

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

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**Hilcorp Alaska, LLC
Nikaichuq Development**

**STATEMENT OF BASIS
for
Permit No. AQ0923TVP03**

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INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0923TVP03.

STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0923TVP03 contains information on the stationary source as provided in the Title V permit application.

The stationary source, Nikaitchuq Development, is owned and operated by Hilcorp Alaska, LLC and Hilcorp Alaska, 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.

The stationary source is an oil and gas production facility with three geographic sites located on Alaska's North Slope. The three sites are Oliktok Production Pad, Nikaitchuq Operations Center, and Spy Island Drillsite. The On-Shore Development Drilling Rig, Off-Shore Development Drilling Rig, and Intermittent Emissions Units are provided as separate inventories that are authorized to operate at the respective geographic sites at Nikaitchuq Development.

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. However, there are enforceable limits from Minor Permit No. AQ0923MSS11 on equipment ratings for the drilling rigs and intermittent well servicing equipment.

The operating permit application states EU IDs 107 and 69 were replaced with electric boilers. Therefore, these units have been removed from the operating permit. The application also states EU ID 96 is inoperable and should be removed from the operating permit. The Department removed EU ID 96 from the operating permit. EU ID 96 may not be operated at any point in the future without first determining if a Title I permit is required and obtaining that permit prior to operation, if necessary.

Minor Permit AQ0923MSS11 Revision 1 allows the on-shore and off-shore drilling rigs to be similar or smaller than the Nabors 245E Drilling Rig and Doyon Drilling Rig as long as the cumulative heater/boiler and engine ratings do not exceed the specified limits. The operating permit application revised EU IDs 9, 10, 11, 98, and 99 to EU IDs 9a, 10a, 11a, 98a, and 99a to update descriptions and ratings/sizes to reflect the units currently installed.

EMISSIONS

A summary of the potential to emit¹ (PTE) and assessable PTE for the stationary source is shown in the table below.

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

Emissions	NOx	CO	PM ₁₀	SO ₂	VOC	CO _{2e} ¹	HAPs	Total ²
PTE	225.00	225.00	29.04	61.86	123.55	290,130	3.8	664.45
Assessable PTE	225.00	225.00	29.04	61.86	123.55	0	0	664.45

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 55.1 is the sum of the PTE of each individual air pollutant, other than greenhouse gases (GHGs) for the stationary source. Hazardous air pollutants (HAPs) are not included in the assessable PTE because all significant HAPs are either VOC or PM₁₀ emissions. The emissions listed in Table H are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit for the stationary source.

The Department corrected an error in the PM₁₀ PTE for EU ID 4 regarding throughput for emergency operation that resulted in a PTE of 1.20 tpy. The Department corrected an error in the SO₂ PTE for EU ID 4 regarding throughput for daily purge and pilot operation that resulted in a PTE of 2.77 tpy. The Department also calculated VOC PTE for EU ID 4 using the VOC emission factor of 0.335 lb/MMBtu in AP 42, Table 13.5-3 because it is for flares at natural gas production sites. Additionally, the Department included the VOC PTE of EU ID 118 and the insignificant storage tanks as was done in the statement of basis for the previous operating permit. The remaining PTE for criteria pollutants and GHG emissions is as provided in the operating permit application. The stationary source is major under Title V for NOx, CO, and VOC because the PTE for each is greater than 100 tpy.

HAP PTE is as provided in the operating permit application. The stationary source is not major for HAPs because the PTE for each HAP is less than 10 tpy and total HAP PTE is less than 25 tpy.

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*, as defined in AS 46.14.990(22), 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.

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.

AIR QUALITY PERMITS

Permits to Operate

The Department did not issue any air quality control permits to operate for this stationary source.

Title I (Construction and Minor) Permits

The Department has not issued any construction permits for this stationary source after January 17, 1997 (the effective date of the divided operating and construction-permitting program).

Minor Permit No. AQ0923MSS01. The Department issued this permit on May 5, 2005 to a previous owner, Kerr McGee, authorizing a new oil production facility with owner requested limits that avoided Prevention of Significant Deterioration (PSD) major source classification.

- Revision No. 1. The Department issued Revision 1 to Minor Permit No. AQ0923MSS01 on March 30, 2007, to transfer the permit to Eni U.S. Operating Co. Inc. (Eni).

Minor Permit Nos. AQ0923MSS02 and AQ0923MSS03. Eni submitted applications for Minor Permit Nos. AQ0923MSS02 and AQ0923MSS03 to modify terms and conditions of Minor Permit No. AQ0923MSS01. Eni subsequently withdrew these applications.

Minor Permit No. AQ0923MSS04. The Department issued this permit on April 30, 2010 to rescind and replace Minor Permit No. AQ0923MSS01 Revision 1. This permit allowed aggregation of the support facilities with the production facility and changed the owner requested limits (ORLs). The permit revised the EU inventory, stack characteristics, operational scenarios, and included more EUs under the existing ORLs.

