

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

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Hilcorp North Slope, LLC

**Prudhoe Bay Operations Center / Main Construction Camp
(PBOC/MCC)**

STATEMENT OF BASIS

for

Permit No. AQ0274TVP03

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INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0274TVP03.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0274TVP03 contains information on the stationary source as provided in the Title V permit application.

The stationary source, Prudhoe Bay Operations Center / Main Construction Camp (PBOC/MCC), is owned by Hilcorp North Slope, LLC; ConocoPhillips Alaska, Inc.; ExxonMobil Alaska Production, Inc.; and Chevron USA, Inc. The stationary source is operated by Hilcorp North Slope, LLC and Hilcorp North Slope, LLC is the Permittee for the stationary source's operating permit. The standard industrial classification (SIC) code for this stationary source is 1311 – Crude Petroleum and Natural Gas.

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

Main Construction Camp (MCC) provides billeting, dining, laundry, and recreational facilities for up to 675 camp residents. The complex also includes an infirmary (known as the Medical Clinic) which consists of a trauma bay, examining rooms, offices, an x-ray room, equipment and supply rooms, and billeting rooms for medical staff. The MCC complex also houses administrative offices for engineering and engineering support services. Satellite buildings (U-Buildings) house various shops and warehouses including the radio shop, the halon shop, the tool room, and the electrical power plant. In the halon shop, empty halon bottles from the production facilities are re-filled with Halon 1301 from bulk stores. Halon 1301 is used as an atmosphere inerting and fire-extinguishing agent in the production facilities. Empty dry chemical (Purple K and sodium bicarbonate) fire extinguishers are also refilled in the halon shop.

The stationary source also includes a 212-person modular living facility, known as the Tarmac Camp, which is located in close proximity to the PBOC and MCC. The camp includes a kitchen dining facility and a wastewater treatment facility.

For operating permit applicability the PBOC/MCC is aggregated with the Crude Oil Topping Unit (COTU). The permit terms, limits, and emissions represented in this permit for PBOC/MCC represent only those emissions and applicable permit terms for the PBOC/MCC portion of the stationary source. The stationary source is thus issued multiple permits under the authority of AS 46.14.190(b). The COTU currently operates under Operating Permit AQ0265TVP03.

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.

EU ID 20 (Tarmac Camp emergency generator) was removed from the stationary source in October 2013. EU ID 12 was replaced with EU ID 12a in February 2016. Tag numbers were revised as shown in Table D.

Table D - Revised Tag Numbers

EU ID	Previous Tag Number	New Tag Number
1	77-7702-T	K-PBOCPR-4901-7702T
2	77-7703-T	K-PBOCPR-4901-7703T
3	77-7704-T	K-PBOCPR-4901-7704T
6	77-7701-E	K-PBOCPR-4901-7701E
7	90-2883	K-MCC-4902-90-2883
8	77-7705-E	K-PBOCPR-4901-7705E
9	75-1507-E	K-WATER-4901-1507E
10	90-2854	K-MCC-4902-2854
11	90-2855	K-MCC-4902-2855
13	90-1500-39	K-MCC-4923-1500-39
21	74-4901-231	K-4901-231

EMISSIONS

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

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

Emissions	NOx	CO	PM ₁₀	SO ₂	VOC	CO _{2e} ¹	HAPs	Total ²
COTU & PBOC/MCC PTE	155.2	117.3	9.9	27.7	16.8	108,712	8.3	326.9
PBOC/MCC PTE	121.27	58.67	7.20	23.94	8.06	66,891	2.9	219.14
PBOC/MCC Assessable PTE	121.27	58.67	7.20	23.94	8.06	0	0	219.14

Table Notes:

¹ CO_{2e} 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 CO_{2e} and HAPs.

The assessable PTE listed under Condition 36.1 is the sum of the PTE of each individual air pollutant, other than greenhouse gases (GHGs). The emissions listed in Table E are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit for the stationary source.

Except as follows, emissions are as provided in the amended application for Operating Permit AQ0274TVP03:

- 8,760 hours of operation is assumed for EU ID 12a.
- For EU IDs 1 through 3, 6 through 11, and 13, PTE is based on the 500-hour limit for each unit.
- Sulfur content of 0.5 percent by weight is used for diesel-fired units, unless a more stringent limit applies.

