

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

**[Public Comment - March 12, 2026]**

**Hilcorp Alaska, LLC**

**Swanson River Field**

**STATEMENT OF BASIS  
for the terms and conditions of  
Permit No. AQ0059TVP04**

**Prepared by Ibnul Hasan  
ADEC AQ/APP (Fairbanks)**

**Reviewed by P. Moses Coss  
ADEC AQ/APP (Fairbanks)**

## INTRODUCTION

This document sets forth the statement of basis for the terms and conditions of Operating Permit No. AQ0059TVP04.

### STATIONARY SOURCE IDENTIFICATION

Section 1 of Operating Permit No. AQ0059TVP04 contains information on the stationary source as provided in the Title V permit application.

The Swanson River Field is owned by Hilcorp Cook Inlet, LLC and operated by Hilcorp Alaska, LLC (Hilcorp), and Hilcorp is the Permittee for the stationary source's operating permit. The SIC code for this stationary source is 1311 - Crude Petroleum and Natural Gas. The NAICS codes for this stationary source are 211120 and 211130 - Crude Petroleum and Natural Gas Extraction.

On May 1, 2008, the previous owner, Union Oil Company of California (UOCC) requested that equipment at the Cook Inlet Onshore Drilling and Well Testing Program (CIOD) be included in the Title V Operating Permit renewal for the Swanson River Field, since the equipment only operates within the Swanson River Field stationary source. On May 7, 2008, the Department agreed to aggregate the CIOD with the Swanson River Field as part of the operating permit renewal process for both stationary sources.

Air quality regulations designate the area adjacent to Swanson River Field as Class II for PSD Increments. For ambient air quality, the area is unclassifiable, since no monitored values exist within Swanson River Field.

### 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 C.F.R. 71.5(c)(3).

The emissions units at the Swanson River Field that have specific monitoring, recordkeeping, and reporting (MR&R) requirements are listed in Table 1 and Section 12 of Operating Permit No. AQ0059TVP04.

Table 1 of Operating Permit No. AQ0059TVP04 contains information on the emissions units regulated by this 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.

### EMISSIONS

A summary of the potential to emit (PTE)<sup>1</sup> and assessable PTE, as indicated in the application from the Swanson River Field is shown in the table below.

---

<sup>1</sup> *Potential to Emit* or *PTE* means the maximum capacity of a stationary source to emit a pollutant under its physical or operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable. Secondary emissions do not count in determining the potential to emit of a stationary source, as defined in AS 46.14.990(22).

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

Emissions	NO <sub>x</sub>	CO	PM	SO <sub>2</sub>	VOC	CO <sub>2e</sub> <sup>1</sup>	HAPs	Total <sup>2</sup>
PTE	2,645.10	443.17	50.45	51.04	271.79	192,289	19.91	3,461.55
Assessable PTE	2,645.10	443.17	50.45	51.04	271.79	0	0	3,461.55

Notes:

1. CO<sub>2e</sub> 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<sub>2e</sub> and HAPs.
3. HAP emissions are a subset of either VOC emissions or PM<sub>10</sub> emissions and are excluded from the assessable emissions total to avoid double counting.

The assessable PTE listed under Condition 58.1 is the sum of the emissions of each individual regulated air pollutant, other than greenhouse gases (GHGs). The emissions listed in Table A are estimates that are for informational use only. The listing of the emissions does not create an enforceable limit to the stationary source.

Emissions of the drill rig units are also provided in the application for Operating Permit No. AQ0059TVP04. The drill rig emissions units have an hour limit of 2,160 hours per drill site; however, the drill rig may operate at several different sites in a year. Therefore, the drill rig PTE was calculated using 8,760 hours per year.

For criteria pollutants and GHGs, emissions are as provided in the application, as follows:

The applicant estimated PTE's for NO<sub>x</sub>, CO, PM<sub>10</sub>, VOC, and HAPs based on AP-42 emission factors current as of the date of the permit renewal application submittal, vendor data, and any allowed emission rates and/or operational limits applicable to emissions units at the stationary source. The applicant estimated potential SO<sub>2</sub> emissions based on a mass balance, allowable fuel sulfur content limits of 0.5 wt%<sub>S<sub>fuel</sub></sub> for diesel and 0.05 wt%<sub>S<sub>fuel</sub></sub> for gasoline, and a conservative estimate of 25 ppmv H<sub>2</sub>S in fuel gas. For GHGs emissions, the applicant estimated CO<sub>2e</sub> emissions using the emission factors in 40 C.F.R. 98, Table A-1 to Subpart A, and Tables C-1 and C-2 to Subpart C.

**BASIS FOR REQUIRING AN OPERATING PERMIT**

In accordance with AS 46.14.130(b), an owner or operator of a Title V source<sup>2</sup> must obtain a Title V permit consistent with 40 C.F.R. Part 71, as adopted by reference in 18 AAC 50.040.

Except for sources exempted or deferred by AS 46.14.120(e) or (f), AS 46.14.130(b) lists 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 (CAA) or National Emission Standards for Hazardous Air Pollutants (NESHAP) under Section 112 of the CAA;
- Another stationary source designated by the Federal Administrator by regulation.

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

The Permittee is required to obtain an operating permit for the Swanson River Field as specified under 18 AAC 50.326(a) and 40 C.F.R. 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 CAA, it directly emits, or has the potential to emit, 100 TPY or more of any air pollutant subject to regulation.

## AIR QUALITY PERMITS

### Permit to Operate

Permit to Operate No. 9423-AA009. The last permit to operate issued for this stationary source is Permit to Operate No. 9423-AA009 for the Cook Inlet Onshore Drilling and Well Testing Program (CIOD). This permit included all construction authorizations issued through November 9, 1994, and was issued before January 18, 1997. All stationary source-specific requirements established in this permit are included in this Title V operating permit, Permit No. AQ0059TVP04, as described in Table B.

### Title I (Construction and Minor) Permits

The Department issued no construction permit for this stationary source after January 17, 1997 (the effective date of the divided operating and construction permit program). The Department issued no minor permit for this stationary source after September 30, 2004.