Minor Permit No. AQ0923MSS05. The Department issued this permit on December 30, 2010 to rescind Minor Permit No. AQ0923MSS04. This permit revised the EU inventory, increased

the operation hours of several EUs, and organized the Nikaitchuq Development into eight stations. The permit continued to allow the Nikaitchuq Development to avoid classification as a PSD major source.

Minor Permit No. AQ0923MSS06. The Department issued this permit on August 11, 2011 to rescind and replace Minor Permit No. AQ0923MSS05. This permit revised the EU inventory, stack characteristics, operating scenarios, included NO_x and CO emissions from the incinerators in the existing ORLs, and required all diesel fuel-fired EUs to burn ultra-low sulfur diesel (ULSD) fuel. The permit continued to allow the Nikaitchuq Development to avoid classification as a PSD major source.

Minor Permit No. AQ0923MSS08. The Department issued this permit on October 1, 2012 to allow dual fuel firing of turbine EU ID 32 and ULSD combustion up to 600 hours. This permit was active concurrent with Minor Permit No. AQ0923MSS06.

Minor Permit No. AQ0923MSS07. The Department issued this permit on November 27, 2012 to rescind and replace both Minor Permit Nos. AQ0923MSS06 and AQ0923MSS08. This permit revised the EU inventory, stack parameters, and deadlines for calculating and recording emissions while continuing to avoid classification as a PSD major source. This permit also added a limit on the amount of hospital, medical, infectious waste to be burned in two incinerators. All stationary source-specific requirements established in this permit are included in Operating Permit No. AQ0923TVP03 as described in Table I.

Minor Permit No. AQ0923MSS09. The Department issued this permit on July 23, 2013 to rescind and replace Minor Permit No. AQ0923MSS07. This permit deleted several emissions units previously subject to PSD avoidance limits, added emissions units to the stationary inventory, updated emissions unit characteristics, and made associated changes to permit conditions. Revisions to the EU inventory include removing the inventory of the Oliktok Construction Camp (EU IDs 80 through 92) and re-designating three nonroad engines (EU IDs 64, 68, and 116) at the Spy Island Drillsite as stationary engines. Minor Permit No. AQ0923MSS09 was processed concurrently with Operating Permit No. AQ0923TVP01.

Minor Permit No. AQ0923MSS10. The Department issued this permit on January 13, 2016 to rescind and replace Minor Permit No. AQ0923MSS09. This permit revised the emissions unit inventory and continued to allow the source to avoid PSD major classification by revising several permit conditions. Maximum engine ratings of the rigs and servicing equipment were updated. All stationary source-specific requirements established in this permit are included in Operating Permit No. AQ0923TVP03 as described in Table I.

Minor Permit No. AQ0923MSS11. The Department issued this permit on June 12, 2017 to rescind and replace Minor Permit No. AQ0923MSS10. This permit revised the emissions unit inventory and several permit conditions for the stationary source to continue to avoid PSD major classification. Maximum engine ratings of the rigs and servicing equipment were updated. All stationary source-specific requirements established in this permit are included in Operating Permit No. AQ0923TVP03 as described in Table I.

- Revision No. 1. The Department issued Revision 1 on November 1, 2024 for the transfer of ownership to Hilcorp Alaska, LLC.

Title V Operating Permits

Operating Permit No. AQ0923TVP01. The Department issued this permit on June 3, 2014.

- Revision No. 1. The Permittee requested an informal review of Permit No. AQ0923TVP01 on June 17, 2014. Based on the informal review decision dated August 8, 2014, EU ID 96 was not a new incinerator subject to 40 CFR 60 Subpart CCCC requirements. Therefore, Operating Permit No. AQ0923TVP01 conditions were revised accordingly, along with other administrative changes. Revision 1 to Permit No. AQ0923TVP01 was issued on November 24, 2014.
- Revision No. 2. The Department issued a significant modification on December 6, 2016 for several modifications to the permit conditions, as well as the incorporation of terms and conditions of Minor Permit No. AQ0923MSS10. The Department also made several administrative changes based on information provided in the application.
- Revision No. 3. The Department issued a significant modification on July 28, 2017 for several modifications to the permit conditions, as well as the incorporation of terms and conditions of Minor Permit No. AQ0923MSS11.

Operating Permit No. AQ0923TVP02. The Department issued this permit on January 22, 2020.

- Revision No. 1. The issued an administrative amendment on November 1, 2024 for the transfer of ownership to Hilcorp Alaska, LLC.

The Department received the application for Operating Permit AQ0923TVP03 on July 22, 2024. The Department received amended application forms dated September 30, 2024. The Department received additional information on December 12, 2024 (revised Public Access Control Plan).

COMPLIANCE HISTORY

The stationary source has operated at its current location since 2006. Review of the permit files for this stationary source, which includes the past inspection reports and compliance evaluations, indicates 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. AQ0923TVP03. Table I below lists the applicable requirements from preconstruction permits carried into Operating Permit No. AQ0923TVP03.

