dictate what method is most appropriate through the permit conditions, but the Department will evaluate the adequacy of the method proposed by the Permittee in the source test plan.

SO₂ Standard: The Permittee is required to comply with one of the following requirements:

- Do not cause or allow SO₂ emission in excess of 0.015 percent by volume, at 15 percent O₂ and on a dry basis (150 ppmvd), or
- Do not cause or allow the sulfur content for the fuel burned in the turbine to exceed 0.8 percent by weight.

MR&R for the sulfur standard is as required in NSPS Subpart GG. In accordance with 40 CFR 60.334(h)(3), the Permittee may elect not to monitor the total sulfur content of the gaseous fuel combusted by affected turbines, if the gaseous fuel is demonstrated to meet the definition of natural gas in 40 CFR 60.331(u), regardless of whether an existing custom schedule approved by the Administrator requires monitoring.

In accordance with 40 CFR 60.334(h)(4), for an affected facility constructed, reconstructed, or modified before July 8, 2004 for which a custom fuel monitoring schedule has previously been approved, the Permittee may, without submitting a special petition to the Administrator, continue monitoring on this schedule. The stationary source was granted an EPA-approved Custom Fuel Monitoring Schedule for specific turbines in correspondence dated March 17, 2007.

Condition 35, 40 CFR 60 Subpart III Requirements

Legal Basis: The Department has incorporated by reference the NSPS requirements for specific industrial activities, as listed in 18 AAC 50.040(a). NSPS Subpart III applies to stationary compression ignition internal combustion engines (CI ICE) that commence construction, modification, or reconstruction after July 11, 2005 where the stationary CI ICE are manufactured after April 1, 2006 for non-fire pump engines and after July 1, 2006 for certified fire pump engines. EU ID 26a is subject to Subpart III under 40 CFR 60.4200 because it is a CI ICE constructed in 2010.

Factual Basis: For EU ID 26a, the Permittee has chosen to comply with the requirements for non-emergency engines. These conditions incorporate the applicable Subpart III emissions standards. These conditions also specify the MR&R requirements contained in the subpart. The Permittee is required to operate and maintain the stationary CI ICE according to the manufacturer's written instructions or procedures developed by the Permittee that are approved by the engine manufacturer.

Condition 36, 40 CFR 61 Subpart A & M Requirements

Legal Basis: The requirements of 40 CFR 61 are applicable requirements for Title V permitting purposes, as stated in item 4 of the “applicable requirement” definition under 40 CFR 71.2. The condition requires the Permittee to comply with asbestos demolition or renovation requirements in 40 CFR 61, Subpart M, as adopted by reference under 18 AAC 50.040(b)(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 37, 40 CFR 63 Subpart A Requirements

Legal Basis: National Emission Standards for Hazardous Air Pollutants (NESHAP) requirements are included in the “applicable requirement” definition in item 4 under 40 CFR 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1).

The Permittee must comply with 40 CFR 63 Subpart A if the stationary source is subject to the requirements of another subpart under 40 CFR 63.

Factual Basis: Subpart A contains general requirements applicable to all facilities and emissions units subject to NESHAP requirements.

Conditions 38 and 39, 40 CFR 63 Subpart ZZZZ Requirements

Legal Basis: The Department has incorporated by reference the NESHAP requirements for specific industrial activities, as listed in 18 AAC 50.040(c). NESHAP Subpart ZZZZ applies to owners and operators of any existing, new, or reconstructed stationary reciprocating internal combustion engines (RICE) located at major and area sources of HAP emissions. Grayling Platform is an area source that contains RICE units.

Factual Basis: For EU ID 27, the Permittee has chosen to comply with the requirements for non-emergency engines. Therefore, the Permittee must meet the work and management practices for stationary non-emergency CI RICE with a rating of less than or equal to 300 horsepower (hp) as specified in Table 2d, Item 1 of Subpart ZZZZ for EU IDs 25 and 27.