### Title V Operating Permits

Permit Nos. 059TVP01 and 061TVP01. The Department issued Operating Permit No. 059TVP01 for the Swanson River Field on November 21, 2003 and the permit expired on December 31, 2008. The Department issued Operating Permit No. 061TVP01 for CIOD on October 18, 2002 and expired on November 17, 2007.

- Revision 1. UOCC submitted an administrative revision request on March 10, 2004, to add two new drill rigs to the list of approved drill rigs. The two rigs are identified as AWS #1 and Kuukpik #5. Their potential emissions are significantly less than the Nabors 160 rig used in initial drill rig modeling.

Permit No. AQ0059TVP02. On May 7, 2008, the Department agreed to UOCC's request to aggregate CIOD with the Swanson River Field as part of the operating permit renewal process for both stationary sources. The Department issued Operating Permit No. AQ0059TVP02 on August 10, 2011 and the permit expired on August 10, 2016.

Permit No. AQ0059TVP03. The Department issued Operating Permit No. AQ0059TVP03 on July 8, 2020 and the permit expired on July 8, 2025.

- Revision 1. The Department received an application for a minor modification on September 17, 2020. As requested by the Permittee, the Department added a generic drill rig to Section 12 which allows the use of a drill rig that has total ratings for all units that is less than the total unit ratings for the Nabors 160 drill rig, which was used for modeling for the Title I permit. The Department also updated all the standard permit conditions, which were revised on July 22, 2020.

- Revision 2. The Permittee submitted an application for a minor modification on April 12, 2022. As requested in the application, the Department removed the permit shield for 40 C.F.R. 68 in Table 2 and added the new applicable requirements in Condition 49.

Permit No. AQ0059TVP04. Hilcorp submitted an application to renew Operating Permit No. AQ0059TVP04 under a January 6, 2025, cover letter. The Department received the application on January 6, 2025. The Department issued Operating Permit No. AQ0059TVP04 on [Public Comment - March 12, 2026].

### COMPLIANCE HISTORY

The stationary source has operated at its current location since 1958. 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 PRE-CONSTRUCTION PERMITS

Incorporated by reference at 18 AAC 50.326(j), 40 C.F.R. 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 pre-construction permits:

- Permit 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. AQ0059TVP04.

Additionally, Operating Permit No. AQ0059TVP04 carries forward some conditions established in Operating Permit Nos. 061TVP01 Rev 2 and 059TVP01 Rev 1. These conditions are ORLs to limit the operational conditions of different EUs.

Table B below lists the requirements carried into Operating Permit No. AQ0059TVP04 to ensure compliance with the preconstruction permit requirements.

**Table B - Comparison of Permit to Operate No. 9423-AA009, Operating Permit No. 059TVP01 Revision 1, and Operating Permit No. 061TVP01 Revision 2 Conditions to Operating Permit No. AQ0059TVP04 Conditions<sup>1,2</sup>**

Permit and Condition No.	Description of Requirement	Permit AQ0059TVP04 Condition No.	How Condition was Revised
Permit to Operate 9423-AA009, Condition 4	Drill rig hours of operation limit	24	Not revised.

Permit and Condition No.	Description of Requirement	Permit AQ0059TVP04 Condition No.	How Condition was Revised
Permit to Operate 9423-AA009, Condition 5	Drill rig diesel fuel sulfur content limit	20	Not revised.
Permit to Operate 9423-AA009, Exhibit B	Rig test flare operation limit	25	Not revised.
Permit to Operate 9423-AA009, Exhibit F	Drill rig relocation notification	22 & Section 11	Condition added to the permit to require form submittal.
Operating Permit 061TVP01 Rev. 2, Condition 6	Drill site restriction	21	Not revised.
Operating Permit 061TVP01 Rev. 2, Condition 8	Drill rig operational limit	23	Not revised.
Operating Permit 059TVP01 Rev. 1, Condition 8	Operational limit for EU IDs 12 through 14	19	Revised to include 12-month rolling total reporting.
Operating Permit 059TVP01 Rev. 1, Condition 9	Operational limit for EU ID 2	18	Revised to include 12-month rolling total reporting.

Notes:

- <sup>1</sup> This table does not include all standard and general conditions.
- <sup>2</sup> Condition 12 from Operating Permit No. AQ0059TVP02, Revision 3 was not included because EU IDs 41 and 42 are emergency units.

**NON-APPLICABLE REQUIREMENTS**

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

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

## STATEMENT OF BASIS FOR THE PERMIT CONDITIONS

The Department adopted regulations from 40 C.F.R. 71, as specified in 18 AAC 50.040(j), to establish operating permit regulations. The EPA fully approved the Alaska Operating Permit Program on November 30, 2001, as noted in Appendix A to 40 C.F.R. 70. This Statement of Basis, required under 40 C.F.R. 71.11(b), provides the legal and factual basis for each condition of Operating Permit No. AQ0059TVP04. Additionally, and as required by 40 C.F.R. 71.6(a)(1)(i), the state and federal regulations for each permit condition are cited in the permit. Nothing in the permit supersedes the Federal rule language in places where the Department may seek to improve clarity or readability by paraphrasing rule text.

### Conditions 1 and 3 through 6, 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, 8 through 14, 24/25, 27 through 33, 36, 37, 40, 41, and 43 through 46 listed in Table 1 and boilers, heaters, and test flares listed in Section 12 are fuel-burning equipment or industrial processes. As stated in 18 AAC 50.990(39), “fuel-burning equipment” does not include mobile internal combustion engines. The Department stated in the Response to Comment document for Permit No. AQ0059TVP02 that EU IDs 38 and 39 do not meet the definition of an industrial process. Therefore, these EUs are not included in these conditions.

U.S. EPA approved the addition of these standards to the SIP, as noted in 40 C.F.R. 52.70. The Department included permit conditions for MR&R as required by 40 C.F.R. 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 3 through 5 (for liquid fuel-burning equipment) and Condition 6 (for flares) of the permit. 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 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).