Table I - Comparison of Minor Permit No. AQ0923MSS11 Conditions to Operating Permit No. AQ0923TVP03 Conditions

AQ0923MSS11 Condition No.	Description of Requirement	AQ0923TVP03 Condition No.	How Condition was Revised
2	EU ID 123 notifications	15	Not revised.
3	Drill rig rating limits	16	Reference to minor permit application is removed.
4	Workover rig rating limits	17	Not revised.
Table 2, Table 3, and Table 4	List of drill and workover rig equipment	Table A	All rig equipment and associated table notes are incorporated in Table A.
5	Labeling of EUs	None	Not carried forward, requirement already fulfilled.
6	Turbine settings	18.3	Not revised.
7	Reciprocating engine settings	18.4	Not revised.
8	Drill rig reports	18.1	Removed the reference to the Fairbanks office.
None	Notification of change of NRE status	18.2	Added gap-filling requirements for a NRE changing status to a stationary unit.
9	Excess emissions and permit deviation reports	18.5	Not revised.
10 through 13	State emission standards	1 through 14	The state visible emissions standard for incinerators is not included because EU ID 96 has been removed from service. MR&R is included for the state standards.
14	CO and NOx PSD avoidance limits and MR&R	19 and 20	The requirements for incinerators are not included because EU ID 96 has been removed from service. Added gap-filling periodic performance testing requirements for emission factor verification for the PSD avoidance limits.
15	General ambient air quality provisions	21	Not revised.

AQ0923MSS11 Condition No.	Description of Requirement	AQ0923TVP03 Condition No.	How Condition was Revised
16	Public access control plan	22	Permit condition is not revised. The Permittee provided a revised plan due to the change of owner.
17	Eni local policy	23	“Eni Local Policy” is revised to “Hilcorp Local Policy” due to change of owner. The Local Policy is also revised to reference Hilcorp rather than Eni.
18	NO ₂ and SO ₂ ambient air quality protection	24	Added “Monitor, record, and report” to Conditions 18.1, 18.2, and 18.3 of Minor Permit AQ0923MSS11.
19	SO ₂ ambient air quality protection	25	Not revised.
22	EU ID 32 fuel requirements	26	Not revised.
23	Waste composition for incinerator (EU ID 96)	None	EU ID 96 has been removed from service.
Tables A-1 & A-2	Solar Taurus Emission Factors	Table E & Table F	Not revised.
Table A-3	Emissions unit emission factors	Table G	Emission factors for incinerators is not included because EU ID 96 has been removed from service.

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 60 Subpart Kb:** EU ID 118 is not subject to the requirements of this subpart because the tank’s capacity is less than 75 m³ (19,813 gallons).
- **40 CFR 63 Subpart JJJJJ:** EU IDs 94 and 95 are not subject to the requirements of this subpart because they are fired with propane and propane is defined as natural gas in 40 CFR 63.11237. Under 40 CFR 63.11195(e), gas-fired boilers are not subject to the requirements of Subpart JJJJJ.
- **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.
- **40 CFR 68 Chemical Accident Prevention Provisions:** The Risk Management Plan (RMP) requirements do not apply because the stationary source has no threshold quantities of a regulated substance used in a process as defined in 40 CFR 68.10.

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. AQ0923TVP03. 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 and 13, 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 4, 9a, 10a, 11a, 12, 13, 23, 24, 32, 33, 47, 49, 50, 64, 68, 70, 71, 93 through 95, 98a, 99a, 100, 101, 106, 108 through 112, 114 through 116, and 123 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 – Visible Emissions and Particulate Matter Monitoring Plan for Liquid Fuel-Burning Equipment and Flares. The Department has modified these conditions, as follows:

- For the dual fuel-fired emissions unit, EU ID 32, the monitoring threshold is changed from 400 hours per calendar year to 600 hours per 12-consecutive-month period to align with the source testing trigger for EU ID 32 when operating on ultra-low sulfur diesel.

Except for gas fuel-burning equipment, 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 propane and 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 visible 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 unit exhaust must be observed by either the Method 9 or the Smoke/No Smoke Plan. Corrective actions such as maintenance procedures or more frequent observations may be required depending on the results of the observations.

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.

Dual Fuel-Burning Equipment:

As long as the dual fuel-burning emissions unit (EU ID 32) operates only on gas, monitoring consists of a statement in each operating report indicating only gaseous fuels were used in the emissions unit during the reporting period. When the emissions unit operates on a backup liquid fuel for more than 600 hours in a rolling 12-month period, visible emissions monitoring is required. When the unit operates on a backup liquid fuel for less than 600 hours in a rolling 12-month period, the monitoring requirement consists of an annual certification of compliance with the visible emissions standard.

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

In accordance with 18 AAC 50.326(d)(1), EU IDs 23, 24, 50, 64, 68, 70, 71, 109, 110, 114, 115, and 116 do not qualify as insignificant because they are subject to a stationary source-specific or emissions unit-specific emission limitation. EU IDs 70, 71, 109, 110, 114, and 115 are otherwise insignificant because PTE for each unit is less than the significant emissions thresholds in 18 AAC 50.326(e). Therefore, the Department has waived visible emissions monitoring for EU IDs 70, 71, 109, 110, 114, and 115, 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 23, 24, 50, 64, 68, and 116 in accordance with Department Policy and Procedure No. 04.02.103, Topic # 3 as long as actual emissions remain below the thresholds in 18 AAC 50.326(e).

