BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

CENTERPOINT ENERGY - MISSISSIPPI RIVER TRANSMISSION, LLC, **Petitioner** **v.** **ILLINOIS ENVIRONMENTAL PROTECTION AGENCY,** **Respondent.**	**PCB 12-14** **(Permit Appeal - CAAPP)**

PETITION TO APPEAL FINAL CAAPP PERMIT

NOW COMES Petitioner, CENTERPOINT ENERGY - MISSISSIPPI RIVER TRANSMISSION, LLC ("Petitioner"), pursuant to Section 40.2 of the Illinois Environmental Protection Act ("Act") (415 ILCS 5/40.2) and 35 Ill.Adm.Code § 105300 et seq., and requests a hearing before the Illinois Pollution Control Board ("Board") to contest the permit issued to Petitioner on June 14, 2011, under the Clean Air Act Permit Program ("CAAPP Permit") set forth at Section 39.5 of the Act (415 ILCS 5/39.5).

In support of its Petition, Petitioner states as follows:

I. BACKGROUND

Petitioner owns and operates the St. Jacob Natural Gas Compressor Station ("Compressor Facility") and the St. Jacob Natural Gas Storage and Transmission Facility ("Storage Facility"). The Compressor Facility is classified as a "major source" for purposes of Title V of the Clean Air Act ("CAA") and Section 39.5 of the Act.

Pursuant to Section 504 of the CAA, 42 U.S.C. §7661c, and Section 39.5(5) of the Act, Petitioner submitted a renewal application for a CAAPP Permit for the Compressor Facility to the Illinois Environmental Protection Agency ("IEPA") on February 10, 2004.

The IEPA, pursuant to 35 Ill.Adm.Code 270.503(d)(3), provided the Petitioner with an opportunity to review and comment on a preliminary draft of the CAAPP Permit prior to public notice. This review period began April 08, 2010 and ended April 26, 2010.

Public participation in the air pollution control permit program is required pursuant to 35 Ill.Adm.Code 252.201 and 35 Ill.Adm.Code 252.102(a)(5). On November 11, 2010, the IEPA issued a Draft Permit ("Draft Permit") for public comment. The public comment period was noticed in the *Highland News Leader,* which began November 11, 2010 and ended December 11, 2010. The United States Environmental Protection Agency's ("EPA") review period began November 11, 2010 and ended December 26, 2010.

Sufficient interest for a hearing was not expressed during the public participation period for the draft permit, therefore a hearing was not held.

On June 14, 2011, the IEPA issued the Final CAAPP Permit, which aggregated the Compressor Facility and the Storage Facility. Many issues raised by Petitioner during the permitting process were ignored. Thus, for reasons stated herein, the IEPA's determination in regards to conditions of the Final CAAPP Permit was arbitrary, capricious, and not supported by the Act or Board regulations. Accordingly, Petitioner seeks review of the Final CAAPP Permit as provided by Section 40.2 of the Act. Petitioner reserves the right to amend this Petition as necessary in order to raise newly discovered issues arising from the Final CAAPP Permit and/or to provide additional specificity regarding the conditions of the Final CAAPP Permit, if required by the Board.

On July 14, 2011, Petitioner and the IEPA filed a joint notice of a Request For Ninety Day Extension of Appeal Period in order to extend the 35-day period within which Petitioner

may appeal the Final CAAPP Permit. The Board subsequently extended the appeal period until October 17, 2011.

II. IMPROPER AGGREGATION OF FACILITES

Is sue:

The IEPA errantly determined that emissions from the Storage Facility should be aggregated with emissions from the Compressor Facility, and on June 14, 2011, the IEPA issued the CAAPP Permit (I.D. No.: 1 19818AAA), which improperly aggregated both facilities under the same major source permit (attached hereto as Exhibit 1).

Facilities Description:

St. Jacob Compressor Station Facility (Compressor Facility)(attached hereto as Exhibit 1):
GPS Coordinates: 38.6715 1 N, 89.75332 W

The Compressor Facility compresses natural gas for pipeline transmission and/or underground storage injection. At the station there are three compressors, two driven by reciprocating engines and the other by a gas turbine, and various other emission units that operate in support of the compressors and the natural gas pipeline. Natural gas enters the station from the east for the turbine. Depending on market needs, the gas may flow east or west for the reciprocating engines. Typically the natural gas-fired turbine-driven compressor (SN-03) pumps the gas west toward the St. Louis area through the pipeline, or the two reciprocating engines (SN-01 and SN-02) pump the gas into underground storage. When required, gas from storage free flows into the pipeline. All three compressors combust natural gas from the pipeline.