Except for gas fuel-burning equipment, the Permittee must establish by visual observations of emissions unit exhaust, 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 emission standards for visible emissions.

These conditions detail a stepwise process for monitoring to determine compliance with the state’s visible emissions standard for liquid fuel-burning equipment. Equipment types covered by these conditions are stationary 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, either through maintenance programs and/or more rigorous tests that will quantify whether a specific emission standard has been exceeded.

Condition 6 was developed to provide a standardized version of flare monitoring that is not dependent upon the type or design of upstream equipment. It has been claimed that gas fuel-burning flares normally burn without emitting visible emissions. However, gas fuel-burning 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.

#### **Gas Fuel-Burning Equipment:**

Monitoring – The monitoring of gas fuel-burning emissions units for visible emissions is waived; i.e., no Method 9 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 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 emissions unit exhaust must be observed by the Method 9 Plan as detailed in Condition 3. 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 observations of emissions unit exhaust 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 copies of the results of all visible emission observations.

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

For EU IDs 40 and 41, no visible emissions monitoring is required because these emissions units are insignificant based on potential emissions. For boilers and heaters listed in Section 12 of the permit, no visible emissions monitoring is required when these emissions units are insignificant based on actual emissions. As long as the emissions units are insignificant by emissions rate, as specified in 18 AAC 50.326(e), no monitoring is required in accordance with Department Policy and Procedure No. 04.02.103, Topic #3. The Permittee must annually certify compliance with the visible emissions standard based on reasonable inquiry.

#### **Flares:**

Monitoring for flares (EU IDs 24/25 and 27 through 33 in Table 1 and test flares in Section 12) 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.

For EU IDs 24/25, 27 through 33, and test flares listed in Section 12, the Permittee is required to conduct an initial visible emissions observation within 12 months of issuance of the permit, and a subsequent visible emissions observation within 14 months, but not earlier than three months, after the preceding flare event visible emissions observation.

**Dehydration Units:**

EU IDs 36 and 37 (dehydration units) have still column vents that exhaust to the atmosphere. The emitted vapors consist of water and low levels of VOCs and are not expected to be a significant source of opacity (the opacity standard specifically exempts water vapor). Therefore, there are no MR&R requirements for EU IDs 36 and 37.

**Condition 2, Incinerator Visible Emissions Standard and MR&R**

**Legal Basis:** This visible emissions standard under 18 AAC 50.050(a) applies to the operation of any incinerator in Alaska, including an air curtain incinerator. The visible emission standard is included in the SIP approved by EPA, and the Department included permit conditions for MR&R as required by 40 C.F.R. 71.6(a)(3) and 71.6(c)(1).

**Factual Basis:** Condition 2 requires the Permittee to comply with the applicable visible emissions standard in 18 AAC 50.050(a). The Permittee shall not cause or allow the affected incinerator to violate this standard. The Permittee is required to monitor, record, and report according to Conditions 2.1 through 2.3.

**Conditions 7 through 10, Particulate Matter (PM) Standard and MR&R**

**Legal Basis:** This condition requires compliance with the applicable requirements 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, 8 through 14, 24/25, 27 through 33, 36, 37, 40, 41, 43 through 46 listed in Table 1 and boilers, heaters, and test flares in Section 12 are fuel-burning equipment or industrial processes. As stated in 18 AAC 50.990(39), “fuel-burning equipment” does not include mobile internal combustion engines. The Department stated in the Response to Comment document for Permit No. AQ0059TVP02 that EU IDs 38 and 39 do not meet the definition of an industrial process. Therefore, these emissions units are not included in these conditions.

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

**Factual Basis:** Condition 7 prohibits emissions in excess of the applicable state PM standard. MR&R requirements are listed in Conditions 8 through 10 of the permit. These conditions have been adopted into regulation as SPC 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).

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's emission standards for PM.

As stated in 18 AAC 50.050(b), there is no PM standard for incinerators with a rated capacity of less than 1,000 pounds per hour. Therefore, EU ID 2 is not subject to the state PM standard.

**Gas Fuel-Burning Equipment:**

Monitoring – The monitoring of gas-fired emissions units for PM is waived, i.e. no source testing will be required. The Department has found that natural gas-fired 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 the 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.

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

For EU IDs 40 and 41, no monitoring is required because these emissions units are insignificant based on potential emissions. For boilers and heaters listed in Section 12 of the permit, no monitoring is required when these emissions units are insignificant based on actual emissions. As long as the emissions units are insignificant by emissions rate, as specified in 18 AAC 50.326(e), no monitoring is required in accordance with Department Policy and Procedure No. 04.02.103, Topic #3. The Permittee must annually certify compliance with the PM emissions standard based on reasonable inquiry.

**Flares:**

Monitoring of flares (EU IDs 24/25 and 27 through 33 in Table 1 and test flares in Section 12) 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 particulate matter emissions standard.

**Dehydration Units:**

EU IDs 36 and 37 (dehydration units) have still column vents that exhaust to the atmosphere. The emitted vapors consist of water and low levels of VOCs and are not expected to be a significant source of PM emissions. Therefore, there are no MR&R requirements for EU IDs 36 and 37.

**Conditions 11 through 17, Sulfur Compound Emissions Standard and MR&R**

**Legal Basis:** This condition requires compliance with the sulfur compound emissions standard under 18 AAC 50.055(c).

- EU IDs 1, 8 through 14, 24/25, 27 through 33, 36, 37, 40, 41, 43 through 46 listed in Table 1 and boilers, heaters, and test flares listed in Section 12 are fuel-burning equipment or industrial processes. As stated in 18 AAC 50.990(39), “fuel-burning equipment” does not include mobile internal combustion engines. The Department stated in the Response to Comment document for Permit No. AQ0059TVP02 that EU IDs 38 and 39 do not meet the definition of an industrial process. Therefore, these emissions units are not included in these conditions.

The sulfur compound standard applies because it is contained in the federally-approved SIP. The Department included permit conditions for MR&R as required by 40 C.F.R. 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 (SO<sub>2</sub>) is emitted in the exhaust based on the amount of sulfur in the fuel (e.g., coal, natural gas, fuel oils) as a result of combustion.