HAPs are not included in the totals of Table E since all significant HAPs are also 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 CFR Part 71, as adopted by reference in 18 AAC 50.040.

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).

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)].

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.

The combined emissions from PBOC/MCC and COTU have the potential to emit 100 TPY or more of a regulated air pollutant. These facilities are aggregated to determine the source status under 18 AAC 50.326 (40 CFR 71) because they either share the same gravel pad (PBOC and COTU) or are located on adjacent/nearby pads (MCC compared to PBOC and COTU). The aggregated stationary sources are all under common control and ownership and are all classified as SIC: 1311 Crude Petroleum and Natural Gas. Insignificant emission units owned and controlled by others may be situated on the same gravel pad without changing the stationary source (PBOC/MCC & COTU) classification.

AIR QUALITY PERMITS

Permits to Operate

The last permit to operate issued for this stationary source is Permit to Operate No. 8336-AA001. This permit to operate included all construction authorizations issued through November 9, 1994, and was issued before January 18, 1997 (the effective date of the divided Title I/Title V permitting program). On January 5, 1988, the operator of PBOC/MCC requested to renew their operating permit. On March 23, 1988, the Department sent a letter to the operator of PBOC/MCC stating that "...the PBOC does not need an Air Quality Control Permit to Operate. However, please realize that the fired units must still meet the emission standards of 18 AAC 50.050, and the Department may still conduct air quality control inspections."

Permit to Operate 8336-AA001 expired on January 1, 1988, and was not in effect as of the issue date of Operating Permit AQ0274TVP01. Therefore, the conditions of Permit to Operate 8336-AA001 were not considered when preparing Operating Permit AQ0274TVP01, nor in this operating permit renewal (AQ0274TVP03).

Title I (Construction and Minor) Permits

Minor Permit No. AQ0274MSS01. The Department issued this permit on September 17, 2007 for the installation of EU ID 20. EU ID 20 was removed from the stationary source in October

2013, so there are no requirements from Minor Permit No. AQ0274MSS01 included in Operating Permit AQ0274TVP03.

Title V Operating Permits

Under AS 46.14.190, the owner or operator has requested multiple operating permits for this stationary source.

Operating Permit No. 274TVP01. The Department issued this permit on October 4, 2002.

Operating Permit No. AQ0274TVP02. The Department issued this permit on December 30, 2010.

- Revision No. 1. The Department issued a significant modification on May 16, 2016 to revise conditions for 40 CFR 63 Subparts ZZZZ and CCCCCC.
- Revision No. 2. The Department issued an administrative permit amendment on July 1, 2020 for a change of ownership.

The Department received the application for Operating Permit AQ0274TVP03 on June 26, 2015. The Permittee amended the application on December 6, 2017.

COMPLIANCE HISTORY

The stationary source has operated at its current location since the early 1960's. Review of the permit files for this stationary source, which includes the past inspection reports and compliance evaluations show six compliance letters were sent to the previous Permittee and one compliance letter was sent to the current Permittee for late reporting. No violations resulting in enforcement action were noted for the Operating Permit AQ0274TVP02 permit term.

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. AQ0274TVP03. As noted above, EU ID 20 was removed from the stationary source, so there are no applicable requirements from Minor Permit No. AQ0274MSS01 and there are no preconstruction terms or conditions to include in Operating Permit AQ0274TVP03.

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):** Emissions from EU ID 18 are controlled with a vapor balance system as required by 40 CFR 63 Subpart CCCCCC. However, the EPA proposed the standard in 40 CFR 63 Subpart CCCCCC after November 15, 1990. Therefore, EU ID 18 is exempt from CAM requirements under 40 CFR 64.2(b)(1)(i). The remaining emission units at the stationary source do not use a control device to achieve compliance with any emission limitations 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. AQ0274TVP03. 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 4, 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 through 11, 12a, 13, and 21 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 monitoring, recordkeeping, and reporting (MR&R) as required by 40 CFR 71.6(a)(3) and 71.6(c)(1).