St. Jacob Natural Gas Storage and Transmission Facility (Storage Facility)(attached hereto as Exhibit 2):
GPS Coordinates: 3 8.70153 N, 89.76953 W

The Storage Facility is a remote unmanned location that serves as the central point for withdrawal of natural gas from the storage reservoir. The gas is typically dehydrated after exiting storage and before entering the pipeline for transmission. Equipment at the storage area includes natural gas fired reboiler equipment ("dehydrator") and various other emission units that operate in support of the dehydrator and the natural gas storage chambers. The primary source of pollutants at this source is the dehydrator. Ancillary emission units at the source have been determined to be insignificant emission sources.

Compressor Facility and Storage Facility Operations are not Interdependent:

The dehydrator is sited at the Storage Facility and is located 2.3 miles away from the Compressor Facility (attached hereto as Exhibit 3). The two facilities are connected by a pipeline and can operate together, but their respective emissions units are not exclusively interdependent. During injection into the natural gas storage reservoir, the Compressor Facility can be used to assist in the injection process, however the dehydrator is not operated during this period.

When withdrawn from the storage reservoir, the natural gas exits the storage chamber under pressure and is routed through the dehydrator to remove any water that has become entrained. The gas then free flows into the transmission pipeline. It is also possible to use the Compressor Facility to assist with removal when the storage chamber nears empty, but that has not been the operating practice.

As stated above, this equipment can operate together, but is not interdependent. Finally, it should be noted that emissions from the Storage Facility make it a synthetic minor source,

while the Compressor Facility is a major source of air emissions. To put that in perspective, emissions from the Storage Facility are less 5 tons per year, while emissions from the Compressor Facility are over the major source threshold.

Regulatory Background:

On June 6, 2006, via a telephone conversation with IEPA personnel, Petitioner learned that the IEPA, while evaluating its CAAPP Permit Renewal Application for the Compressor Facility, had determined that the Storage Facility was a "support facility" to the Compressor Facility. Accordingly, the IEPA indicated it was appropriate to aggregate the Storage Facility emissions with emissions from the Compressor Facility and that it planned to permit the two respective facilities as one.

On July 12, 2006, Petitioner submitted correspondence that explained why the two facilities should not be permitted as one (attached hereto as Exhibit 4). Therein, Petitioner provided references to Federal and Illinois definitions that set out the three regulatory criteria[1] that are to be utilized in major source air permitting aggregation determinations. The correspondence also provided reasoning why the Compressor and Storage Facilities are not "interdependent" and/or "support facilities" to each other.

On May 2, 2008, via telephone conversations with IEPA personnel, Petitioner learned that IEPA was still planning to aggregate the two facilities under one permit, because they are "connected by a pipeline." The IEPA representative further clarified that aggregation was proper in this situation even without "interdependency" between the two facilities. Although IEPA has

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[1] Major source means any stationary source (or any group of stationary sources that are located on one or more contiguous or adjacent properties, and are under *common control* of the same person (or persons under common control)) belonging to a single major industrial grouping and that are described in paragraph (1), (2), or (3) of this definition. For the purposes of defining "major source," a stationary source or group of stationary sources shall be considered part of a single *industrial grouping* if all of the pollutant emitting activities at such source or group of sources on *contiguous or adjacent* properties belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987. 40 CFR 70.2. *{emphasis added}*

never provided Petitioner with a written determination supporting its aggregation analysis, the IEPA has verbally made reference to two EPA documents that were utilized, including: (1) correspondence dated September 20, 2007, to the IEPA from Ms. Pamela Blakely, Chief of Air Permits Section, which addressed "support facility" impact on the question of "industrial grouping" (attached hereto as Exhibit 5), and (2) correspondence dated July 3, 2001, to the Iowa Dept. of Natural Resources, which addressed elements that impact the question of "common control" (attached hereto as Exhibit 6). "Common control" has never been at issue in this evaluation as Petitioner has stipulated the same is present between the two facilities. Likewise, both facilities share the same major Standard Industrial Classification (SIC) code and thus, "industrial grouping" has not been at issue either, although Petitioner has argued that the facilities do not function as "support facilities" as defined at 415 ILCS 5/3 9.5. The only issue to be determined is whether the two facilities are "contiguous and adjacent" to each other.