**Liquid Fuels:**

For the liquid fuel-burning equipment, EU IDs 40 and 41, and boilers and heaters listed in Section 12, the MR&R conditions are SPCs XI and XII adopted into regulation pursuant to AS 46.14.010(e). SO<sub>2</sub> comes from the sulfur in the liquid hydrocarbon 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 14, or Method 19 of 40 C.F.R. 60, Appendix A-7, adopted by reference in 18 AAC 50.040(a)(3), to calculate the SO<sub>2</sub> concentration to show that the standard is not exceeded.

For the boilers and heaters listed in Section 12, to protect the SO<sub>2</sub> ambient air quality standards, the Permittee is required to limit the sulfur content of diesel fuel burned in the emissions units to concentrations lower than necessary, as shown in Condition 20. Therefore, the MR&R requirements in Condition 14 for compliance with the state SO<sub>2</sub> standard in Condition 11 have been streamlined based on the more stringent fuel sulfur content limit of 0.5 percent by weight, rather than have two sets of MR&R.

Beyond as noted above, the Department has determined that the standard permit 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 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 C.F.R. 71.6(a)(3).

#### **Gaseous Fuels:**

Fuel sulfur testing will verify compliance with SO<sub>2</sub> emission standard. Mercaptans are a concentrated thiol molecule (e.g., ethanethiol) composed of hydrogen and sulfur used to detect the presence of natural gas by its strong odor as in t-butyl-mercaptan. Basically, it is the mercaptan that allows the presence of gas to be detected by its odor, so it is naturally used as a leak detector. However, by that same token, it can raise the sulfur content of the natural gas and should be accounted for in determining compliance with the state sulfur compound emissions standard. The Department has therefore revised the basic MR&R requirements to monitor the total sulfur quantity, instead of H<sub>2</sub>S concentration, in the natural gas fuel due to the presence of mercaptans in the gas supply, which raises the sulfur concentration.

Condition 15 requires the Permittee to conduct an annual 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 C.F.R. 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 the annual sulfur content analysis with the stationary source operating report.

#### **Conditions 18 through 25, Pre-construction 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

(PTO) 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 (ORLs) 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 ORLs. 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:** These conditions require the Permittee to comply with pre-construction permit terms and conditions. These requirements are listed in Table B.

Conditions 18 and 19 were established in Operating Permit No. 059TVP01 Revision 1 as ORLs to avoid classification as a major source of HAPs. Similarly, Conditions 21 and 23 are ORLs established in Operating Permit No. 061TVP01 Revision 2.

For Conditions 21, 24, and 25, “drill site” means a drill pad, which may consist of multiple wells.

### **Condition 26, 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. 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 C.F.R. 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 with the state emission standards. 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 emissions units at this stationary source do not require specific monitoring, recordkeeping, and reporting to ensure compliance under these conditions.

Condition 26.4.a requires certification that the insignificant emissions units did not exceed state emission standards during the previous year and did not emit any prohibited air pollution, based on reasonable inquiry.

The Department used the language in SPC V, adopted by reference under 18 AAC 50.346(b)(4), for the permit condition.

### **Conditions 27 through 29, NSPS Subpart A Requirements**

**Legal Basis:** The EPA approved Alaska’s Part 70 Program granted on November 30, 2001 (40 C.F.R. 70 Appendix A). The Department is the permitting authority for the Part 70 program. As the permitting authority, the Department requires compliance with all permit conditions. Although the EPA has not delegated to the Department the authority to

administer the New Source Performance Standard (NSPS) program, NSPS requirements are included in the definition for “applicable requirement” under 40 C.F.R. 71.2, which has been adopted by the Department under 18 AAC 50.040(j)(1).

The NSPS provisions under Subparts JJJJ, OOOOa, and OOOOb apply to the stationary source. Therefore, the Department requires compliance with those standards in a Part 70 permit issued under the approved program. However, the Department is unable to change the actual wording of the relevant standard to substitute “the Department” for “the Administrator” in those standards. Since the Department expects access to any permit-related information provided by the Permittee to the EPA, the Department will act on its responsibility as the permitting authority to determine compliance with the standard. To reflect this relationship and for the purposes of this permit, the Department has defined “the Administrator” to mean the “EPA and the Department” for conditions implementing the federal emission standards under Section 4.

Most affected facilities (with the exception of some storage tanks) subject to an NSPS are subject to Subpart A. At this stationary source, EU IDs 43 through 45 are subject to NSPS Subpart JJJJ and therefore subject to Subpart A.

Conditions 27.1 through 27.3 - The Permittee has already complied with the notification requirements in 40 C.F.R. 60.7 (a)(1) - (4) for EU IDs 43 through 45. However, the Permittee is still subject to these requirements in the event of a new NSPS affected facility<sup>3</sup> or in the event of a modification or reconstruction of an existing facility<sup>4</sup> into an affected facility.

Condition 27.4 - The requirements to notify the EPA and the Department of any proposed replacement of components of an existing facility (40 C.F.R. 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.

Condition 28 - The Permittee is 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 29 - Concealment of emissions prohibitions in 40 C.F.R. 60.12 is applicable to all NSPS affected facilities.

The flare is not subject to 40 C.F.R. 60.18 because it is a safety device and not a control device. It does not control emissions from any NSPS regulated emissions units.

**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.

---

<sup>3</sup> “Affected facility” means, with reference to a stationary source, any apparatus to which a standard applies, as defined in 40 C.F.R. 60.2.

<sup>4</sup> “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 C.F.R. 60.2.

### **Conditions 30 through 32, NSPS Subpart JJJJ Requirements**

**Legal Basis:** NSPS Subpart JJJJ applies to owners and operators of stationary spark ignition (SI) internal combustion engines (ICE) that commence construction after June 12, 2006, where the stationary SI ICE is manufactured on or after January 1, 2009, for emergency engines with a maximum engine power greater than 19 kW (25 Hp). EU IDs 43 through 45 are certified emergency engines rated at more than 19 kW (25 Hp) and manufactured after January 1, 2009.