EU ID 24 is an existing non-emergency RICE rated at greater than 300 hp. Under 40 CFR 63.6603(b), existing non-emergency RICE rated greater than 300 hp located at area sources that are not accessible by the Federal Aid Highway System (FAHS) do not have to meet the numerical CO emission limitations under Subpart ZZZZ, but must meet the work and management practices for stationary non-emergency CI RICE with a rating of less than or equal to 300 hp as specified in Table 2d, Item 1 of Subpart ZZZZ.

The Permittee must comply with the general requirement for good air pollution control practices in 40 CFR 63.6605(b) and 63.6625(e) and the recordkeeping requirements of 40 CFR 63.6655(e) and 40 CFR 63.6660. The Permittee is also required to include reports of deviations from NESHAP Subpart ZZZZ requirements with the facility operating reports, in accordance with 40 CFR 63.6650(f).

Under 40 CFR 63.6645(a)(5), initial notification is not required for existing stationary CI RICE that are not subject to any numerical emission standards. In addition, fuel requirements under 40 CFR 63.6604 do not apply, as specified in 40 CFR 63.6604(d).

Because EU ID 26a is a new engine under the subpart, the Permittee must meet the requirements of 40 CFR 63 by meeting the requirements of 40 CFR 60 Subpart III as required by 40 CFR 63.6590(c).

Conditions 40 through 42, 40 CFR 82 Subpart F, G, & H Requirements

Legal Basis: The requirements of 40 CFR 82 are applicable requirements for Title V permitting purposes, as stated in item 12 of the “applicable requirement” definition under 40 CFR 71.2. Condition 40 requires compliance with the applicable requirements in 40 CFR 82, as adopted by reference under 18 AAC 50.040(d). The requirements apply 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 in 40 CFR 82, Subpart F.

Conditions 41 and 42 also require compliance with the applicable requirement adopted under 18 AAC 50.040(d). Condition 41 prohibitions apply to all stationary sources that use substitutes for ozone-depleting compounds. Condition 42 prohibitions apply to all stationary sources that use halon for extinguishing fires and inert gas to reduce explosion risk. These conditions prohibit the Permittee from causing or allowing violations of these requirements. The stationary source uses halon and is therefore subject to the federal regulations contained in 40 CFR 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 CFR 82 requirements.

Conditions 43 through 45, NESHAP Applicability Determination Requirements

Legal Basis: These conditions require the Permittee to determine NESHAP rule applicability and require recordkeeping for those determinations and notifications as applicable.

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 source subject to a standard promulgated by EPA under 40 CFR part 63 and to keep records of applicability determinations and make those records available to the Department. Notifications of construction are also required as applicable.

Conditions 46 through 48, Standard Terms and Conditions

Legal Basis: These are standard conditions required for all operating permits under 18 AAC 50.345(a) and (e) through (g). As stated in 18 AAC 50.326(j)(3), the standard permit conditions of 18 AAC 50.345 replace the provisions of 40 CFR 71.6(a)(5) through (7).

Factual Basis: These are standard conditions that are included in all operating permits.

Condition 49, Administration Fees

Legal Basis: This condition requires compliance with the applicable fee requirements in 18 AAC 50.400 through 403. Paying administration fees is required as part of obtaining and holding a permit with the Department or as a fee for a Department action. As stated in 18 AAC 50.326(j)(1), the provisions of 18 AAC 50.400 through 50.430 are applicable and 40 CFR 71.9 is not applicable.

Factual Basis: The regulations in 18 AAC 50.400 through 403 specify the amount, payment period, and the frequency of fees applicable to a permit action.

Conditions 50 and 51, Emission Fees

Legal Basis: These conditions require compliance with the applicable fee requirements in 18 AAC 50.410 through 50.420. The regulations specify the time period for the assessable emissions and the methods the Permittee may use to calculate assessable emissions. As stated in 18 AAC 50.326(j)(1), the provisions of 18 AAC 50.400 through 50.430 are applicable and 40 CFR 71.9 is not applicable.