On September 10, 2009, Petitioner submitted correspondence supplementing earlier written correspondence and discussions with IEPA personnel regarding the lack of support for aggregation (attached hereto as Exhibit 7). In particular, this Petitioner submittal evaluated and applied EPA guidance from William L. Wehrum, Acting Assistant Administrator, dated January 12, 2007 and titled "Source Determinations for Oil and Gas Industries" (Wehrum Memo) (attached hereto as Exhibit 8). The Wehrum Memo was directly on point for the present set of facts as it focused on the "contiguous and adjacent" criteria, but it was later withdrawn by separate EPA guidance from Gina McCarthy, Assistant Administrator, Office of Air and Radiation, dated September 22, 2009 and titled *Withdrawal of Source Determinations for Oil and Gas Industries* (McCarthy Memo)(attached hereto as Exhibit 9).

While the Wehrum Memo did not mandate a particular approach, it attempted to streamline requirements for permitting authorities by focus the oil and gas facilities aggregation question on whether emissions sources were "proximate" to one another as a means of determining if the same sources were "contiguous and adjacent." The McCarthy memo was careful not to disavow any of the underlying authority cited in the Wehrum Memo, rather it simply placed the focus of aggregation determinations for oil and gas facilities back on the traditional three pronged approach.[2] In short, the traditional case-by-case analysis must be utilized rather than the streamlined alternate approach proposed under the Wehrum Memo.

However, the McCarthy Memo noted that "… in some cases, 'proximity' may serve as the overwhelming factor in a permitting authority's source determination decision." In the present situation, the underlying authority used to construct the Wehrum Memo is still very much on point and proximity relative to the "contiguous and adjacent" determination remains a primary consideration. Thus, the authority found in Petitioner's September 10, 2009 submittal is still valid and we must still determine if the two facilities are "contiguous and adjacent" for purposes of the traditional three pronged analysis required for aggregation determinations in major source permitting.

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[2] "Permitting authorities should rely … foremost on the three regulatory criteria for identifying emissions activities that belong to the same "building," "structure," "facility," or "installation." These are (1) whether the activities are under the control of the same person (or person under *common control);* (2) whether the activities are located on one or more *contiguous or adjacent* properties; and (3) whether the activities belong to the same *industrial grouping."* September 22, 2009 EPA Memo from Gina McCarthy, Assistant Administrator, Office of Air and Radiation, titled *Withdrawal of Source Determinations for Oil and Gas Industrie*s (McCarthy Memo); available at http://www.epa.gov/region7/air/nsr/nsrmemos/oilgaswithdrawal.pdf. Hereinafter referred to as the McCarthy Memo. *{Emphasis added}*

On February 2, 2011, the EPA issued an Order Denying Petition for Objection to Permit in the matter of *Anadarko Petroleum Corp*[3](attached hereto as Exhibit 10). In this case, the EPA affirmed the Colorado Dept. of Public Health and Environment's decision not to aggregate certain oil and gas facilities into the Frederick Compressor Station permit. The situation in Colorado was similar to our situation in that "common control" and "industrial grouping" were not at issue. Thus, the only issue was to determine if the facilities were "contiguous and adjacent." This decision followed the traditional three pronged analysis that the EPA developed in response to the *Alabama Power Company v. Castle*[4] decision. *Alabama Power* required aggregation determinations to follow a "common sense notion of a plant." In the *Anadarko* decision, the EPA detailed exactly how the three pronged analysis is to be applied, and it reaffirmed that "proximity" was a determining factor when analyzing whether facilities are "contiguous and adjacent" to each other.

Analysis:

The foundational basis for aggregation in major source permitting has remained the same since the *Alabama Power* case was decided and the Clean Air Act was subsequently amended. The aggregation analysis was fully evaluated and explained by the EPA in their recent *Anadarko* decision dated February 2, 2011 and involving a compressor station in Colorado. The following passage was taken from the *Anadarko* decision:

> "Stationary source determinations are made on a case-by-case basis considering the foundational concepts provided in the CAA and EPA and state implementing regulations. The current regulatory definition of stationary source for purposes of major New Source Review (NSR) applicability was promulgated in 1980.[5] In its June 1979 opinion in

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[3] *Anadarko Petroleum Corp. v. Colorado Dept. of Public Health and Environment*, 2011 WL 3533365 (E.P.A. Feb 02, 2011) (NO. PERMIT 95OPWE035, PET VIII-2010-4). Hereinafter referred to as *Anadarko.*

[4] *Alabama Power Company v. Castle*, 636 F.2d 323 (D.C. Circuit 1980). Hereinafter referred to as *Alabama Power*.

[5] 45 FR 52676 (August 7, 1980).