Flares:

The Department developed a standardized version of flare monitoring that is not dependent upon the type or design of upstream equipment. It has been claimed that gas-fired flares normally burn without emitting visible emissions. However, gas-fired flares have been shown to smoke when a control device malfunctions (e.g., knockout drum, flare scrubber, gas or steam assist, or vapor recovery system). The condition sets out a protocol to collect actual field data to determine compliance with the 20 percent visible emissions standard for 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.

Conditions 6 through 13, Particulate Matter (PM) Emissions 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 4, 9a, 10a, 11a, 12, 13, 23, 24, 32, 33, 47, 49, 50, 64, 68, 70, 71, 93 through 95, 98a, 99a, 100, 101, 106, 108 through 112, 114 through 116, and 123 are fuel-burning equipment or industrial processes.

This particulate matter emissions standard 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 emissions standard. MR&R requirements are also specified. These conditions have been adopted into regulation as SPC IX.

Except for propane and gas fuel-burning equipment, 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 propane and gas fuel-burning emissions units for PM is waived, i.e., no source testing is required. The Department has found that natural gas fuel-burning equipment inherently has negligible PM emissions. However, the Department can request a source test for PM 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 PM 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 PM source tests. The Permittee is also required to include copies of the results of all visible emission observations taken during PM source testing in the operating report.

Dual Fuel- Burning Units:

As long as the dual fuel-burning emissions unit (EU ID 32) operates only on gas, monitoring consists of a statement in each operating report indicating only gaseous fuels were used in the emissions unit during the reporting period. When the emissions unit operates on a backup liquid fuel for more than 600 hours in a rolling 12-month period, visible emissions monitoring is required. When the unit operates on a backup liquid fuel for less than 600

hours in a rolling 12-month period, the monitoring requirement consists of an annual certification of compliance with the PM standard.

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

In accordance with 18 AAC 50.326(d)(1), EU IDs 23, 24, 50, 64, 68, 70, 71, 109, 110, 114, 115, and 116 do not qualify as insignificant because they are subject to a stationary source-specific or emissions unit-specific emission limitation. EU IDs 70, 71, 109, 110, 114, and 115 are otherwise insignificant because PTE for each unit is less than the significant emissions thresholds in 18 AAC 50.326(e). Therefore, the Department has waived PM monitoring for EU IDs 70, 71, 109, 110, 114, and 115, 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 23, 24, 50, 64, 68, and 116 in accordance with Department Policy and Procedure No. 04.02.103, Topic # 3 as long actual emissions remain below the thresholds in 18 AAC 50.326(e).

Flares:

Monitoring of gas-fired flares for PM 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 PM emissions standard.

Condition 14, Sulfur Compound Emissions Standard and MR&R

Legal Basis: These conditions require compliance with the sulfur compound emissions standard 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 4, 9a, 10a, 11a, 12, 13, 23, 24, 32, 33, 47, 49, 50, 64, 68, 70, 71, 93 through 95, 98a, 99a, 100, 101, 106, 108 through 112, 114 through 116, and 123 are fuel-burning equipment or industrial processes.

This sulfur compound emissions 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: The Permittee may not cause or allow the affected equipment to violate the applicable sulfur compound emissions standard. Sulfur dioxide comes from the sulfur in the fuel (e.g. coal, natural gas, fuel oils). Liquid fuel containing no more than 0.75 percent sulfur by weight will always comply with the sulfur compound emission standard.

Diesel fuel, propane, and fuel gas are used in the emissions units at the stationary source. To protect the SO₂ ambient air quality standards, owner requested limits (ORLs) in Minor Permit No. AQ0923MSS11 include sulfur content limits of fuels burned in the emissions units to concentrations lower than necessary to comply with the state SO₂ standard under 18 AAC 50.055(c). Therefore, the MR&R requirements for compliance with the state SO₂ standard have been streamlined based on the more stringent fuel sulfur content ORLs rather than have two sets of MR&R.

Conditions 15 through 26, 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 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 I above.

Condition 15 requires that the Permittee notify the Department when EU ID 123 has been started up and when it has been removed from the source. EU ID 123 is considered a “temporary construction activity” as defined in 18 AAC 50.990(107), as long as the unit remains in the same location at the stationary source for no more than 24 consecutive months. If EU ID 123 is not removed after 24 months, its emissions need to be included in the stationary source’s potential to emit for the purposes of determining source classification and permitting applicability.

To protect ambient air quality standards or increments, Conditions 16 and 17 define groupings of emissions units listed in the permit and restrict the aggregate ratings of the units.