Factual Basis: The Department used the language in SPC I, adopted by reference under 18 AAC 50.346(b), for the permit. These 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 assessable emissions are the lesser of the stationary source's potential or projected emissions of each air pollutant (AS 46.14.250(h)(1)). The conditions allow the Permittee to calculate assessable emissions based on previous actual annual emissions. According to AS 46.14.250(h)(1), assessable emissions are based on each air pollutant. Therefore, fees shall be paid on any pollutant emitted whether or not the permit contains any limitation for that pollutant.

This standard condition specifies that, unless otherwise approved by the Department, calculations of assessable emissions based on actual emissions must be for the previous calendar year. Since each current year's assessable emissions 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.

Condition 52, Good Air Pollution Control Practice

Legal Basis: This condition requires compliance with the requirements in 18 AAC 50.346(b)(5) and applies to all emissions units, **except** those subject to an emission standard in 40 CFR 60, 61, or 63, those subject to continuous emission or parametric monitoring requirements, and insignificant emissions units.

Factual Basis: The condition requires the Permittee to comply with good air pollution control practices. The Department adopted this condition under 18 AAC 50.346(b) as SPC VI pursuant to AS 46.14.010(e). Records kept for units previously subject to this requirement need to be maintained for 5 years even if a unit is no longer subject to this condition.

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 an adequate maintenance schedule is not maintained.

Condition 53, Dilution

Legal Basis: 18 AAC 50.045 is included in the SIP approved by EPA. It is therefore an applicable requirement, per 40 CFR 71.2. This condition reiterates 18 AAC 50.045(a), which prohibits the Permittee from using dilution as an emission control strategy.

Factual Basis: The condition prohibits the Permittee from diluting emissions as a means of compliance with any standard in 18 AAC 50.

Condition 54, Reasonable Precautions to Prevent Fugitive Dust

Legal Basis: This condition reiterates 18 AAC 50.045(d), which requires a person to use reasonable precautions when handling, storing or transporting bulk materials or engaging in an industrial activity. This requirement applies because the Permittee has an emission unit or activity listed under Table 7 of 18 AAC 50.346(c). 18 AAC 50.045 is included in the SIP approved by EPA. The listed emission units and activities in Table 7 are: coal-fired boilers; coal handling facilities; construction of gravel pads or roads that are part of a permitted stationary source or other construction that has the potential to generate fugitive dust that reaches ambient air; commercial/industrial/municipal solid waste, air curtain, and medical waste incinerators; sewage sludge incinerators not using wet methods to handle that ash; mines; urea manufacturing; soil remediation units; or dirt roads under the control of the operator with frequent vehicle traffic; and other emission units the Department finds are likely to generate fugitive dust.

Factual Basis: The Department used the language in Standard Permit Condition X for the permit. The condition requires the Permittee to take reasonable action to prevent particulate matter from being emitted into the ambient air in accordance with 18 AAC 50.045(d).

Condition 55, Stack Injection

Legal Basis: 18 AAC 50.055 is included in the SIP approved by EPA. It is therefore an applicable requirement per 40 CFR 71.2.

This condition requires 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 stacks of emissions units at a stationary 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 unit or stack would need to be modified to accommodate stack injection.

Condition 56, Air Pollution Prohibited

Legal Basis: 18 AAC 50.110 is included in the SIP approved by EPA. It is therefore an applicable requirement per 40 CFR 71.2.

This condition requires compliance with 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. The Department also included permit conditions for MR&R as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: The Department used the language in SPC II for the permit. This condition spells out how to monitor, record, and report prohibited air pollution. While the other permit conditions and emissions limitations should ensure compliance with this condition, unforeseen emission impacts can cause violations of this standard. These violations would go undetected except for complaints from affected persons. Therefore, to monitor compliance, the Permittee must monitor and respond to complaints.

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 must submit copies of these records upon request of the Department.

Condition 57, Technology-Based Emission Standard

Legal Basis: The Permittee is required to take reasonable steps to minimize emissions if certain activities cause an exceedance of any technology-based emission standard in this permit. This condition requires compliance with the requirement in 18 AAC 50.235. Technology-Based Emission Standard requirements apply because the stationary source contains equipment subject to a technology-based emission standard, such as BACT, MACT, LAER, NSPS or any other similar standard for which the stringency of the standard is based on determinations of what is technologically feasible, considering relevant factors.