> *Alabama Power,* the D.C. Circuit Court of Appeals rejected the definition of a source in our 1978 regulations. As we noted in the preamble to our 1980 final rules:
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> > ...the December opinion of the court in Alabama Power sets the following boundaries on the definition for PSD purposes of the component terms of "source": (1) it must carry out reasonably the purposes of PSD; (2) **it must approximate a common sense notion of a "plant;"** and (3) **it must avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of "building," structure, "facility," or "installation."**[6]
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> We used these guiding principles from the Court's opinion, including the common sense notion of a plant, to develop the three regulatory criteria for determining when permitting authorities should consider two or more pollutant-emitting activities to be a single stationary source for purposes of the major NSR programs. A stationary source is any building, structure, facility, or installation, which emits, or may emit a regulated NSR pollutant. 40 C.F.R. §§ 51.165(a)(1)(i), 52.21(b)(5). *A building, structure, facility, or installation is all of the pollutant-emitting activities which belong to the same industrial grouping (i.e., have the same primary two-digit SIC code), are located on one or more contiguous or adjacent properties,* ***and*** *are under the control of the same person (or persons under common control).*[7]
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> To be considered a stationary source for purposes of major NSR, **the pollutant emitting activities must meet all three of the regulatory criteria.** These same criteria were later adopted into the definition of stationary source in 40 CFR 70.2 for purposes of determining when two or more pollutant-emitting activities are considered a stationary source for purposes of the title V permitting program, and EPA was clear that the language and application of the title V definition was to be consistent with the NSR definition contained in section 52.21, *See* 61 Fed. Reg. 34202, 34210 (July 1, 1996)." **{Emphasis added}**

In *Anadarko,* the EPA quoted from the McCarthy Memo as follows, "For purposes of determining applicability of the PSD, nonattainment area NSR, and title V programs of the CAA, the McCarthy Memo states that permitting authorities should rely foremost on the three regulatory criteria for identifying emissions activities that belong to the same "building,"

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[6] 45 FR 52694-5 (August 7, 1980).

[7] A building, structure, facility, or installation means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control) except the activities of any vessel. Pollutant-emitting activities shall be considered as part of the same industrial group if they belong to the same Major Group (i.e., which have the same primary two-digit code) as described in the Standard Industrial Classification Manual, 1972, as amended by the 1977 Supplement (U.S. Government Printing office stock numbers 4101 -0065 and 003-005-00176-0, respectively. See 40 CFR 51.1 65(a)(1)(ii), 51.1 66(b)(6), 52.21 (b)(6), and Section II.A.2 of Appendix S of 40 CFR Part 51.

"structure," "facility," or "installation.""[8] The EPA further quoted the McCarthy Memo noting that each aggregation decision is "highly fact-specific" and that "no single determination can serve as an adequate justification for how to treat any other sources determination for pollutant-emitting activities with different fact-specific circumstances."[9] Clearly, the current state of guidance requires that each situation be evaluated on a case-by-case basis to determine if aggregation of different emissions sources is appropriate. Please consider the following application of the law to the facts in this situation.

As has been discussed above, Petitioner has stipulated that the Compressor Facility and the Storage Facility share the same SIC Code and are thus in the same "industrial grouping." Likewise, Petitioner has stipulated the two facilities are under "common control." Thus, the only regulatory criteria to determine is whether the facilities are "contiguous and adjacent" for purposes of aggregation. However, this issue is critical as <u>all three</u> regulatory criteria must be met in order to aggregate emissions under a single permit.

To date, despite Petitioner's efforts to engage discussion on the topic, the IEPA has not provided specific written detail of its rationale for aggregation under these facts. However, the IEPA has blindly maintained that aggregation is appropriate, and subsequently issued a major source permit (Permit I.D. No. 11981 8AAA)(attached hereto as Exhibit 1) that covers both facilities as if they were "contiguous and adjacent." Petitioner disagrees with IEPA's assessment and its issuance of the aggregated permit. Thus, Petitioner has filed this petition for appeal.

<u>Common sense notion of a "plant" and proximity:</u>

When making aggregation determinations, the court in *Alabama Power* gave strict marching orders to permitting authorities when determining if sources should be aggregated.

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[8] *Anadarko* at pg. 8.

[9] *Anadarko* at pg. 8, citing McCarthy Memo at pg. 2.