**Factual Basis:** These conditions incorporate the NSPS Subpart JJJJ requirements applicable to EU IDs 43 through 45. The requirements include emission standards and the monitoring and recordkeeping specified in the subpart.

### **Conditions 33, NSPS Subpart OOOOa Requirements**

**Legal Basis:** NSPS Subpart OOOOa applies to crude oil and natural gas facilities for which construction, modification, or reconstruction commenced after September 18, 2015, and on or before December 6, 2022. The Permittee is subject to the requirements for the collection of fugitive emissions components at well sites.

**Factual Basis:** These conditions incorporate the NSPS Subpart OOOOa requirements applicable to components at well sites. The Permittee must monitor fugitive emissions from the components and make repairs as necessary. The Permittee must also keep records and report in accordance with the requirements of the subpart.

### **Conditions 34, NSPS Subpart OOOOb Requirements**

**Legal Basis:** NSPS Subpart OOOOb applies to crude oil and natural gas facilities for which construction, modification, or reconstruction commenced after December 6, 2022. The Permittee is subject to the requirements for the collection of fugitive emissions components at well sites.

**Factual Basis:** These conditions incorporate the NSPS Subpart OOOOb requirements applicable to components at well sites. The Permittee must monitor fugitive emissions from the components and make repairs as necessary. The Permittee must also keep records and report in accordance with the requirements of the subpart.

### **Condition 35, NESHAP Subpart A Requirements**

**Legal Basis:** Most sources subject to National Emission Standards for Hazardous Air Pollutants (NESHAP) requirements are subject to NESHAP Subpart A. This stationary source is subject to 40 C.F.R. 63 Subparts HH, ZZZZ, and CCCCCC, and therefore is subject to the general provisions of Subpart A as specified in the provisions for the applicability of NESHAP Subpart A in Table 2 to NESHAP Subpart HH, in Table 8 to NESHAP Subpart ZZZZ, and in Table 3 to NESHAP Subpart CCCCCC.

**Factual Basis:** Subpart A contains the general requirements applicable to all affected sources subject to NESHAP. In general, the intent of NESHAP is to regulate specific categories of stationary sources that emit or have the potential to emit one or more hazardous air pollutants.

### Conditions 36 through 38, NESHAP Subpart HH Requirements

**Legal Basis:** NESHAP Subpart HH applies to triethylene glycol (TEG) dehydration units located at oil and natural gas production facility that is an area source of HAP emissions. EU IDs 36 and 37 meet these applicability criteria.

**Factual Basis:** These conditions incorporate the NESHAP Subpart HH requirements applicable to EU IDs 36 and 37. The Swanson River Field is not located within a designed urban area (UA) plus offset and Urban Cluster (UC) boundary (as defined in 40 C.F.R. 63.761). EU IDs 36 and 37 are affected units under NESHAP Subpart HH. The initial notification was submitted to EPA and the Department on February 28, 2011, by UOCC.

### Conditions 39 through 43, NESHAP 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), whose construction commenced before June 12, 2006, located at major and area sources of HAP emissions, excluding stationary RICE units being tested at a stationary RICE test cell/stand. Swanson River Field is an area source that owns and operates RICE units, EU IDs 8 through 14, 40, 41, and 43 through 45, subject to NESHAP Subpart ZZZZ.

**Factual Basis:** These conditions incorporate the NESHAP Subpart ZZZZ requirements applicable to EU IDs 8 through 14, 40, 41, and 43 through 45.

For EU IDs 8 through 14 (existing stationary RICE), the Permittee is required to perform inspections and maintenance at intervals specified by the subpart and operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. Additionally, EU IDs 8 through 14 are exempt from the notification requirements of 40 C.F.R. 63.6645(a) under 40 C.F.R. 63.6645(a)(5) since none of the emissions units are subject to numerical emission standards.

EU IDs 40 and 41 have a manufacture date of June 21, 2007, and EU IDs 43 through 45 have a manufacture date after January 1, 2009, as noted in the section for NSPS Subpart JJJJ above. Therefore, EU IDs 40, 41, and 43 through 45 are new stationary RICE under 40 C.F.R. 63.6590(a)(2)(iii), and the Permittee must meet the requirements of 40 C.F.R. 63 by meeting the requirements of 40 C.F.R. 60 Subpart JJJJ. There are no further requirements under 40 C.F.R. 63. However, there are no requirements for EU IDs 40 and 41 under 40 C.F.R. 60 Subpart JJJJ, as specified in 40 C.F.R. 60.4230(a)(4)(iv), because these are emergency engines that were manufactured prior to January 1, 2009. Additionally, there are no requirements under 40 C.F.R. 60.4236 because the engines were installed prior to July 1, 2010.

### Conditions 44 through 47, NESHAP Subpart CCCCCC Requirements

**Legal Basis:** NESHAP Subpart CCCCCC applies to each gasoline dispensing facility located at an area source of HAP emissions. EU IDs 38 and 39 are gasoline dispensing facilities located at an area source of HAP emissions.

**Factual Basis:** EU IDs 38 and 39 are existing sources under NESHAP Subpart CCCCC. Each gasoline dispensing facility includes a 2000-gallon above-ground horizontal gasoline storage tank equipped with a conservation vent. Gasoline cargo tanks that are not owned and operated by Hilcorp are only affected sources during delivery of gasoline to the storage tanks. Gasoline dispensing stations, which include an electric pump, a meter, and a hose/nozzle through which gasoline is dispensed to mobile vehicles are not subject to the requirements of NESHAP Subpart CCCCC as noted in 40 C.F.R. 63.11112(a).

On August 21, 2013, Hilcorp requested a significant revision to the NESHAP Subpart CCCCC conditions of Operating Permit No. AQ0059TVP02 due to operational changes at the Swanson River Field. Gasoline throughput changed due to the upgrading of Hilcorp's fleet of diesel trucks to gasoline vehicles increasing the tank throughput from < 10,000 gallons per month to < 100,000 gallons per month.

