



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Environmental
Conservation**

DIVISION OF AIR QUALITY
Air Permits Program

P.O. Box 111800
Juneau, Alaska 99811-1800
Main: 907.465.5100
Toll free: 866.241.2805
www.dec.alaska.gov

September 05, 2025

Fred Werth, Kenai Plant Manager
Nutrien US LLC
PO Box 575
Kenai, AK 99611

Subject: PSD Permit and Approval to Construct – Third Permit Extension Request dated August 7, 2025, for Nutrien US LLC's Kenai Nitrogen Operations Facility, Air Quality Control Construction Permit AQ0083CPT07 Revision 1

Dear Mr. Werth:

The Alaska Department of Environmental Conservation (the Department) in a letter dated August 7, 2025, received a request from Nutrien US LLC (Nutrien) for a third extension to the deadline for commencing construction of the Kenai Nitrogen Operations (KNO) Facility, along with a new Prevention of Significant Deterioration (PSD) construction permit application (AQ0083CPT08). In accordance with 40 CFR 52.21(r), AS 46.14, and 18 AAC 50, of the PSD rules, the KNO Facility was required to commence construction within 18 months after issuance of the permit. Since the PSD Construction Permit AQ0083CPT07 was issued on March 26, 2021 to Nutrien (then Agrium, U.S. Inc.), the date for commencing construction would have been September 26, 2022. With the approval of the first extension granted by the Department, the extended date for commencing construction would have been March 26, 2024. With the approval of the second extension granted by the Department, the extended date for commencing construction would have been September 26, 2025.

Nutrien is requesting an extension due to challenges cited in securing the necessary contracts with natural gas suppliers. These contacts are needed for the facility to meet its target production levels at the time the plant begins operation. Nutrien has worked to secure necessary natural gas contracts for the facility since the issuance of this permit, for a variety of reasons these negotiations are still on-going. Nutrien has indicated that it will ultimately be able to obtain contracts for sufficient natural gas in order to assure viable operations at the KNO Facility. Nutrien does not, however, wish to begin construction on the modifications necessary to the plant, which will involve a substantial capital investment, until such time as it has contractual assurances that sufficient natural gas is available to operate the facility at target production levels. Therefore, Nutrien is requesting the date for commencing construction be extended an additional 18 months to March 26, 2027.

The US Environmental Protection Agency's (EPA's) Memorandum dated January 31, 2014, titled "Guidance on Extension of PSD Permits under 40 C.F.R. 52.21(r)(2)"¹ (Extension Memorandum) states the following:

¹ [EPA Guidance on Extension of PSD Permits under 40 CFR 52.21\(r\)\(2\)](#)

First Permit Extension Request

In accordance with 40 CFR 52.21(r)(2), a Permittee's first PSD permit extension request should include a detailed justification of why the source cannot commence construction within the initial 18-month period. For example, relevant factors for this justification could include ongoing litigation over any PSD permit, natural disasters that directly affect the facility, significant or unusual economic impediments (including inability to secure financial resources necessary to commence construction), and/or delays in obtaining other required permits.

Furthermore, the EPA finds that in order to give meaning to the extension provision in 40 CFR 52.21(r)(2), review or redo of substantive permit analyses such as Best Available Control Technology (BACT), air quality impacts analysis or PSD increment consumption analyses should generally not be necessary for a first permit extension request.

Second Permit Extension Request

The EPA finds that in most cases a request for a second extension of the commencement of construction deadline should include a substantive re-analysis and update of PSD requirements. Only in rare circumstances would a detailed justification of why a source cannot commence construction by the current deadline (as is recommended above for the purpose of requesting the first extension) be sufficient to support a second extension. Generally, the benefits of conducting an updated substantive review of the PSD requirements after 36 months from the initial issuance of the PSD permit would outweigh the considerations discussed above that favor an initial extension without such analysis. While the EPA's experience is that pollution control technology for criteria pollutants has not been advancing at the same rate that it once was, the EPA finds that it is more likely that technology and air quality considerations will become outdated when construction does not begin until 36 months or longer after the EPA has taken final action to issue a PSD permit. Therefore, when a second extension of the deadline for commencing construction is requested, the EPA will evaluate on a case by-case basis whether a second permit extension is justified. **In some cases, the EPA may ask the permittee to apply for a new PSD permit rather than conduct its review through a permit extension proceeding.**

The Extension Memorandum provides no guidance for handling a third PSD extension request. Since the Department operates a fully-SIP approved PSD program in regulation, the EPA guidance is considered, but the Department may vary from its exact wording while adhering to the general principle of the guidance. Therefore, it is the Department's interpretation of the Extension Memorandum that at a minimum, a third PSD extension request should include the justifications contained in the first and second extension request guidelines stated above.