Specifically, the permitting authority "… must approximate a common sense notion of a 'plant;' and it must avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of 'building,' structure, 'facility,' or 'installation.'" These directives resulted in EPA's promulgation of the three pronged approach, which includes the requirement that aggregated sources must be "contiguous and adjacent" to each other. Likewise, it is inferred that in order to be "contiguous and adjacent" to one another, facilities should be proximate to one another because facilities that are miles apart do not fit the common sense notion of a single facility and/or plant. Finally, the *Anadarko* decision noted that other states have found facilities located within a quarter mile of each other to be "contiguous and adjacent" and "consistent with the practical meaning of the term adjacent."[10]

As discussed above, the Storage Facility is located 2.3 miles away from the Compressor Facility. To put that in perspective, you cannot see the Compressor Facility while standing on the Storage Facility or vice versa (attached hereto as Exhibit 3). Further, if you wanted to move from one facility to the other, you would need to travel more than 4 miles because Petitioner does not own the land that separates the two facilities. Obviously, travel between the two facilities only occurs by motor vehicle. Put another way, it is not at all efficient or safe to walk between the two facilities.

Considering the distance between the two facilities, it is obvious that the Compressor Facility and Storage Facility could not reasonably be considered to be a single source under any "common sense notion of a plant." Similarly, there is no way that the two facilities could fit the definition of a "building," structure, "facility," or "installation." Yet, this is exactly what the

[10] *Anadarko* at pg. 19.

IEPA must have determined in order to aggregate the two facilities under a single major source permit.

It is also clear that IEPA completely overlooked any reasonable interpretation that the two properties are to be proximate to one another in order to meet the "contiguous and adjacent" threshold. No other conclusion can be taken from IEPA's determination considering the two properties are (1) located miles apart, (2) separated by non-Petitioner owned property and (3) require a motor vehicle to travel between the two facilities.

Accordingly, Petitioner asserts that the IEPA improperly aggregated the Compressor and Storage Facilities under a single major source permit when considering requirements imposed by the *Alabama Power* decision and EPA's three pronged analysis.

Interdependency Between the Facilities:

In certain circumstances, the EPA has found facilities to be "contiguous and adjacent" even though they were not proximate to one another pursuant to "interdependency" that existed between the respective facility's operations.[11] In order for an emission source to be "interdependent" with another, the facilities should share "instances of unique or dedicated relationships."[12] The EPA has advised that states should "evaluate whether the facilities could be operated independently of each other" on a case-by-case basis.[13] Simply put, can each source be operated without the other? In our situation, the Compressor Facility can be operated independently of the Storage Facility and vice versa.

Although the IEPA has indicated "interdependency" was not a factor in its decision to aggregate, we believe the analysis must be addressed. As was discussed above, the Storage

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11 *Anadarko* at pg. 14.
12 *Anadarko* at pg. 15.
13 *Anadarko* at pg. 17.

Facility operations are not exclusively reliant on the Compressor Facility operations and vice versa. Specifically, the Compressor Facility can be used to push natural gas through the transmission pipeline without using any services from the Storage Facility. Likewise, the Storage Facility can be operated without the Compressor Facility. Specifically, natural gas can flow in either direction and to multiple destinations. Likewise, natural gas is typically removed from storage without assistance from the Compressor Facility. Thus, there are no unique or dedicated operational relationships between the two facilities in question. Both facilities can and do operate independently from the other, and thus there is no "interdependency" between the two facilities.

Accordingly, Petitioner asserts that "interdependency" does not exist and cannot be established between the Compressor and Storage Facilities. Thus, the IEPA cannot utilize this theory to overcome the lack of proximity between the two facilities, and therefore the IEPA cannot justify a finding that the two facilities are "contingent and adjacent" to one another.

Support Facility:

In some situations, the EPA has found one facility is a "support facility" to another as a means of demonstrating the two facilities should be placed in the same "industrial grouping." In *Anadarko*, the EPA cites language affirming that position as follows, the "1980 preamble to the NSR (New Source Review) rules, a *support facility* analysis is only relevant under the *SIC-code* determinations"[14] *(Emphasis added).* The EPA further explained "that when two activities have different SIC codes, a *support facility* analysis may be conducted to determine whether the activities should be treated as having the same *industrial grouping"*[15] *(emphasis added).* Finally, the *Anadarko* decision noted "The preamble clarifies that "support facilities" that "convey, store,

[14] *Anadarko* at pg. 16.
[15] *Anadarko* at pg. 16.

or otherwise assist in the production of the principal product or group of products produced or distributed, or services rendered" should be considered under one source classification, even when the support facility has a different primary two-digit SIC code."[16]

Clearly, the EPA never intended for the "support facility" analysis to be used to determine if facilities are "contiguous and adjacent." Rather, the "support facility" analysis is to be used to determine if one facility should be collapsed into the "industrial grouping" of another facility for purposes of aggregation and major source permitting determinations.

In this situation, Petitioner has already stipulated that the Compressor and Storage Facilities are classified under the same "industrial grouping," thus it is unnecessary to specifically evaluate a "support facility" analysis. However, we are addressing the "support facility" analysis here because the IEPA appears to have erroneously relied upon this theory to reach a determination that the Compressor and Storage Facilities are "contiguous and adjacent" to each other.