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 73. Excess emission reporting under Condition 73 requires information on the steps taken to minimize emissions.

Condition 58, Open Burning

Legal Basis: The condition prohibits the Permittee from conducting open burning. This condition was included in Operating Permit 069TVP01, Condition 32.

Factual Basis: No specific monitoring is required for this condition. Compliance is demonstrated through the required annual compliance certification.

Condition 59, Requested Source Tests

Legal Basis: The Permittee is required to conduct source tests as requested by the Department. This requirement is under 18 AAC 50.220(a) and 50.345(k), which are included in the SIP approved by EPA.

Factual Basis: This condition applies because this is a standard condition to be included in all operating permits, as specified in 18 AAC 50.345(a).

Conditions 60 through 62, Operating Conditions, Reference Test Methods, Excess Air Requirements

Legal Basis: Conditions 60 and 62 require compliance with the applicable requirements in 18 AAC 50.220(b) and (c)(3), which are included in the SIP approved by EPA. Condition 61 specifies source test methods, as required by 40 CFR 71.6(a)(3)(i) and 71.6(c)(1). These requirements apply because the Permittee is required by the permit to conduct source tests, or a source test may be requested by the Department. The Permittee is required to conduct source tests in the manner set out in Conditions 60 through 62.

Factual Basis: These conditions supplement the specific monitoring requirements stated elsewhere in this permit.

Condition 63, Test Exemption

Legal Basis: This condition incorporates the source test exemption in 18 AAC 50.345(a) regarding visible emissions observations. 18 AAC 50.345(a) is included in the SIP approved by EPA.

Factual Basis: As provided in 18 AAC 50.345(a), 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 64 through 67, Test Deadline Extension, Test Plans, Notifications and Reports

Legal Basis: These conditions require compliance with the applicable requirements in 18 AAC 50.345(m) through (o), which are included in the SIP approved by EPA. Condition 64 contains the requirement in 18 AAC 50.345(l). The requirements in 18 AAC 50.345(l) through (o) constitute standard conditions that must be included in each operating permit, as specified in 18 AAC 345(a). These requirements apply because the Permittee is required to conduct source tests as set out by this permit or as requested by the Department.

Factual Basis: These standard conditions supplement specific monitoring requirements stated elsewhere in this permit.

Condition 68, Particulate Matter Calculations

Legal Basis: This condition requires the Permittee to reduce particulate matter data in accordance with 18 AAC 50.220(f), which is included in the SIP approved by EPA. It

applies when the Permittee tests for compliance with the particulate matter standards in 18 AAC 50.050 or 50.055.

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

Condition 69, Recordkeeping Requirements

Legal Basis: This condition requires the Permittee to keep records in accordance with 40 CFR 71.6(a)(3)(ii), which the Department adopted by reference under 18 AAC 50.040(j)(4).

Factual Basis: The condition restates the regulatory requirements for recordkeeping, and supplements the recordkeeping defined for specific conditions in the permit. 40 CFR 71.6(a)(3)(ii) requires at least five years of records retention.

Condition 70, Certification

Legal Basis: All operating permits must contain a requirement to certify any permit application, report, affirmation, or compliance certification, per 18 AAC 50.345(j) and 18 AAC 50.205. Both requirements are part of the SIP approved by EPA.

Factual Basis: The Department used the language in SPC XVII, adopted by reference under 18 AAC 50.346(b)(10), for the permit condition. The requirement in 18 AAC 50.345(j) is a standard condition that must be included in each operating permit, as specified in 18 AAC 50.345(a). This condition requires the Permittee to certify any permit application, report, affirmation, or compliance certification submitted to the Department. To ease the certification burden on the Permittee, the condition allows the excess emission reports to be certified with the operating report, even though it must still be submitted more frequently than the stationary source operating report. This condition supplements the reporting requirements of this permit. The certification statement through electronic signature and options for submittal provide paperless options for reporting without compelling Permittees to any specific means of submission.