The Department imposed notification requirements in Condition 18.2 in the event a transportable internal combustion engine loses its nonroad engine (NRE) status. A transportable engine would be subject to State and Federal emission standards for stationary fuel burning equipment and reciprocating internal combustion engines respectively in the event that it is not classified as a nonroad engine. The PTE would also need to be included in the stationary source’s PTE for the purposes of determining source classification and permitting applicability. Should an engine lose NRE status and become stationary, any requirements for stationary engines would become retroactively applicable and would require a permit action, compliance action, or other measures to address. Thus, the Department is including this condition to assure that any such changes can be properly accounted for.

Condition 19 contains a PSD avoidance limits for CO and NO_x. The Department added Condition 20 as a gap-fill monitoring requirement requiring periodic performance testing to verify emission factors used to demonstrate PSD avoidance.

Conditions 21 through 25 are for protection of NO₂, SO₂, and PM-10 ambient air quality standards. They include maintaining the ambient boundaries, minimum stack heights and

configuration, procedures related to on-site housing (which result in housing not being considered in ambient air), a plan to control public access inside the ambient boundaries, limits on hours of operation and associated monitoring, and limits on fuel sulfur and associated monitoring for each fuel type.

Condition 26 requires testing to verify emission factors for EU ID 32 if it exceeds 600 hours of operation on liquid fuel for a consecutive 12-month period.

Condition 27, Insignificant Emissions Units

Legal Basis: The Permittee is required to meet the state emissions 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 is contained in the federally approved SIP.

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 emissions 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 based on reasonable inquiry 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 28 through 36, 40 CFR 60 Subpart A Requirements

Legal Basis: NSPS³ 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). Additionally, the Department adopted 40 CFR 60 Subpart A as it applies to a Title V source under 18 AAC 50.040(a)(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 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. The requirements in NSPS Subparts Dc, IIII, and KKKK apply to the stationary source.

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.

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.

Conditions 28.1 through 28.3 - The Permittee is subject to these requirements in the event of a new NSPS affected facility or in the event of a modification or reconstruction of an existing facility⁵ into an affected facility.

Condition 28.4 - The requirement to notify the Administrator of any proposed replacement of components of an existing facility (40 CFR 60.15) applies if the fixed capital cost of new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable entirely new facility.

Condition 29 - The requirement in 40 CFR 60.7(b) to maintain start-up, shutdown, or malfunction records are applicable to NSPS affected facilities subject to NSPS subparts that do not contain the same recordkeeping requirements. Therefore, the requirement applies to the emissions units subject to the requirements of NSPS Subparts Dc and KKKK. The requirement does not apply to units subject to the requirements of NSPS Subpart IIII as specified in Table 8 to Subpart IIII and 40 CFR 60.4214(a).

Conditions 30 and 31 - 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 KKKK. The Department has included a copy of the federal EEMSP summary report form as Attachment 1 to the operating permit.

Condition 32 - 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 33 - The Permittee has already complied with the initial performance test requirements in 40 CFR 60.8 for NSPS Subpart KKKK. 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 34 - Good air pollution control practices in 40 CFR 60.11 are applicable to NSPS affected facilities subject to NSPS subparts. Therefore, this requirement applies to units subject to the requirements of NSPS Subparts Dc and KKKK. The requirement does not apply to units subject to the requirements of NSPS Subpart IIII as specified in Table 8 to Subpart IIII.

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 35 – In accordance with 40 CFR 60.11(g), any credible evidence or information may be used to demonstrate compliance with, or to establish violations of, relevant NSPS standards. This requirement applies to units subject to the requirements of NSPS Subpart KKKK. The requirement does not apply to units subject to the requirements of NSPS Subpart IIII as specified in Table 8 to Subpart IIII. For Operating Permit AQ0923TVP03, only the fuel recordkeeping requirements of NSPS Subpart Dc are applicable. Therefore, the requirement does not apply to the unit subject to the requirements of NSPS Subpart Dc.

Condition 36 - Concealment of emissions prohibitions in 40 CFR 60.12 are applicable to all NSPS affected facilities unless specified otherwise in an applicable subpart.

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 affected facilities subject to an NSPS subpart, unless otherwise specified in the applicable subpart. In general, the intent of NSPS Subpart A is to eliminate the repetition of requirements for owners or operators affected by NSPS.

Condition 37, 40 CFR 60 Subpart Dc Requirements

Legal Basis: The Department has incorporated by reference the NSPS requirements in Subpart Dc, as listed in 18 AAC 50.040(a). NSPS Subpart Dc applies to each steam generating unit for which construction, modification, or reconstruction is commenced after June 9, 1989 and that has a maximum design heat input capacity of 29 megawatts (MW) (100 million British thermal units per hour (MMBtu/hr)) or less, but greater than or equal to 2.9 MW (10 MMBtu/hr). EU ID 106 was constructed in 2010 and has a heat input capacity of 10.5 MMBtu/hr. Therefore, Subpart Dc applies to EU ID 106.