While never providing a written analysis explaining their "support facility" theory, the topic has been mentioned during telephone conversations between Petitioner and the IEPA. First, during the June 6, 2006 telephone conversation discussed above, the IEPA indicated that the Storage Facility was a "support facility" to the Compressor Facility and thus the sources should be aggregated under one permit. On July 12, 2006, Petitioner submitted information and analysis to the contrary. Second, during the May 2, 2008 telephone conversations discussed above, the IEPA referenced two EPA correspondence documents that addressed a "support facility/industrial grouping" analysis and "common control" analysis respectively.

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16 *Anadarko* at pg. 17.

Having evaluated the documents referenced by the IEPA, it appears that the IEPA concluded the Storage Facility's storage function made it a "support facility" for the Compressor Facility. Then the IEPA misapplied their "support facility" assumption as the basis to overcome the fact that the two facilities are not proximate to each other, and therefore could not be "contiguous and adjacent" to one another.

However, according to EPA guidance referenced by the IEPA (attached hereto as Exhibit 5) and reaffirmed in *Anadarko* (attached hereto as Exhibit 10), the "support facility" analysis is not to be used in this capacity. The "support facility" analysis is only to be used to determine the "industrial grouping" prong of the regulatory analysis, which is not at issue. At no time has the IEPA presented any relevant analysis in support of a determination that the Compressor and Storage Facilities are "contiguous and adjacent."

In conclusion, Petitioner asserts that the IEPA has misapplied the "support facility" analysis as a means of determining the two facilities were "contiguous and adjacent," when it should have applied the "interdependency" analysis to make such a determination. Petitioner has already stipulated the facilities are in the same "industrial grouping," hence it is unnecessary to apply the "support facility" analysis. The "interdependency" analysis was extensively discussed in the section above.

Connected by Pipeline:

In telephone conversations noted above, the IEPA has verbally indicated that aggregation was appropriate simply because the two facilities are "connected by pipeline." If this theory is followed to its logical end, then all facilities connected to a pipeline should be permitted under a single permit regardless of proximity or jurisdiction. Petitioner does not believe that scenario is workable for either party, or the pipeline transportation industry as a whole. More importantly,

the IEPA has not provided any support and Petitioner has not otherwise identified any support whatsoever for aggregating facilities under a single permit merely because they are connected to the same pipeline.

In *Anadarko,* the EPA found that reliance on a pipeline connection to demonstrate aggregation in and of its self would be "flawed."[17] The EPA further indicated that it is remains necessary to apply the three pronged analysis, which considers "proximity" and "interdependency" among other factors.[18]

Accordingly, Petitioner asserts that the IEPA has incorrectly relied upon the pipeline connection to determine that aggregation of the two facilities was appropriate.

Aggregation Conclusions:

As discussed above, aggregation is driven by the basic three part analysis of whether the activities: (1) are under the control of the same person (or person under *common control);* (2) are located on one or more *contiguous or adjacent* properties; and (3) belong to the same *industrial grouping (emphasis added).* Petitioner has stipulated activities at both facilities are under "common control" and the same "industrial grouping." However, Petitioner has rightly maintained that the facilities were not proximate to each other and not "contiguous and adjacent" as they are located 2.3 miles apart and more than 4 miles apart when traveling by vehicle.

Curiously, the IEPA has also indicated that finding "interdependency" between the two facilities (discussed above) was not required in order for it to aggregate in this situation. However, when attempting to aggregate facilities via a "contiguous and adjacent" theory under the present facts, then EPA guidance requires application of the "interdependency" analysis.

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17 *Anadarko* at pg. 18.
18 *Anadarko* at pg. 18.

Presumably, the IEPA arrived at their opinion while they were errantly applying a "support facility" argument in place of an "interdependency" argument to reach a determination that the facilities were "contiguous and adjacent."

In conclusion, Petitioner asserts that the IEPA did not properly apply the three regulatory criteria when determining if the Compressor Facility and Storage Facility should be aggregated. Specifically, the IEPA has failed to prove the two facilities were "contiguous and adjacent" to each other. Accordingly, Petitioner requests that the CAAPP Permit (attached hereto as Exhibit 1) be modified to remove all references to the Storage Facility, and that the Storage Facility should revert back to operations under the Lifetime Operating Permit (attached hereto as Exhibit 2) with updates as detailed below.