Condition 71, Submittals

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

Factual Basis: The Department used the language in SPC XVII, adopted by reference under 18 AAC 50.346(b)(10), for the permit condition. This condition lists the Department's appropriate address for reports and written notices. The Permittee is required to submit reports, compliance certifications, and other submittals required by this permit, either electronically or by hard copy. This condition supplements the standard reporting and notification requirements of this permit. The condition also directs the Permittee to refer to the submission instructions on the Department's Standard Permit Conditions webpage for

additional information regarding document submittals (e.g., the appropriate Department address).

Condition 72, Information Requests

Legal Basis: All operating permits must include a condition that requires the Permittee to furnish certain information upon request, per 18 AAC 50.345(i). The requirement is part of the SIP approved by EPA.

Factual Basis: The requirement in 18 AAC 50.345(i) is a standard condition that must be included in each operating permit, as specified in 18 AAC 50.345(a). This condition requires the Permittee to submit information requested by the Department.

Condition 73, Excess Emission and Permit Deviation Reports

Legal Basis: This condition requires the Permittee to comply with the requirements in 18 AAC 50.235(a)(2) and 18 AAC 50.240(c). The condition specifies reporting requirements as required by 40 CFR 71.6(a)(3)(iii) and 71.6(c)(1). 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 used the language in SPC III for the permit condition. The Department used the notification form in SPC IV for the notification requirements.

Condition 74, Operating Reports

Legal Basis: This condition requires compliance with the applicable requirement in 18 AAC 50.346(b)(6). The condition specifies reporting requirements as required by 40 CFR 71.6(a)(3)(iii)(A), which the Department has adopted by reference under 18 AAC 50.040(j)(4).

Factual Basis: The Department used the language in SPC VII for the permit condition. The condition restates the requirements for reports listed in regulation. The condition supplements the specific reporting requirements elsewhere in the permit.

The condition specifies that for the transition periods between an expiring permit and a renewal permit, the Permittee shall ensure that there is date-to-date continuity between the expired permit and the renewal permit such that the Permittee reports against the permit terms and conditions of the permit that was in effect during those partial date periods of the transition. No format is specified. The Permittee may provide one report accounting for each permit term or condition and the effective permit at that time. Alternatively, the Permittee may choose to provide two reports – one accounting for reporting elements of permit terms and conditions from the end date of the previous operating report until the date of expiration

of the old permit, and a second operating report accounting for reporting elements of terms and conditions in effect from the effective date of the renewal permit until the end of the reporting period.

Condition 75, Annual Compliance Certification

Legal Basis: This condition requires compliance with the requirements in 40 CFR 71.6(c)(5), which the Department adopted by reference under 18 AAC 50.040(j).

Factual Basis: This condition specifies the periodic compliance certification requirements, and specifies a due date for the annual compliance certification.

Condition 75.2 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 annual compliance certification report. The Permittee may submit the required report electronically at their discretion.

Condition 76, Emission Inventory Reporting

Legal Basis: This condition requires the Permittee to submit emissions data to the state so the state is able to satisfy the federal requirement to submit emission inventory data from point sources to the EPA as required under 40 CFR 51.15 and 51.321. The emission inventory requirement applies to sources defined as point sources in 40 CFR 51.50. The state must report emissions data as described in 40 CFR 51.15 and the data elements in Tables 2a and 2b to Appendix A of 40 CFR 51 Subpart A to EPA.

Factual Basis: The Department used the language in SPC XV, as adopted by reference under 18 AAC 50.346(b)(8), for the permit condition. The emission inventory data is due to EPA 12 months after the end of the reporting year (40 CFR 51.30(a)(1) and (b)(1)). Permittees have until April 30th to compile and submit the data to the Department. To expedite the Department's process of transferring data into EPA's electronic reporting system, the Department encourages Permittees to submit the emission inventory through the Department's electronic emission inventory submission system in the Permittee Portal on the Department's Air Online Services webpage. A myAlaska account and profile are needed to gain access to the Permittee Portal. Other options are to submit the emission inventory via mail, email, or fax. Detailed instructions on completing and submitting the emission inventory and the report form are available at the Point Source Emission Inventory webpage by clicking the Emission Inventory Instructions button. The emission inventory instructions and report form may also be obtained by contacting the Department.