Factual Basis: Condition 1 prohibits the Permittee from causing or allowing visible emissions in excess of the applicable standard in 18 AAC 50.055(a)(1). MR&R requirements are listed in Conditions 2 through 4 of the permit.

Gas Fuel-Burning Equipment:

MR&R conditions for gas fuel-burning equipment are from Standard Permit Condition (SPC) VIII – Visible Emissions and Particulate Matter Monitoring Plan for 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:

The previous operating permit contained a custom schedule for liquid fuel-burning units. The Department continued with a custom schedule while using conditions of SPC IX – Visible Emissions and Particulate Matter Monitoring Plan for Liquid Fuel-Burning Equipment and Flares when possible.

EU IDs 6 through 11 and 13 must comply with the 500-hour operational limit in the operating permit, but this limit does not make all engines insignificant due to PTE. Therefore, the Department included conditions from SPC IX for units with operational limits and units that are insignificant under 18 AAC 50.326(e) due to actual emissions.

When these units operate in accordance with the hour limit and/or operate with actual emissions less than the thresholds in 18 AAC 50.326(e), the Permittee need not conduct visible emissions observations. If hours of operation exceed a listed threshold in 18 AAC 50.326(e), a Method 9 visible emission observation must be conducted. Results of the observation may require more frequent visible emission observations until visible emissions are reduced. Because each of EU IDs 6 through 11 and 13 is subject to an operational limit of 500 hours of operation per year, a more stringent Method 9 schedule is not required at this time.

Significant Emissions Units under 18 AAC 50.326(d)(1):

EU ID 12a does not qualify as insignificant under 18 AAC 50.326(d)(1) because it is subject to standards established in 40 CFR 60, Subpart IIII. EU ID 12a is a small fire water pump with actual emissions less than the significant emissions thresholds in 18 AAC 50.326(e). Therefore, the Department has waived visible emissions monitoring for EU ID 12a, but this unit is subject to compliance certification requirements, in accordance with Department Policy and Procedure No. 04.02.103, Topic #3.

Conditions 5 through 8, 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 through 11, 12a, 13, and 21 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: Condition 5 prohibits emissions in excess of the applicable state particulate matter standard. MR&R requirements are listed in Conditions 6 through 8 of the operating permit. These conditions have been adopted into regulation as SPCs VIII and IX.

The Department has determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3). No additional emissions unit or stationary source operational or compliance factors indicate that unit-specific or stationary-source-specific conditions would better meet the requirements. Therefore, the Department concludes that the standard conditions meet the requirements of 40 C.F.R. 71.6(a)(3).

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% 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.

Significant Emissions Units under 18 AAC 50.326(d)(1):

EU ID 12a does not qualify as insignificant under 18 AAC 50.326(d)(1) because it is subject to standards established in 40 CFR 60, Subpart IIII. EU ID 12a is a small fire water pump with actual emissions less than the significant emissions thresholds in 18 AAC 50.326(e). Therefore, the Department has waived particulate matter emissions monitoring for EU ID 12a, but this unit is subject to compliance certification requirements, in accordance with Department Policy and Procedure No. 04.02.103, Topic #3.

Conditions 9 through 15, 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 through 11, 12a, 13, and 21 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).

Sulfur dioxide comes from the sulfur in the liquid fuel (e.g., diesel or No.2 fuel oil). Fuel sulfur testing will verify compliance. Fuel containing no more than 0.75 percent sulfur by weight will always comply with the emission standard. For fuels with a sulfur content higher than 0.75 percent, the condition requires the Permittee to use the equations in Section 12, or Method 19 of 40 CFR 60, Appendix A-7, adopted by reference in 18 AAC 50.040(a)(3), to calculate the sulfur-dioxide concentration to show that the standard is not exceeded.

The Department has determined that the standard permit conditions adequately meet the requirements of 40 CFR 71.6(a)(3). No additional emissions 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, meet the requirements of 40 CFR 71.6(a)(3).

Gaseous Fuels:

Fuel sulfur testing must be conducted to determine compliance with the SO₂ emission standard. The Permittee must obtain a statement from the fuel supplier semiannually or conduct a semiannual analysis for fuel gas sulfur content using either ASTM D4084, D5504, D4810, D4913, D6228 or GPA Standard 2377, or a listed method approved in 18 AAC 50.035(b)-(c) and 40 CFR 60.17 incorporated by reference in 18 AAC 50.040(a)(1).