III. COMMENTS ON SPECIFIC CONDITIONS IN CAAPP PERMIT

Procedural History:

The Compressor Facility's CAAPP Permit Renewal Application (No.: 95120153) was dated February 6, 2004 and received by the IEPA on February 10, 2004. Over the years since that submittal, Petitioner and IEPA have exchanged correspondence and conducted telephone conversations while attempting to reach agreement on various components of the CAAPP Permit at issue. Petitioner has provided written comments on at least two occasions to draft iterations of the CAAPP Permit (one such instance is attached hereto as Exhibit 11). Unfortunately, many of Petitioner's comments were ignored or improperly translated into the CAAPP Permit issued on June 14, 2011.

The Storage Facility, a minor source of air emissions, was issued a "Lifetime Operating Permit" on May 11, 2001. During a May 2, 2008 telephone conversation, Petitioner learned from IEPA representatives that they had canceled the Storage Facility's "Lifetime Operating

Permit," and that the facility was being permitted together with the Compressor Facility. Petitioner was not provided any written notice of the permit's cancellation and may not have found about learned of IEPA's action without initiating discussion about the draft CAAPP Permit's status. Petitioner has vigorously opposed aggregation of the two sources and has addressed its rational extensively in the sections above.

Below, Petitioner has identified the issue(s), analysis and recommended solution for each section of concern found in CAAPP Permit No. 1 19818AAA (attached hereto as Exhibit 1).

Condition 1.1 Source Identification (pg. 4 of CAAPP Permit):

Issue: The street address information should be updated at follows:

438 Summerfield Road

Issue: The contact information should be updated as follows:

Matthew Young 618/644-3297

Condition 4.0 Significant Emission Units At This Source (pg. 8 of CAAPP Permit):

Issue: The IEPA has improperly aggregated equipment located at the Storage Facility with the Compressor Facility in the CAAPP Permit.

Analysis/Recommendation: In accordance with Petitioner's argument above that it was improper to aggregate the Storage Facility into the Compressor Facility, the line entry addressing the "Dehy" is not appropriate and should be removed from the table. Further, the term "Scrubber" should be changed to "Separator." The revised Dehy line item entry should be moved back into the Storage Facility's Lifetime Operating Permit (attached hereto as Exhibit 2).

Condition 5.6.1 Permitted Emissions for Fees (pg. 11 of CAAPP Permit):

Issue: The IEPA has improperly aggregated equipment located at the Storage Facility with the Compressor Facility in the CAAPP Permit.

Analysis/Recommendation: In accordance with Petitioner's argument above that it was improper to aggregate the Storage Facility into the Compressor Facility, the Volatile Organic Material (VOM) line item in the Table titled "Permitted Emissions of Regulated Pollutants" should be changed from "4.75 tons/year" to "3.51 tons/year." This decrease reflects the removal of emissions from VOM sources located at the Storage Facility.

Similarly, the VOM removed from the CAAPP Permit should be added back into the permit for the Storage Facility.

Condition 7.1.7 Testing Requirements (pg. 18 of CAAPP Permit):

Issue: The IEPA has improperly mandated opacity testing for the "exhaust of affected engines," which unnecessarily complicates operations at the Compressor Facility.

Analysis: The Compressor Facility's engines are fueled with natural gas and thus the requirement to achieve less than 10% opacity should be met simply by continuously using natural gas. When not in a condition of normal operation, the engines are taken down for maintenance. Accordingly, the goal of achieving low opacity is readily met through demonstration that the engines are fueled with nothing other than natural gas. Continuous usage of natural gas can be proven through the Federal Energy Regulatory Commission (FERC) Gas Tariff (attached hereto as Exhibit 12) associated with this pipeline, and this approach is consistent with requirements found in other jurisdictions.

Recommendation: This section should be removed and Condition 7.1.9 Recordkeeping Requirements should be amended to demonstrate continuous usage of natural gas through the FERC Natural Gas Tariff.

Condition 7.1.8 Monitoring Requirements (pg. 19 of CAAPP Permit):

Issue: Analogous to language found in Condition 7.1.7 Testing Requirements addressed above, the IEPA has improperly mandated opacity monitoring for the "affected engines" as a means of insuring proper operation of the engine equipment.

Analysis: This requirement unnecessarily complicates operations at the Compressor Facility. Further, the equipment in question may not run year-round, which would appear to require opacity monitoring during each "scheduled exercise of the affected engines." It is unclear what is meant by the term "scheduled exercise," and thus when opacity monitoring would actually be required.

Further, as noted above in our discussion of Condition 7.1.7 Testing Requirements, opacity evaluations are of little value when an engine is fueled with natural gas. Accordingly, we renew our suggestion that the most logical and cost effective monitoring approach is to require continuous usage of natural gas as proved through the FERC Natural Gas Tariff.