#### **Condition 48, Asbestos NESHAP**

**Legal Basis:** The requirements of 40 C.F.R. 61 are applicable requirements for Title V permitting purposes, as stated in item 4 of the "applicable requirement" definition under 40 C.F.R. 71.2. The condition requires the Permittee to comply with asbestos demolition or renovation requirements in 40 C.F.R. 61, Subpart M and associated general provisions under Subpart A, as adopted by reference under 18 AAC 50.040(b)(1) and (2)(F). The asbestos demolition and renovation requirements apply if the Permittee engages in asbestos demolition or renovation. ADEC received delegation for §61.145 and §61.154 of Subpart M (Asbestos), along with other sections and appendices which are referenced in §61.145, as §61.145 applies to sources required to obtain an operating permit under Alaska's regulations. ADEC has not received delegation for Subpart M for sources not required to obtain an operating permit under Alaska's regulations.

**Factual Basis:** Because these regulations include adequate monitoring and reporting requirements and because the Permittee is not currently engaged in such activity, simply citing the regulatory requirements is sufficient to ensure compliance with these federal regulations.

#### **Condition 49, Chemical Accident Prevention Provisions**

**Legal Basis:** This condition applies because the Permittee has more than a threshold quantity of a regulated substance in a process, as determined by 40 C.F.R. 68.115.

**Factual Basis:** The Permittee requested for a minor Title V permit modification on April 12, 2022 because the stationary source meets the Program 3 eligibility requirements, in accordance with 40 C.F.R. 68.10(i)(2), since it processes and stores propane in amounts greater than the applicability threshold of 10,000 pounds, as shown in Tables 3 and 4 to 40 C.F.R. 68.130 (List of Regulated Flammable Substances and Threshold Quantities for Accidental Release Prevention). Condition 49 shows the requirements applicable to the stationary source, as specified 40 C.F.R. 68.215(a)(2). The Risk Management Plan (RMP) required under 40 C.F.R. 68 Subpart G has been submitted by the Permittee, found complete by the EPA, and is on file with the EPA since 2007.

### **Condition 50 through 52, Protection of Stratospheric Ozone, 40 C.F.R. 82**

**Legal Basis:** The requirements of 40 C.F.R. 82 are applicable requirements for Title V permitting purposes, as stated in item 12 of the “applicable requirement” definition under 40 C.F.R. 71.2.

Condition 50 requires compliance with the applicable requirements in 40 C.F.R. 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 C.F.R. 82, Subpart F.

Conditions 51 and 52 also require compliance with the applicable requirement adopted under 18 AAC 50.040(d). Condition 51 prohibitions apply to all stationary sources that use substitutes for ozone-depleting compounds. Condition 52 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 Swanson River Field uses halon, and is therefore, subject to the federal regulations contained in 40 C.F.R. 82.

**Factual Basis:** These conditions incorporate applicable 40 C.F.R. 82 requirements. 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 require compliance with this federal regulation.

### **Condition 53, NESHAP Applicability Determination Requirements**

**Legal Basis:** This condition requires the Permittee to determine NESHAP rule applicability and requires recordkeeping for those determinations if required by the source classification.

**Factual Basis:** The Permittee has conducted an analysis of the stationary source and determined that it is not a major HAPs stationary source based on emissions. This condition requires the Permittee to notify the Department and EPA if the stationary source becomes an affected source subject to a standard promulgated by EPA under 40 C.F.R. 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.

### **Conditions 54 through 56, Standard Terms and Conditions**

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

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

### **Condition 57, Administration Fees**

**Legal Basis:** This condition requires compliance with the applicable fee requirements in 18 AAC 50.400-403. As stated in 18 AAC 50.326(j)(1), the provisions of 18 AAC 50.400 through 50.430 are applicable and 40 C.F.R. 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 50.400-403 specify the amount, payment period, and the frequency of fees applicable to a permit action.

### Conditions 58 and 59, Emission Fees

**Legal Basis:** These conditions require compliance with the applicable fee requirements in 18 AAC 50.410-420. 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 C.F.R. 71.9 is not applicable.

**Factual Basis:** Except as noted in the last paragraph, the Department used the language in SPC I, adopted by reference under 18 AAC 50.346(b), for the permit. SPC I requires 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.

SPC I also allows the Permittee to recalculate the stationary source's 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 must be based on actual emissions 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 58 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 60, Good Air Pollution Control Practice (GAPCP)

**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 C.F.R. 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 for all units.

The Department adopted this condition under 18 AAC 50.346(b) as SPC VI pursuant to AS 46.14.010(e). Records kept in accordance with Condition 60.2 for units subject to GAPCP need to be maintained for 5 years in accordance with Condition 77 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 61, Dilution**

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

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

### **Condition 62, 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. 18 AAC 50.045 is included in the SIP approved by EPA and, therefore, is an applicable requirement, per 40 C.F.R. 71.2.

**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).

### **Condition 63, Stack Injection**

**Legal 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). 18 AAC 50.055 is included in the SIP approved by EPA and, therefore, is an applicable requirement, per 40 C.F.R. 71.2.

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 verified by inspections, because the emissions unit or stack would need to be modified to accommodate stack injection.

### **Condition 64, Air Pollution Prohibited**

**Legal Basis:** This condition requires compliance with 18 AAC 50.110. 18 AAC 50.110 is included in the SIP approved by EPA and, therefore, is an applicable requirement, per 40 C.F.R. 71.2. 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 C.F.R. 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 65, Technology-Based Emission Standard**

**Legal Basis:** The Permittee is required to take reasonable steps to minimize emissions if an unavoidable emergency, malfunction, or non-routine repair 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 81. Excess emission reporting under Condition 81 requires information on the steps taken to minimize emissions. Monitoring compliance for this condition consists of the report required under Condition 81.

### **Condition 66, Open Burning**

**Legal Basis:** The condition requires the Permittee to comply with the regulatory requirements in 18 AAC 50.065 when conducting open burning at the stationary source. 18 AAC 50.065 is included in the SIP approved by EPA and, therefore, is an applicable requirement, per 40 C.F.R. 71.2. 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-info>. Condition 66.1 requires the Permittee to keep records to demonstrate compliance with the standards for conducting open burning.