The Permittee is required to report excess emissions whenever the fuel combusted causes sulfur compound emissions to exceed the standards in this condition. The Permittee is required to include copies of the records of semiannual statements from the fuel supplier or the sulfur content analysis with the stationary source operating report.

Condition 16, Owner Requested Limit (ORL) to Avoid PSD Major Source Classification

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 Department included an ORL in Operating Permit 274TVP01 to limit all PTE to less than 250 tpy to avoid a major source classification under PSD permitting requirements. This limit is a 500-hour limit for each of EU IDs 1 through 3 and 6 through 13. The Permittee replaced EU ID 12 with EU ID 12a in 2016. EU ID 12a is a firewater pump, so the EPA PTE guidance for emergency generators (September 6, 1995, John Seitz) is not applicable. However, the 500-hour limit is not needed for EU ID 12a to avoid minor or PSD permit requirements. All PTE for EU ID 12a is less than the minor permit thresholds when PTE for EU ID 12a is calculated using 8,760 hours of operation, and all PTE for the stationary source remains below 250 tpy when 8,760 hours of operation is used to calculate PTE for EU ID 12a. Therefore, there is no hour limit for EU ID 12a.

Condition 17, 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 18 and 19, 40 CFR 60 Subpart A Requirements

Legal Basis: The EPA approved Alaska's Part 70 Program on November 30, 2001. The Department is the permitting authority for the Part 70 Program. Although the EPA has not delegated to the Department the authority to administer the New Source Performance Standards (NSPS), NSPS requirements are included in the definition of "applicable requirement" under 40 CFR 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1).

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 permits.

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.

Conditions 18.1 through 18.3 - The Permittee is subject to these requirements in the event of a new NSPS affected facility³ or in the event of a modification or reconstruction of an existing facility⁴ into an affected facility.

Condition 18.4 - 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 *Affected facility* means, with reference to a stationary source, any apparatus to which a standard applies, as defined in 40 CFR 60.2.

⁴ *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 19 - Concealment of emissions prohibitions in 40 CFR 60.12 are applicable to most NSPS affected facilities.

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 20, 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 12a is subject to the requirements of Subpart III under 40 CFR 60.4200 because EU ID 12a is a fire pump engine manufactured after July 1, 2006.

Factual Basis: 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.

For EU ID 12a, the Permittee is required to demonstrate compliance with the applicable NSPS Subpart III emission standards by purchasing an engine certified to the emission standards in 40 CFR 60.4205(c) and Table 4 to Subpart III. In accordance with the definition for "model year" under 40 CFR 60.4219, EU ID 12a is a 2015 model year engine. However, the manufacturer complied with 40 CFR 60.4210(i) and 40 CFR 1068.240 for the replacement of EU ID 12 (a 2009 model year engine) with EU ID 12a. Therefore, in accordance with 40 CFR 1068.240(b)(4) and 40 CFR 1068.265, EU ID 12a must meet the emission standards that applied to EU ID 12. EU ID 12 was a 2009 model year, 175 hp engine with a rated speed of greater than 2,650 rpm. EU ID 12a is therefore allowed to meet the emission limits of a 2008 model year engine in Table 4 to Subpart III, as indicated in table note 3.

The Permittee is also required to comply with requirements for hours of operation for emergency engines specified in 40 CFR 60.4211(f) and the applicable diesel fuel requirements specified in 40 CFR 60.4207.

The provisions of NSPS Subpart III listed in the condition are current as amended through August 10, 2022. Should EPA promulgate revisions to this subpart, the Permittee shall be subject to the revised final provisions as promulgated and not the superseded provisions summarized in these conditions.

Condition 21, 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.

Conditions 22 and 23, 40 CFR 63 Subpart A Requirements

Legal Basis: The Permittee must comply with applicable National Emission Standards for Hazardous Air Pollutants (NESHAP). NESHAP requirements 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 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.