Based on the Extension Memorandum, the Department may evaluate the third extension request on a case-by-case basis. In the August 7, 2025 PSD Construction Permit AQ0083CPT08 application submittal, Nutrien provided an updated BACT analysis to update the BACT selected in the construction permit established on March 26, 2021. The new PSD application also includes an updated air quality impact analysis. A review of this analysis should demonstrate that the National Ambient Air Quality Standards (NAAQS) and maximum allowable increases to the increments subject to review will not be exceeded.

The Department is granting the request for a third extension to the deadline for commencing construction because a new permit application will provide all of the material elements updated with more timely information instead of conducting a re-analysis of the original BACT and ambient air quality modeling. This application is currently being processed. The required BACT and ambient analyses will provide a more robust basis for continuation of the project as planned. The purpose of the third extension approval is solely to allow the project to continue as planned while the Department processes the new permit application with

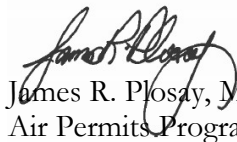
all of the updated application elements. The required BACT and ambient analyses contained in the Construction Permit AQ0083CPT08 application will serve as a re-evaluation of the existing BACT and ambient demonstration. This extension requires that construction of the Project commence no later than **March 26, 2027**. The Department is not requiring a public comment period for this extension since this is a decision to extend the deadline for commencing construction without any changes to the existing permit while processing a new application. The Department will also sunset the existing construction permit upon completion and issuance of the new PSD Construction Permit AQ0083CPT08.

If you have any further questions please feel free to contact the undersigned or Mr. Peter Saengsudham of my staff at (907) 269-7693, or peter.saengsudham@alaska.gov. Please note that Alaska's air quality statutes, regulations and permit application information can be obtained from the Department's web page at the following address: <http://dec.alaska.gov/air/air-permit/>.

A person who has a private, substantive, legally protected interest under state law that may be adversely affected by the permit action, the owner and operator, or, if a public comment process is required or solicited, a person who participated in the public comment process may request an adjudicatory hearing in accordance with 18 AAC 15.195 - 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185.

Informal review requests must be made not later than 20 days after issuance of the permit decision. The request may be made by mail, email, or facsimile to the Division Director. If mailed via the U.S. Postal Service use PO Box 111800, Juneau, Alaska 99811-1800; or via another mail carrier (e.g. UPS, FedEx, DHL) use 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, either via the U.S. Postal Service to PO Box 111800, Juneau, Alaska 99811-1800, or by any other mail carrier to 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days of issuance of the permit decision. If a hearing is not requested within 30 days, the right to appeal is waived. More information on how to appeal a Department decision is available at <http://dec.alaska.gov/commish/review-guidance>.

Sincerely,



James R. Plosay, Manager
Air Permits Program

cc: James Renovatio, ADEC/APP, Anchorage
Dave Jones, ADEC/APP, Juneau
P. Moses Coss, ADEC/APP, Fairbanks
Peter Saengsudham, ADEC/APP, Anchorage
Samantha Hoover, ADEC/ACP, Anchorage
Rachel McKenna, ADEC/ACP, Anchorage
EPA Region 10 Air Permits
Andrea Stacy, NPS, Denver
Don Shepherd, NPS, Denver
Andrea Blakesley, NPS, Denali
Holly Salazer, NPS

Dylan Morrison, ADEC/ACP, Anchorage
Nilima Hullavarad, ADEC/ACP, Fairbanks
Elizabeth Chiesa, ADEC/ACP, Fairbanks
Breanna Howard, ADEC/ACP, Anchorage
Ted Hartman, ted.hartman@nutrien.com
Daniel Guido, daniel.guido@erm.com
Brittany Crutchfield, Brittany.crutchfield@erm.com
Melanie Peters, NPS, Denver
Paul Burger, NPS, Denali
Tim Allen, FWS, Denver