

Department of Environmental Conservation

DIVISION OF AIR QUALITY
Air Permits Program

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THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

February 12, 2025

Frank T. Richards, President
Alaska Gasline Development Corporation
3201 C Street, Suite 505
Anchorage, AK 99503

Subject: PSD Permit and Approval to Construct – Third Permit Extension Request dated February 10, 2025 for Alaska Gasline Development Corporation’s Gas Treatment Plant, Air Quality Control Construction Permit AQ1524CPT01

Dear Mr. Richards:

On February 10, 2025, the Alaska Department of Environmental Conservation (the Department) received a new Prevention of Significant Deterioration (PSD) construction permit application (AQ1524CPT02) from Alaska Gasline Development Corporation (AGDC), for the Gas Treatment Plant (GTP). Additionally, AGDC included a letter requesting a third extension to the deadline for commencing construction of the GTP under Construction Permit AQ1524CPT01. AGDC is requesting an extension to allow additional time for completion of the necessary pre-construction project activities including final design and to provide the Department sufficient time to review, process, and approve the construction permit application. AGDC requests to extend the deadline for commencing construction for an additional eighteen months under Construction Permit AQ1524CPT01. The second extension expires on February 13, 2025; therefore, AGDC is requesting the date for commencing construction be extended to August 13, 2026.

EPA’s Memorandum dated January 31, 2014, titled “Guidance on Extension of Prevention of Significant Deterioration (PSD) Permits under 40 C.F.R. 52.21(r)(2)” (Extension Memorandum) states the following:

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 believes 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 (AQIA) or PSD increment consumption analyses should generally not be necessary for a first permit extension request.

Second Permit Extension Request

The EPA believes 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 believes 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 February 10, 2025 PSD Construction Permit AQ1524CPT02 application submittal, AGDC provided an updated BACT analysis to update the BACT selected in the original construction permit established on August 13, 2020. The new PSD application references the air quality impact analysis originally submitted in the December 29, 2017 application. Previous review of this analysis demonstrates 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 the new permit application that accompanied this extension request provides 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 updated BACT analysis 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 analysis contained in the Construction Permit AQ1524CPT02 application will serve as a re-evaluation of the existing BACT. However, an updated air quality impact analysis based on a more current dataset may be required, following a more comprehensive review of the application. This extension requires that construction of the GTP under Construction Permit AQ1524CPT01 will commence no later than **August 13, 2026, or until the Department issues Construction Permit AQ1524CPT02.**

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 AQ1524CPT02.

A person authorized under a provision of 18 AAC 15 may request an informal review of a contested decision by the Division Director in accordance with 18 AAC 15.185 and/or an adjudicatory hearing in accordance with 18 AAC 15.195 – 18 AAC 15.340. See DEC's "Appeal a DEC Decision" web page <https://dec.alaska.gov/commish/review-guidance/> for access to the required forms and guidance on the appeal process. Please provide a courtesy copy of the adjudicatory hearing request in an electronic format to the parties required to be served under 18 AAC 15.200.

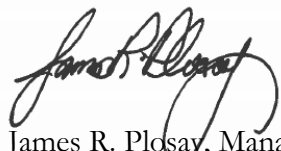
Informal review requests must be made not later than 20 days after issuance of this construction permit extension approval. The request may be made by mail, or electronic mail to the Air Quality Division Director. If mailed via the U.S. Postal Service use PO Box 111800, Juneau, Alaska 99811-1800, or via another mail carrier (e.g., UPS, FedEx, DHL) use 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801. If emailed use DEC.AQ.airreports@alaska.gov, if faxed use 907-465-5129.

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 this construction permit extension approval. If a hearing is not requested within 30 days, the right to appeal is waived. If a hearing is granted, it will be limited to the issues related to this permit decision. You are reminded that even if a request for an adjudicatory hearing has been granted, all permit terms and conditions remain in full force and effect.

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>.

If you have any further questions, please feel free to contact the undersigned or Mr. Dave Jones of my staff at 907-465-5122, or dave.jones2@alaska.gov.

Sincerely,



James R. Plosay, Manager
Air Permits Program

cc: Grace Germain, ADEC/APP, Anchorage	EPA Region 10 Air Permits
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