Condition 24, 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. Prudhoe Bay Operations Center / Main Construction Camp (PBOC/MCC) is an area source that contains RICE units.

Factual Basis: For EU IDs 7, 9, and 13, the Permittee complies with the requirements for existing, non-emergency RICE with ratings less than 300 horsepower (hp). These units 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.

EU IDs 6, 8, 10, and 11 are emergency engines under Subpart ZZZZ. Emergency stationary CI RICE located at area sources of HAP are not subject to the numerical CO emission limitations, but are subject to the work and management practice standards specified in Table 2d, Item 4 of Subpart ZZZZ. For the emergency engines, the Permittee is required to install a non-resettable hour meter in each unit for accurate recording and monitoring to demonstrate compliance with the management practice requirements and operational hour

limitations Each emergency engine is allowed to operate up to 100 hours per calendar year for maintenance checks and readiness testing unless federal, state, or local standards require beyond 100 hours per year for the same purpose. The Permittee is also allowed to operate the emergency RICE in non-emergency situations for up to 50 hours per calendar year under 40 CFR 63.6640(f). The 50 hours allowed for non-emergency situations are counted towards the 100 hours per year provided for maintenance and testing. There is no time limit on the use of emergency stationary RICE in emergency situations. If any emergency engine no longer meets the criteria for an emergency engine, as defined in 40 CFR 63.6675, the emissions unit must meet all applicable requirements for non-emergency engines.

The Permittee must comply with 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.

EU ID 12a is a new engine under Subpart ZZZZ. For EU ID 12a, the Permittee must meet the requirements of 40 CFR 63 by meeting the requirements of 40 CFR 60 Subpart IIII.

The provisions of NESHAP Subpart ZZZZ listed in the condition are current as amended through August 10, 2022. Should EPA promulgate revisions to this subpart, the Permittee shall be subject to the revised final provisions as promulgated and not the superseded provisions summarized in these conditions.

Condition 25, 40 CFR 63 Subpart CCCCCC 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 CCCCCC applies to gasoline storage tanks at gasoline dispensing facilities at area sources. EU ID 18 is a gasoline storage tank located at an area source of HAP emissions.

Factual Basis: EU ID 18 is an existing source (installed in 1993) under NESHAP Subpart CCCCCC. BPXA submitted an initial notification of applicability in accordance with 40 CFR 63.11124(b)(1) for monthly throughput of more than 100,000 gallons on October 2, 2013. The Notification of Compliance required under 40 CFR 63.11124(b)(2) must be submitted within 60 days following the installation and testing of the vapor balance system. The Permittee must be in compliance with all applicable requirements of a gasoline dispensing facility with a monthly throughput of more than 100,000 gallons by October 2, 2016 under 40 CFR 63.11113(c). Also, the requirements of 40 CFR 63.11111(e) are included in the operating permit because the Permittee must keep records of throughput for five years.

The authority to approve alternatives to the requirements in 40 CFR 63.11116 through 63.11118 and 63.11120; major alternatives to test methods under 40 CFR 63.7(e)(2)(ii) and (f); and major alternatives to recordkeeping and reporting under 40 CFR 63.10(f), are retained by the EPA Administrator and cannot be delegated.

Conditions 26 through 28, 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 26 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 27 and 28 also require compliance with the applicable requirement adopted under 18 AAC 50.040(d). Condition 27 prohibitions apply to all stationary sources that use substitutes for ozone-depleting compounds. Condition 28 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, Subparts G and H.

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 29 through 31, 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 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 32 through 34, 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 35, 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 36 and 37, 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.

The Department has modified Condition 36 by deleting the phrase "in quantities 10 tons per year or greater" to match the revision made in 18 AAC 50.410 effective September 7, 2022. Beyond as noted, the Department has determined that the standard conditions adequately meet the requirements of 40 C.F.R. 71.6(a)(3).

Condition 38, 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 39, 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 40, 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 41, 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 42, 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 43, 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 59. Excess emission reporting under Condition 59 requires information on the steps taken to minimize emissions.