To ensure that the Department's electronic system reports complete information to the National Emissions Inventory, Title V stationary sources are required to submit with each report emissions data described in 40 CFR 51.15 and the data elements in Tables 2a and 2b to Appendix A of 40 CFR 51 Subpart A, as applicable. Title V stationary sources with potential annual emissions greater than or equal to any of the emission thresholds for Type A (large) sources, as listed in Table 1 to Appendix A of 40 CFR 51 Subpart A, are required to report emission inventory data every year for the previous calendar year (also known as the inventory year). For triennial inventory years, Type A sources only need to submit one report, not both an annual report and a separate triennial report.

Title V stationary sources with potential annual emissions greater than or equal to any of the emission thresholds for Type B (small) sources, as listed in Table 1 to Appendix A of 40 CFR 51 Subpart A, are required to report emission inventory data every third year (i.e., triennially) for the previous inventory year.

As of the issue date of this permit, the stationary source is a Type B stationary source.

Condition 77, NSPS and NESHAP Reports and Waivers

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

Factual Basis: The condition supplements the specific reporting requirements in 40 CFR 60, 40 CFR 61, and 40 CFR 63.

Condition 78, Permit Applications and Submittals

Legal Basis: 40 CFR 71.10(d)(1), adopted by the Department under 18 AAC 50.040(j)(7), requires submission of a copy of each permit application to EPA.

Factual Basis: The Department used the language in SPC XIV for the permit condition. The condition 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 with 40 CFR 71.10(d)(1) from the Department to the Permittee as allowed under 40 CFR 71.10(d)(1).

Conditions 79 through 81, Permit Changes and Revisions Requirements

Legal Basis: 40 CFR 71.6(a)(8), (12), and (13) incorporated by reference under 18 AAC 50.040(j) require that these provisions be included in operating permits.

Factual Basis: 40 CFR 71.6(a)(12) and (13) specify changes that may be made without a permit revision, and 40 CFR 71.6(a)(8) states permit revisions are not required for some emissions trading and similar programs.

The Permittee did not request trading of emission increases and decreases as described in 40 CFR 71.6(a)(13)(iii).

Condition 82, 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 accordance with the operating permit program. The obligations for a timely and complete operating permit application are in 40 CFR 71.5(a) through (c), adopted by reference in 18 AAC 50.040(j)(3), and 18 AAC 50.326(c).

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 CFR 71.5(a)(1)(iii), submission for a permit renewal application is considered timely if it is submitted at least six months but no more than eighteen months prior to expiration of the operating permit. According to 40 CFR 71.5(a)(2), a complete renewal application is one that provides all information required pursuant to 40 CFR 71.5(c) and remits payment of fees owed under the fee schedule established pursuant to 18 AAC 50.400. 40 CFR 71.7(b) states that if a source submits a timely and complete application for permit issuance (including renewal), the source's failure to have a permit is not a violation until the permitting authority takes final action on the permit application.

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

Conditions 83 through 88, General Compliance Requirements and Schedule

Legal Basis: These conditions require compliance with the applicable requirements in 18 AAC 50.345(b) through (d) and (h) and 40 CFR 71.6(c)(3). As stated in 18 AAC 50.345(a), the requirements in 18 AAC 50.345(b) through (d) and (h) are standard conditions that must be included in all operating permits issued by the Department.

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

Conditions 89 and 90, Permit Shield

Legal Basis: These conditions require compliance with the requirements in 40 CFR 71.6(f), which the Department has adopted by reference under 18 AAC 50.040(j)(4). These requirements apply because the Permittee has requested that the Department shield the stationary source from specific non-applicable requirements listed under this condition.