### **Condition 67, 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). Compliance is demonstrated through the submission of the required source test plan and report.

### **Conditions 68 through 70, Operating Conditions, Reference Test Methods, Excess Air Requirements**

**Legal Basis:** Conditions 68 and 70 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 69 specifies source test methods, as required by 40 C.F.R. 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 68 through 70.

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

### **Condition 71, 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 72 through 75, Test Deadline Extension, Test Plans, Notifications, and Reports**

**Legal Basis:** Condition 72 contains the requirement in 18 AAC 50.345(l), while Conditions 73 through 75 require compliance with the applicable requirements in 18 AAC 50.345(m) through (o). The requirements in 18 AAC 50.345(l) through (o) are included in the SIP approved by the EPA. These requirements constitute standard conditions that must be included in each operating permit, as specified in 18 AAC 50.345(a). Additionally, 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 76, 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 77, Recordkeeping Requirements**

**Legal Basis:** This condition requires the Permittee to keep records in accordance with 40 C.F.R. 71.6(a)(3)(ii), which the Department adopted by reference under 18 AAC 50.040(j)(4). It also incorporates the general NSPS recordkeeping requirement under 40 C. F. R. 60.7(f), which the Department adopted by reference under 18 AAC 50.040(a)(1).

**Factual Basis:** The condition restates the regulatory requirements for recordkeeping, and supplements the recordkeeping defined for specific conditions in the permit. The records being kept provide evidence of compliance with this requirement.

40 C.F.R. 60.7(f) requires records retention for at least two years of the measurements required to be maintained by this Part while 40 C.F.R. 71.6(a)(3)(ii) requires at least five years of records retention. The five-year records retention requirement in Condition 77 satisfies both 40 C.F.R. 60.7(f) and 40 C.F.R. 71.6(a)(3)(ii).

### **Condition 78, Certification**

**Legal Basis:** All operating permits must contain a requirement to certify permit applications, reports, affirmations, or compliance certification, per 18 AAC 50.345(j). The requirement is a 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 emissions 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 81 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 79, Submittals**

**Legal Basis:** This condition applies because the Permittee is required to send reports to the Department and supplements the standard reporting and notification requirements of this permit.

**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. This condition states that the Department requires one certified copy of submitted reports (except as otherwise required by the Department or other conditions of the permit) and provides an allowance for either electronic or hard copy document submittals. 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 80, 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 81 and Section 15, Excess Emission and Permit Deviation Reports and Notification Form**

**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). 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.

Except as noted in the last paragraph, the Department used the language in SPCs III and IV, 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 (see Section 15).

The Department has modified Condition 81.3 and the Notification Form in Section 15 to reflect the electronic submittal requirements in 18 AAC 50.270 using the Department's online form to submit notification of excess emissions and permit deviations beginning September 7, 2023. The electronic notification form is found at the Division of Air Quality's Air Online Services (AOS) system webpage <http://dec.alaska.gov/applications/air/airtoolsweb> using the Permittee Portal option. Submittal through other methods may be allowed only upon written Department approval. 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 82, Operating Reports**

**Legal Basis:** The condition specifies reporting requirements as required by 40 C.F.R. 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 identified 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 83, Annual Compliance Certification**

**Legal Basis:** This condition requires compliance with the requirements in 40 C.F.R. 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 83.2 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.

### **Condition 84, Regional Haze Visibility Protection Area**

**Legal Basis:** Condition 84 contains requirements from 18 AAC 50.265(1) and 50.265(4)(B) for stationary sources located in the Regional Haze Visibility Protection Area (RHVPA), as specified in 18 AAC 50.025(a)(4), which is shown in Figure III.K.13 H-1 of the July 5, 2022 Amendments to: State Air Quality Control Plan (Regional Haze SIP)<sup>5</sup> and adopted by reference in 18 AAC 50.030. To assist the state's efforts in meeting the requirements in 40 C.F.R. 51.308(f)(2), the RHVPA was established with the intent to track and control current and potential new sources that may affect visibility in the Class I areas.

**Factual Basis:** 18 AAC 50.265 was added to the Department's regulations on August 21, 2022 to satisfy requirements from Section III.K.13.H Long-Term Strategy for Regional Haze, Subsection 2B.<sup>5</sup> Condition 84.1 contains the requirements from 18 AAC 50.265(1) which requires Permittee's to maintain onsite for 10 years, records of any maintenance to any significant emissions unit that has or may have an effect on any emission that affects visibility of Class I areas.

### **Condition 85, 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 C.F.R. 51.15 and 51.321. The federal emission inventory requirement applies to sources defined as point sources in 40 C.F.R. 51.50. Under

---

<sup>5</sup> The July 5, 2022, Amendments to: State Air Quality Control Plan for the Regional Haze SIP can be found at the following website: <https://dec.alaska.gov/media/25964/section-iii-k-13-second-implementation-period-combined-sip-section-adopted-07-05-22.pdf>.

18 AAC 50.275, the state also requires reporting of emissions triennially for stationary sources with an air quality permit, regardless of permit classification. This includes sources that do not meet the federal emission thresholds in Table 1 to Appendix A of 40 C.F.R. 51 Subpart A. The state must report emissions data as described in 40 C.F.R. 51.15 and the data elements in Tables 2a and 2b to Appendix A of 40 C.F.R. 51 Subpart A to EPA.

**Factual Basis:** Except as noted in the last paragraph, 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 C.F.R. 51.30(a)(1) and (b)(1)). Permittees have until April 30<sup>th</sup> 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 page <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, stationary sources with air quality permits are required to submit with each report emissions data described in 40 C.F.R. 51.15 and the data elements in Tables 2a and 2b to Appendix A of 40 C.F.R. 51 Subpart A, as applicable. Title V stationary sources with potential annual emissions greater than or equal to any of the emission thresholds shown in Condition 85.1 for Type A (large) sources, as listed in Table 1 to Appendix A of 40 C.F.R. 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.