Condition 44, Open Burning

Legal Basis: 18 AAC 50.065 is included in the SIP approved by EPA. The condition requires the Permittee to comply with the regulatory requirements in 18 AAC 50.065 when conducting open burning at the stationary source. The state open burning regulation in 18 AAC 50.065 applies to the Permittee if the Permittee conducts open burning at the stationary source.

Factual Basis: The Permittee may conduct open burning by following the provisions of 18 AAC 50.065 and by following the Department guidelines posted at the website <http://dec.alaska.gov/air/air-permit/open-burn-application/>. The condition requires the Permittee to keep records to demonstrate compliance with the standards for conducting open burning.

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.

Condition 45, 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 46 through 48, Operating Conditions, Reference Test Methods, Excess Air Requirements

Legal Basis: Conditions 46 and 48 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 47 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 46 through 48.

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

Condition 49, 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 50 through 53, 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 50 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 54, 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 55, 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 56, 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 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 57, 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 58, 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 59, 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, adopted by reference under 18 AAC 50.346(b)(2), for the permit condition. The Department used the notification form in SPC IV adopted by reference under 18 AAC 50.346(b)(3), for the notification requirements.

Condition 60, 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 61, 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 61.2 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 62, 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 <http://dec.alaska.gov/Applications/Air/airtoolsweb/>. 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 <http://dec.alaska.gov/Applications/Air/airtoolsweb/PointSourceEmissionInventory> 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. The emission thresholds for nonattainment areas vary depending on the nonattainment status of the area. As of June 9, 2017, Fairbanks and North Pole urban area have been designated by the federal administrator as "serious nonattainment" for PM_{2.5}.

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

Condition 63, 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 64, 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, adopted by reference under 18 AAC 50.346(b)(7), 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 65 through 67, 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 68, 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 69 through 74, 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 75 and 76, 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 C of Operating Permit No. AQ0274TVP03 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 F - Permit Shields Denied

Shield Requested for:	Reason for Shield Request:	Reason for Denial
EU ID 12a: 40 CFR 60.8 Subpart A	<p>This emission unit will comply with the NSPS using the manufacturer’s certification; therefore, no performance test is required.</p> <p>In addition, Table 8 of Subpart IIII specifically exempts small, certified engines from the requirements of 40 CFR 60.8.</p>	Testing may be required under 40 CFR 60.4211(g).
EU ID 18: 40 CFR 63.5 Subpart A	<p>These requirements apply to new and reconstructed sources that are major – emitting. The gasoline distribution facility at PBOC/MCC is an existing source under Subpart CCCCCC and the stationary source is not a major source of HAP emissions.</p>	40 CFR 63.5(a)(2) states, “This section includes notification requirements for new affected sources and reconstructed affected sources that are not major-emitting affected sources and that are or become subject to a relevant promulgated emission standard after the effective date of a relevant standard promulgated under this part.”
Heaters not listed in Table A: 40 CFR 63 Subpart JJJJJ	<p>Heaters that are insignificant emission units located at PBOC/MCC are not industrial, commercial, or institutional boilers as defined in 40 CFR 63.11237. The units are gas-fired units which are exempt from this rule (see 40 CFR 63.11195(e)), and/or are “hot water heaters” as defined in 40 CFR 63.11237 which are exempt from this rule (see 40 CFR 63.11195(f)).</p>	These heaters are not included in the operating permit. Therefore, a permit shield is not necessary.
Storage Tanks 75-125, 75-1901, 90-1906, 90-1907, 90-1908, 90-1909 90-1932, 90-940, 94-1901, 94-070: 40 CFR 60 Subpart K	<p>Vessel not storing a petroleum liquid, as defined in subpart; and/or vessel storage capacity below threshold (40,000 gallons); and/or commenced construction after effective date of subpart (5/19/78), depending upon tank.</p>	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.
Storage Tanks 75-125, 75-1901, 90-1906, 90-1907, 90-1908, 90-1909 90-1932, 90-940, 94-1901, 94-070: 40 CFR 60 Subpart Ka	<p>Vessel not storing a petroleum liquid, as defined in subpart; and/or vessel storage capacity below thresholds (40,000/420,000 gallons); and/or commenced construction prior to or after effective dates of subpart (5/18/78 - 7/23/84), depending upon tank.</p>	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.
Storage Tanks 75-125, 75-1901, 90-1906, 90-1907, 90-1908, 90-1909, 90-1932: 40 CFR 60 Subpart Kb	<p>Vessel not storing a volatile organic liquid (VOL) or petroleum liquid, as defined in subpart.</p>	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.
Storage Tanks 94-1901, 94-070: 40 CFR 60 Subpart Kb	<p>Subpart Kb does not apply to storage vessels with a capacity less than 75 m³.</p>	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.