Factual Basis: Table B of Operating Permit No. AQ0069TVP04 shows the permit shield that the Department granted to the Permittee. The following table shows the requests that were denied and the reasons that they were denied. The Department based the determinations on the permit application, past operating permit, likelihood for the source to become subject during the life of the permit, Title I permits and inspection reports.

Table E - Permit Shields Denied

Shield Requested for:	Reason for Shield Request:	Reason for Denial
EU ID 26a: 40 CFR 60 Subpart III, 60.4211(e) and 60.4214(a)	This diesel-fired engine was manufactured after 2007, has a displacement of less than 10 liters per cylinder, was not reconstructed, and is not a fire pump engine. These requirements apply to engines either manufactured before 2007, with a displacement greater than 10 liter per cylinder, reconstructed, or fire pump engines.	40 CFR 60.4211(e) also applies to modified engines and 40 CFR 60.4214(a) also applies to non-emergency engines over a specific horsepower threshold.
40 CFR 60 Subparts Cb, Cc, Cd, Ce, D, Da, Db, E, Ea, Eb, Ec, F, G, Ga, H, I, J, Ja, L, M, N, Na, O, P, Q, R, S, T, U, V, W, X, Y, Z	No existing emission unit is an "affected facility."	The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.
40 CFR 60, Subparts AA, AAa, BB, CC, DD, EE, HH, KK, LL, MM, NN, PP, QQ, RR, SS, TT, UU, VV, VVa, WW, XX, AAA, BBB, DDD, FFF, GGG, GGGa, HHH, III, JJJ, KKK, LLL, NNN, OOO, PPP, QQQ, RRR, SSS, TTT, UUU, VVV, WWW, AAAA, CCCC, DDDD, EEEE, FFFF, LLLL, and MMMM	No existing emission unit is an "affected facility."	The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.
40 CFR 61, Subparts B, C, D, E, F, H, I, J, K, L, N, O, P, Q, R, T, V, W, Y, BB, and FF	No existing emission unit is an "affected facility."	The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.

Shield Requested for:	Reason for Shield Request:	Reason for Denial
<p>40 CFR 63, Subparts B, F, G, H, I, J, L, M, N, O, Q, R, S, T, U, W, X, Y, AA, BB, CC, DD, EE, GG, HH, II, JJ, KK, LL, MM, OO, PP, QQ, RR, SS, TT, UU, VV, WW, XX, YY, CCC, DD, EEE, GGG, HHH, III, JJJ, LLL, MMM, NNN, OOO, PPP, QQQ, RRR, TTT, UUU, VVV, XXX, AAAA, CCCC, DDDD, EEEE, FFFF, GGGG, HHHH, IIII, JJJJ, KKKK, MMMM, NNNN, OOOO, PPPP, QQQQ, RRRR, SSSS, TTTT, UUUU, VVVV, WWW, XXXX, AAAAA, BBBB, and CCCCC</p>	<p>No existing emission unit is an “affected facility.”</p>	<p>The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.</p>
<p>40 CFR 63, Subparts DDDDD, EEEEE, FFFFF, GGGGG, HHHHH, IIII, JJJJ, KKKK, LLLLL, MMMMM, NNNN, PPPPP, QQQQQ, RRRRR, SSSSS, TTTTT, UUUUU, WWWWW, YYYY, ZZZZ, BBBBB, CCCCC, DDDDD, EEEEE, FFFFF, GGGGG, HHHHH, LLLLL, MMMMM, NNNNN, OOOOO, PPPPP, QQQQQ, RRRRR, SSSSS, TTTTT, VVVVV, WWWWW, XXXXX, YYYYY, and ZZZZZ</p>	<p>No existing emission unit is an “affected facility.”</p>	<p>The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.</p>
<p>40 CFR 63, Subparts AAAAAA, BBBBBB, CCCCCC, DDDDDD, EEEEE, and HHHHHH</p>	<p>No existing emission unit is an “affected facility.”</p>	<p>The reason provided for the shield requests does not clearly explain why each requirement does not apply. Additionally, a shield is not necessary for requirements that are clearly not applicable.</p>
<p>40 CFR 82.1, Subpart A – Production and Consumption Controls</p>	<p>Stationary source does not produce, transform, destroy, import or export Class I or Group I or II substances or products.</p>	<p>A shield is not necessary for regulations that are clearly not applicable.</p>
<p>40 CFR 82.30, Subpart B – Servicing of Motor Vehicle Air Conditioners</p>	<p>Stationary source does not service motor vehicle air conditioners.</p>	<p>A shield is not necessary for regulations that are clearly not applicable.</p>