Stationary sources, excluding owner requested limits (ORLs) issued under 18 AAC 50.225 and preapproved emission limits (PAELs) issued under 18 AAC 50.230, that do not meet any of the emission thresholds in Condition 85.1 for Type A (large) sources are required to report emission inventory data every third year (i.e., triennially) for the previous inventory year under Condition 85.2. As of the issue date of this permit, the Swanson River Field is required to report under Condition 85.1.

The Department has modified the triennial reporting requirements under Condition 85.2 by including stationary sources' PTEs that are below the thresholds for annual reporting in Condition 85.1, instead of pollutant-specific thresholds for attainment and non-attainment areas. Thus, all stationary sources regardless of permit classification (excluding ORLs and PAELs) are covered under this condition, to capture the new requirements found in 18 AAC 50.275, 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 86, Consistency of Reporting Methodologies**

**Legal Basis:** Condition 86 is from 18 AAC 50.275(a) and requires all stationary sources, regardless of permit classification (with the exception of owner requested limits (ORLs) issued under 18 AAC 50.225 and preapproved emission limits (PAELs) issued under 18 AAC 50.230), to report actual emissions to the state so that the state can meet its obligation under 40 C.F.R. 51. Condition 86.1 is from 18 AAC 50.275(b) and requires consistency on the stationary sources' actual emissions reports submitted for NEI and the state's assessable emissions.

**Factual Basis:** The regulation was added to 18 AAC 50 on September 7, 2022 so as to include all stationary sources required to report actual emissions for the purpose of federal emissions inventory and to avoid inconsistencies in actual emissions reports submitted. When reporting actual emissions under Condition 85 or assessable emissions under Condition 58.2, consistent emission factors and calculation methods shall be used for all reporting requirements for the stationary source.

### **Condition 87, NSPS and NESHAP Reports and Waivers**

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

**Factual Basis:** The condition supplements the specific reporting requirements in 40 C.F.R. 60, 40 C.F.R. 61, and 40 C.F.R. 63. The reports themselves provide monitoring for compliance with this condition. For those notices and reports submitted through EPA's online reporting system, CDX-CEDRI, the Permittee is not required to submit a duplicate copy to the Department; a statement about the online submittal in the operating report would suffice.

### **Condition 88, Federal Electronic Reporting Allowance**

**Legal Basis:** On September 25, 2024, EPA published a notice in the Federal Register (Vol. 89, No. 186, page 78300) allowing stationary sources subject to federal rules to electronically submit reports, notifications, or other submission types to CEDRI, consistent with the provisions of the Cross-Media Electronic Reporting Rule (CROMERR), codified under 40 C.F.R. 3.

**Factual Basis:** The electronic reporting provisions in Condition 88 is a general advisory option for stationary sources subject to federal rules to facilitate and streamline reporting requirements, in lieu of paper or email format. CROMERR establishes electronic reporting as an acceptable regulatory alternative to paper reporting and establishes requirements to assure that electronic documents are as legally dependable as their paper counterparts. The submittals must be in acceptable digital formats. *Acceptable digital formats* are file types that are compatible with CEDRI or other EPA electronic document receiving systems that the Administrator may designate.

### **Condition 89, Permit Applications and Submittals**

**Legal Basis:** 40 C.F.R. 71.10(d)(1), adopted by reference 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 a copy of each application for modification or renewal of this permit to the EPA. Condition 89.2 lists the methods, in EPA's preferred order, to which the applicant may submit the application documents, as specified in the EPA's February 12, 2024, memorandum guidance for Submitting Air Permits to EPA Region 10. This condition shifts the burden of compliance with 40 C.F.R. 71.10(d)(1) from the Department to the Permittee as allowed under 40 C.F.R. 71.10(d)(1).

### **Conditions 90 through 92, Permit Changes and Revisions Requirements**

**Legal Basis:** The Permittee is obligated to notify the Department of certain off-permit source changes and operational changes under 18 AAC 50.326(j)(4), 40 C.F.R. 71.6(a)(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 C.F.R. 71.6(a)(12) and (13), as reflected in Conditions 91 and 92, respectively, specify changes that may be made without a permit revision, and 40 C.F.R. 71.6(a)(8) (Condition 90) 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 C.F.R. 71.6(a)(13)(iii); therefore, language addressing these provisions has not been included in this permit as part of Condition 90.

### **Condition 93, 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 C.F.R. 71.5(a) – (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, according to the submittal instructions in Conditions 79 and 89. As stated in 40 C.F.R. 71.5(a)(1)(iii), submission for a permit renewal application is considered timely if it is submitted at least six months but no more than eighteen months prior to expiration of the operating permit. According to 40 C.F.R. 71.5(a)(2), a complete renewal application is one that provides all information required pursuant to 40 C.F.R. 71.5(c) and remits payment of fees owed under the fee schedule established pursuant to 18 AAC 50.400. 40 C.F.R. 71.7(b) states that if a source submits a timely and complete application for permit issuance (including renewal), the source's failure to have a permit is not a violation until the permitting authority takes final action on the permit application.

Therefore, as long as an application has been submitted within the timeframe specified under 40 C.F.R. 71.5(a)(1)(iii) and is complete before the expiration date of the existing permit, then the expiration of the existing permit is extended and the Permittee has the right to operate under that permit until the effective date of the new permit. However, this protection

shall cease to apply if, subsequent to the completeness determination, the applicant fails to submit by the deadline specified in writing by the Department any additional information needed to process the application.

### **Conditions 94 through 99, 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 C.F.R. 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 100 and 101, Permit Shield**

**Legal Basis:** These conditions require compliance with the requirements in 40 C.F.R. 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 2 of Operating Permit No. AQ0059TVP04 shows the permit shield that the Department granted to the Permittee. The permit conditions set forth the requirements that the Department determined were not applicable to the stationary source at the time of permit issuance. The Department based the determinations on the permit application, past operating permit, Title I permits, and inspection reports. Should any of the shielded requirements become applicable during the permit term, the Permittee is required to take necessary steps to comply with all applicable requirements in a timely manner.