Shield Requested for:	Reason for Shield Request:	Reason for Denial
Storage Tank 90-940: 40 CFR 60 Subpart Kb	Subpart Kb does not apply to vessels with a capacity greater than or equal to 75 m3 but less than 151 m3 storing a liquid with a maximum true vapor pressure less than 15 kPa (2.18 psia).	This storage tank is not included in the operating permit. Therefore, a permit shield is not necessary.
40 CFR 61.142, Subpart M	Stationary source is not an asbestos mill.	A shield is not needed for requirements that are clearly not applicable.
40 CFR 61.144, Subpart M	Stationary source does not engage in any manufacturing operations using commercial asbestos.	A shield is not needed for requirements that are clearly not applicable.
40 CFR 61.149, Subpart M	Applies only to those facilities subject to 40 CFR 61.142 (Asbestos Mills).	A shield is not needed for requirements that are clearly not applicable.
Storage Tanks 75-125, 75-1901, 90-1906, 90-1907, 90-1908, 90-1909 90-1932, 90-940, 94-1901: 40 CFR 63 Subpart OO	Provisions only apply to tanks affected by 40 CFR 60, 61, or 63 that specifically reference 40 CFR 63 Subpart OO.	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.
Storage Tanks 75-125, 75-1901, 90-1906, 90-1907, 90-1908, 90-1909 90-1932, 90-940, 94-1901: 40 CFR 63 Subpart SS	Provisions only apply to tanks affected by 40 CFR 60, 61, or 63 that specifically reference 40 CFR 63 Subpart SS.	These storage tanks are not included in the operating permit. Therefore, a permit shield is not necessary.
40 CFR 68 - Accidental Release Prevention Requirements: Risk Management Programs	No mixtures containing regulated flammable substances are stored at the stationary source that meet the criteria for an NFPA rating of 4 for flammability. Therefore, all materials stored at the stationary source are exempt from the threshold determination.	Requirement applies to more than flammable substances.
40 CFR 82.1 Subpart A	Stationary source does not produce, transform, destroy, import or export Class 1 or Group I or II substances or products.	40 CFR 82.1 explains the purpose and scope of Subpart A. There are no specific requirements for the Permittee.
40 CFR 82.30, Subpart B	Stationary source does not service motor vehicle air conditioners.	40 CFR 82.30 explains the purpose and scope of Subpart B. There are no specific requirements for the Permittee.
40 CFR 82.60 Subpart C	Stationary source is not a manufacturer or distributor of Class I and II products or substances.	40 CFR 82.60 explains the purpose of Subpart C. There are no specific requirements for the Permittee.
40 CFR 82.80 Subpart D	Subpart applies only to Federal departments, agencies, and instrumentalities.	40 CFR 82.80 explains the purpose and scope of Subpart D. There are no specific requirements for the Permittee.
40 CFR 82.100 Subpart E	Stationary source is not a manufacturer or distributor of Class I and II products or substances.	40 CFR 82.100 explains the purpose of Subpart E. There are no specific requirements for the Permittee.
40 CFR 82.158 Subpart F	Stationary source does not manufacture or import recovery and recycling equipment.	There are requirements other than those for manufacturers and importers.
40 CFR 82, Subpart F, Appendix C	Stationary source is not a third party entity that certifies recovery equipment.	Appendix C is a method not a requirement.

Shield Requested for:	Reason for Shield Request:	Reason for Denial
40 CFR 82.174(a) Subpart G	Stationary source does not manufacture substitute chemicals or products for ozone-depleting compounds.	A shield is not needed for requirements that are clearly not applicable.
40 CFR 82.270(a) Subpart H	Stationary source does not manufacture halon.	A shield is not needed for requirements that are clearly not applicable.