Factual Basis: This condition incorporates the applicable Subpart Dc requirements. Because EU ID 106 burns only fuel gas, the only requirements in the subpart that apply are notification and fuel consumption monitoring and recordkeeping requirements. The initial notification requirement under 40 CFR 60.48c(a) is not included in Operating Permit AQ0923TVP03 because the Permittee has already complied with this one-time requirement. This condition includes the monitoring and recordkeeping requirements for fuel consumption. The records retention period required in 40 CFR 60.40c(i) is two years. However, 40 CFR 71.6(a)(3)(ii)(B) requires that the operating permit contain a records retention requirement of 5 years.

Condition 38, 40 CFR 60 Subpart IIII Requirements

Legal Basis: The Department has incorporated by reference the NSPS requirements in Subpart IIII, as listed in 18 AAC 50.040(a). NSPS Subpart IIII 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 IDs 3, 47, 49, 64, and 93 are subject to Subpart IIII because they are non-emergency, non-fire pump engines constructed after July 11, 2005 and

manufactured after April 1, 2006, while EU ID 50 is a certified fire pump engine manufactured after July 1, 2006 and is also subject to the requirements of Subpart III.

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.

EU IDs 47, 49, 50, and 64 are permitted to operate offshore and are therefore not considered accessible by the Federal Air Highway System (FAHS) and meet the definition of "remote Alaska" in 40 CFR 60.4216. According to 40 CFR 60.4216(d), pre-2014 engines located in remote areas of Alaska are exempt from the fuel requirements of 40 CFR 60.4207. In addition, 40 CFR 60.4216(f) allows owners and operators of stationary CI ICE that are located in remote areas of Alaska to use fuels mixed with used lubricating oil.

40 CFR 60.4216(c) allows non-emergency stationary CI ICEs located in remote areas of Alaska "to meet the applicable emission standards for emergency engines in 40 CFR 60.4202 and 60.4205, and not those for non-emergency engines in 40 CFR 60.4201 and 60.4204..." EU IDs 47, 49, and 64 are non-emergency engines subject to standards under 60.4204. However, the emergency and non-emergency standards are the same for these engines, so the non-emergency standards are specified in the operating permit.

EU IDs 3 and 93 do not meet the criteria for "remote Alaska" as they are accessible by the FAHS. For these engines the applicable non-emergency standards under 40 CFR 60.4201 and 60.4204 are specified in the operating permit.

EU ID 50 is a fire pump engine. As defined in 40 CFR 60.4219, "*Fire pump engine* means an emergency stationary internal combustion engine certified to NFPA requirements that is used to provide power to pump water for fire suppression or protection." Specific standards and requirements applicable to this EU as a fire pump and an emergency engine are provided in the operating permit.

EU IDs 3, 47, 49, 50, 64, and 93 do not need and are not equipped with diesel particulate filters to comply with the applicable PM standards. Therefore, the provisions regarding diesel particulate filters in 40 CFR 60.4209(b) and 60.4214(c) are not included in the permit.

The Department added MR&R requirements for the fuel requirements in NSPS Subpart III.

EU IDs 14 through 20, 74, 75, 78, 97, 102 through 105, 117, 124, and 125 are nonroad engines. The definition of stationary internal combustion engine in 40 CFR 60.4219 states, "Stationary ICE differ from mobile ICE in that a stationary internal combustion engine is not a nonroad engine as defined at 40 CFR 1068.30". Therefore, these nonroad engines are not subject to the requirements of Subpart III.

Condition 39, 40 CFR 60 Subpart KKKK Requirements

Legal Basis: The Department has incorporated by reference the NSPS requirements in Subpart KKKK, as listed in 18 AAC 50.040(a). NSPS Subpart KKKK applies to combustion turbines with a heat input at peak load equal to or greater than 10.7 gigajoules (10 MMBtu) per hour, based on the higher heating value of the fuel, which commenced construction, modification, or reconstruction after February 18, 2005. EU IDs 1, 2, 32, and 33 meet these criteria and are therefore subject to these requirements.

Factual Basis: These conditions incorporate the Subpart KKKK NO_x and SO₂ emissions standards. These conditions also specify the MR&R requirements contained in the subpart. The requirement for initial performance tests is not included because those tests have either been conducted or waived by EPA. The provisions of the EPA waivers for testing multiple turbines have been also included in the permit.

Condition 40, 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 and associated general provisions under Subpart A, as adopted by reference under 18 AAC 50.040(b)(2)(F) and 50.040(b)(1). The Department received delegation for 40 CFR 61.145 and 40 CFR 61.154 of Subpart M (Asbestos), along with other sections and appendices which are referenced in 40 CFR 61.145, as 40 CFR 61.145 applies to sources required to obtain an operating permit under the Department's regulations. The Department has not received delegation for Subpart M for sources not required to obtain an operating permit under the Department's regulations.

Factual Basis: The asbestos demolition and renovation requirements apply if the Permittee engages in asbestos demolition or renovation. 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 41, 40 CFR 63 Subpart A Requirements

Legal Basis: 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 affected sources subject to NESHAP requirements. EU IDs 68 and 116 are subject to NESHAP Subpart ZZZZ, while EU ID 118 is subject to NESHAP Subpart CCCCC. Therefore, these EUs are subject to NESHAP Subpart A.