Shield Requested for:	Reason for Shield Request:	Reason for Denial
40 CFR 82.60, Subpart C – Ban on Nonessential Products Containing Class I Substances and Ban on Nonessential Products Containing or Manufactured with Class II Substances	Stationary source is not a manufacturer or distributor of Class I and II products or substances.	40 CFR 82.60 is a purpose statement not a requirement.
40 CFR 82.80, Subpart D – Federal Procurement	Subpart applies only to Federal Departments, agencies, and instrumentalities.	A shield is not necessary for regulations that are clearly not applicable.
40 CFR 82.100, Subpart E – The labeling of Products Using Ozone-Depleting Substances	Stationary source is not a manufacturer or distributor of Class I and II products or substances.	40 CFR 82.100 is a purpose statement not a requirement.
40 CFR 82.158, Subpart F – Recycling and Emissions Reduction	Stationary source does not manufacture or import recovery and recycling equipment.	A shield is not necessary for regulations that are clearly not applicable.
40 CFR 82.160, Approved Equipment Testing Organizations	Stationary source does not contract equipment testing organizations to certify recovery and recycling equipment.	A shield is not necessary for regulations that are clearly not applicable.
40 CFR 82.164, Reclaimer Certification	Stationary source does not sell reclaimed refrigerant.	A shield is not necessary for regulations that are clearly not applicable.
40 CFR 82, Subpart F, Appendix C – Method for Testing Recovery Devices for Use With Small Appliances	Stationary source is not a third party entity that certifies recovery equipment.	A shield is not necessary for requirements that are clearly not applicable.
40 CFR 82, Subpart F, Appendix D – Standards for Becoming a Certifying Program for Technicians	Stationary source does not have a technician certification program.	A shield is not necessary for requirements that are clearly not applicable.
40 CFR 82.174(a), Subpart G – Significant New Alternatives Policy Program: Prohibitions	Stationary source does not manufacture substitute chemicals or products for ozone-depleting compounds.	A shield is not necessary for requirements that are clearly not applicable.
40 CFR 82.270(a), Subpart H – Halon Emissions Reduction	Stationary source does not manufacture halon.	A shield is not necessary for requirements that are clearly not applicable.
40 CFR 82.304, Subpart I	Stationary source does not sell or distribute any identified banned products.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.055(a)(2), (7), and (8)	No affected emission units within the permitted stationary source.	Regulation was repealed 8/20/2016.
18 AAC 50.055(a)(4), (5), (6), and (9)	No affected emission units within the permitted stationary source.	A shield is not necessary for requirements that are clearly not applicable.

Shield Requested for:	Reason for Shield Request:	Reason for Denial
18 AAC 50.055(b)(2), (3), and (5)	No affected emission units within the permitted stationary source.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.055(b)(4) and (6)	No affected emission units within the permitted stationary source.	Regulation was repealed 8/20/2016.
18 AAC 50.060, Pulp Mills	No affected emission units within the permitted stationary source.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.070, Marine Vessels, visible emission standards	No affected emission units within the permitted stationary source.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.075, Wood fired heating device emission standards	No affected emission units within the permitted stationary source.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.085, Volatile liquid storage tank emission standards	Regulations only apply to tanks within the Port of Anchorage.	A shield is not necessary for requirements that are clearly not applicable.
18 AAC 50.090, Volatile liquid loading racks and delivery emission standards	Regulations only apply to facilities within the Port of Anchorage.	A shield is not necessary for requirements that are clearly not applicable.