Conditions 42 and 43, 40 CFR 63 Subpart ZZZZ Requirements

Legal Basis: The Department has incorporated by reference the NESHAP requirements in Subpart ZZZZ, as listed in 18 AAC 50.040(c). NESHAP Subpart ZZZZ applies to any existing, new, or reconstructed stationary reciprocating internal combustion engines (RICE) located at major and area sources of HAP emissions. Nikaitchuq Development is an area source that contains RICE units. EU IDs 68 and 116 meet the criteria for existing stationary CI RICE in 40 CFR 63.6590(a)(1)(iii). EU IDs 3, 47, 49, 50, 64, and 93 meet the criteria for new stationary RICE in 40 CFR 63.6590(a)(2)(iii).

Factual Basis: EU IDs 68 and 116 are existing non-emergency RICE with ratings greater than 300 horsepower (hp) permitted for offshore operation. Therefore, the engines are not considered accessible by the Federal Aid Highway System (FAHS). Under 40 CFR 63.6603(b), existing non-emergency CI RICE rated greater than 300 hp located at area sources that are not accessible by the 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 general requirement for good air pollution control practices in 40 CFR 63.6605(b) and 63.6625(e) also applies to the engines. 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).

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 63.6590(c)(1), compliance with the requirements of Subpart ZZZZ for a new stationary RICE unit is achieved by meeting the requirements of 40 CFR 60 Subpart IIII and no further requirements apply under NESHAP Subparts A and ZZZZ.

EU IDs 14 through 20, 74, 75, 78, 97, 102 through 105, 117, 124, and 125 are nonroad engines. The definition of stationary reciprocating internal combustion engine in 40 CFR 63.6675 states, "Stationary RICE differ from mobile RICE in that a stationary RICE is not a non-road engine as defined at 40 CFR 1068.30". Therefore, these nonroad engines are not subject to the requirements of Subpart ZZZZ.

Condition 44, 40 CFR 63 Subpart CCCCCC Requirements

Legal Basis: The Department has incorporated by reference the NESHAP requirements in Subpart CCCCCC, as listed in 18 AAC 50.040(c). NESHAP Subpart CCCCCC applies to Gasoline Distribution Facilities (GDF) at area sources of hazardous air pollutants. In accordance with 40 CFR 63.11112(a) and (b), EU ID 118 is a gasoline storage tank subject to Subpart CCCCCC and is a new affected source.

Factual Basis: The operating permit application states the requirements for facilities with a monthly throughput of greater than 10,000 gallons but less than 100,000 gallons of

gasoline are applicable. Additionally, the throughput values provided in the 2023 full compliance evaluation report show 15,506 gallons as the highest monthly throughput. Therefore, the requirements in 40 CFR 63.11117 are included in the operating permit.

The Permittee is required to keep records of monthly gasoline throughput for EU ID 118 to demonstrate that the monthly throughput for EU ID 118 is less than the 100,000-gallon threshold level.

Conditions 45 through 47, 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. These conditions require compliance with the applicable requirements in 40 CFR 82, as adopted by reference under 18 AAC 50.040(d).

Factual Basis: The conditions require the Permittee to comply with the standards for recycling and emission reduction of refrigerants, substitutes for ozone-depleting compounds, and halon emissions reduction. 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. The stationary source uses halon and is therefore subject to the federal regulations for halon contained in 40 CFR 82.

Conditions 48 through 50, NESHAP Applicability Determination Requirements

Legal Basis: These conditions require the Permittee to determine NESHAP (40 CFR 63, for Source Categories) 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. These conditions require 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 63, comply with any NESHAP standard that becomes applicable to the source by the compliance date established in the applicable subpart, and to keep records of applicability determinations and make those records available to the Department. Notifications of construction are also required as applicable.

Conditions 51 through 53, 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 54, Administration Fees

Legal Basis: This condition requires compliance with the applicable fee requirements in 18 AAC 50.400 through 403. 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: Paying administration fees is required as part of obtaining and holding a permit with the Department or as a fee for a Department action. 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 55 and 56, Emission Fees

Legal Basis: These conditions require compliance with the applicable fee requirements in 18 AAC 50.410 through 50.420. 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. 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 SPC I 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.

Condition 57, Good Air Pollution Control Practice

Legal Basis: Under 18 AAC 50.346(b) and pursuant to AS 46.14.010(e), the Department adopted SPC VI, which is used for this condition.

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

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. 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.

Condition 58, Dilution

Legal Basis: 18 AAC 50.045 is included in the SIP approved by EPA. It is therefore an applicable requirement under 40 CFR 71.2.

Factual Basis: This condition reiterates 18 AAC 50.045(a), which prohibits the Permittee from diluting emissions as a means of compliance with any standard in 18 AAC 50.

Condition 59, Reasonable Precautions to Prevent Fugitive Dust

Legal Basis: 18 AAC 50.045 is included in the SIP approved by EPA. 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.

Factual Basis: The Department used the language in SPC 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). SPC X applies to stationary sources containing any of the following emissions units or activities listed in Table 7 under 18 AAC 50.346: 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.

Condition 60, 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.

Factual Basis: This condition reiterates 18 AAC 50.055(g), which 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).

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 61, 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 a summary of the investigation and corrective actions undertaken for these complaints and must submit copies of these records upon request of the Department.

Condition 62, 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 emissions reporting for each standard. Excess emissions reporting requires information on the steps taken to minimize emissions.

Condition 63, Open Burning

Legal Basis: 18 AAC 50.065 is included in the SIP approved by EPA. It is therefore an applicable requirement per 40 CFR 71.2. The condition requires the Permittee to comply with the requirements in 18 AAC 50.065 when conducting open burning at the stationary source. The 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 64, Requested Source Tests

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

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

Conditions 65 through 67, Operating Conditions, Reference Test Methods, Excess Air Requirements

Legal Basis: Some of these conditions require compliance with the applicable requirements in 18 AAC 50.220(b) and (c)(3), which are included in the SIP approved by EPA. Another of these conditions specifies source test methods, as required by 40 CFR 71.6(a)(3)(i) and 71.6(c)(1).

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

Condition 68, 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 69 through 72, Test Deadline Extension, Test Plans, Notifications and Reports

Legal Basis: Conditions 70 through 72 require compliance with the applicable requirements in 18 AAC 50.345(m) through (o), which are included in the SIP approved by EPA. Condition 69 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 50.345(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 73, 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 74, 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 75, 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). 18 AAC 50.345(j) allows the excess emission reports to be

certified with the operating report. However, the Department reminds the Permittee that excess emissions reports must be submitted according to the applicable deadline given in Condition 78 and must not be withheld from the Department until the deadline for submittal of an 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 76, 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 77, 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 78, 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.

The Department has modified this condition and the Notification Form to reflect the electronic submittal requirements in 18 AAC 50.270.

Condition 79, Operating Reports

Legal Basis: This 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, adopted by reference under 18 AAC 50.346(b)(6), 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 80, 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 80.2 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 81, 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 or email.

Detailed instructions on completing and submitting the emission inventory and the report form are available on 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 Operating Permit AQ0923TVP03, the stationary source is a Type B stationary source.

Condition 82, Consistency of Reporting Methodologies

Legal Basis: This condition is from 18 AAC 50.275, which is included in the SIP approved by EPA. It is therefore an applicable requirement under 40 CFR 71.2.

Factual Basis: 18 AAC 50.275(a) requires all stationary sources to report actual emissions for the purpose of the federal emissions inventory. For reporting actual or assessable emissions, 18 AAC 50.275(b) requires consistent pollutant-specific emissions factors and calculation methods for all reporting requirements for the stationary source.

Condition 83, NSPS and NESHAP Reports and Waivers

Legal Basis: The Permittee is required to provide the Department a copy of each report submitted to EPA for units subject to NSPS or NESHAP federal regulations under 18 AAC 50.326(j)(4).

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

Condition 84, 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). The Department revised the SPC to include EPA's order of preference for receiving air permitting documents in accordance with the February 12, 2024 guidance memo from EPA Region 10.

Conditions 85 through 87, Permit Changes and Revisions Requirements

Legal Basis: 40 CFR 71.6(a)(8), (a)(12), and (a)(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 (a)(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 88, 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, after 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 89 through 94, 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 95 and 96, 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 D of Operating Permit No. AQ0923TVP03 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 J - Permit Shields Denied

Shield Requested for:	Reason for Shield Request:	Reason for Denial
EU IDs 68 & 116: 40 CFR 60 Subpart IIII	These engines are not firewater pumps and were manufactured before April 2, 2006.	The provisions of 40 CFR 60.4208 are applicable to all owners and operators of stationary CI ICE that commence construction after July 11, 2005. However, these engines were initially constructed in 1980. Therefore no requirements in 40 CFR 60 Subpart IIII are applicable as noted in the statement of basis.
EU IDs 68 & 116: 40 CFR 63.6625 & 63.6640	These engines are not accessible by Federal Aid Highway System and is not subject to a numerical emission standard or operating limitation.	40 CFR 63.6625(h), 63.6625(i), 63.6640(a), and 63.6640(e) are applicable requirements.
40 CFR 60 Subpart Cd, L, P, Q, R, DD, AAA, LLL, DDDD, and JJJJ	There is no affected facility within stationary source.	The reason for the shield does not clearly explain why each subpart is not applicable. Additionally, a shield is not necessary for NSPS subparts that are clearly not applicable to the stationary source. The absence of a shield in the permit does not mean the requirement is applicable.
40 CFR 60 Subpart Kb	Storage tanks are exempted from K and Ka because all tanks are less than 40,000 gallons and/or none of the other liquids have a high enough maximum true vapor pressure. Storage tanks are exempted from Subpart Kb because the design capacity of each of tank storing petroleum is less than 1,589.874 m ³ and petroleum storage is prior to custody transfer, and none of the other liquids have a high enough maximum true vapor pressure.	The reason for the shield does not clearly explain why EU ID 118 is not subject to the requirements of Subpart Kb.