Recommendation: This section should be removed and Condition 7.1.9 Recordkeeping Requirements should be amended to demonstrate continuous usage of natural gas through the FERC Natural Gas Tariff.

Condition 7.1.9 Recordkeeping Requirements (pgs. 20-21 of CAAPP Permit):

Issue: In subsection (b)(i), the IEPA has improperly required that monthly records be kept for "natural gas usage rates per affected engine."

Analysis: The current configuration of the facility does not allow us the ability to determine the fuel used per engine and to have the ability would require prior budgeting and facility updates including piping and communication equipment to add individual fuel meters. Further, MRT is aware of no regulatory support for such a defined requirement and have

previously asked the IEPA for clarification of the basis for this requirement during the draft permit review process, but were not provided an answer. Finally, we note that the engines were permitted at their maximum emission rates, so there is no logical reason to require monthly fuel usage records, i.e. fuel usage will be the same for the year one way or the other.

Recommendation: In the absence of a defined regulatory requirement, MRT recommends modifying this record keeping requirement to reflect tracking hours of operation for the engines on an annual basis (hours per year). This strategy would allow MRT to avoid spending unnecessary capital to reconfigure the facility to allow for fuel usage tracking on a monthly basis.

Condition 7.1.9 (c) Records for Startup (pg. 21 of CAAPP Permit):

Issue: In subsection (i)(B)-(E), IEPA has improperly required extensive record keeping and justification in circumstances where "normal operation was not achieved within 10 minutes."

Analysis: This requirement is problematic for a number of reasons. First, the engines cannot always reach normal operations within 10 minutes, particularly during certain circumstances including but not limited to cold-weather and maintenance events. Pursuant to the location, cold weather is often encountered. That said, it is always Petitioner's desire to startup as safely and efficiently as possible so we can meet our customer's demands. Thus, we have incentive to start-up as quickly as possible, but weather in particular has the potential to impact our ability to start within the stated timeframe.

By way of comparison, recently released federal regulations require a 30 minute startup timeframe for this variety of engine[19]. Plus, it is possible to seek variances for even longer startup timeframes under the Federal requirements.

[19] 40 CFR 63, Subpart ZZZZ, Table 2C.

Third, given that the engines cannot always reach normal operations with 10 minutes, then each extended startup would require provision of a "detailed description of the startup," including "reason for operation," "an explanation of why normal work practices and proper operation and other established startup procedures could not be performed," and whether excess opacity occurred. It is well understood that operations are not normal while conducting startup procedures, thus it is unclear why it would be necessary to state the obvious. Further, it seems wholly unnecessary to document the reason for a facility's operation. While difficult to understand the need for some of this information, the stated requirements would be more palatable if the startup timeframe was more achievable. That is, if the "detailed description of the startup" was designed to account for unusual startup scenarios. Finally, as discussed above, Petitioner only burns natural gas, thus there is no value in conducting opacity readings.

Recommendation: We believe the malfunction and startup record keeping requirements are redundant, therefore we recommend removing this condition. Alternatively, we suggest modifying subsection (i)(B) to reflect a startup timeframe of 30 minutes, which would align with industry and federal requirements. In situations of normal startup as redefined, we suggest maintaining the current record keeping requirement including begin and end time of startup. Should a startup exceed the proposed 30 minute timeframe, then an explanation would be submitted with the semiannual report.

Issue/Analysis: We note that a reference is made to "Condition 7.1.3(f)," however no such condition is found in the CAAPP Permit.

Recommendation: We recommend removing all language addressing Condition 7.1.3(f).

Condition 7.1.10 Reporting Requirements (pgs. 21-22 of CAAPP Permit):

Issue: In subsection (b)(i), the IEPA has improperly required that monthly records be kept for "natural gas usage rates per affected engine."

Analysis: The current facility configuration does not allow us to determine the fuel used per engine. To do so would require prior budgeting and facility updates including the installation of piping and communication equipment needed to support individual fuel meters. Petitioner is aware of no regulatory support for such a requirement. Further, we asked the IEPA for clarification of the basis for this requirement during the draft permit review process, but were not provided an answer.

Recommendation: In the absence of a defined regulatory requirement, Petitioner recommends modifying this record keeping requirement to reflect tracking of natural gas usage on a "yearly per facility" basis. This strategy would allow Petitioner to avoid spending unnecessary capital to reconfigure the facility and needlessly track fuel usage on a monthly basis.

Issue: In subsection (c), the IEPA has redundantly required reporting of information from startup events.

Analysis: Above, we suggested maintaining records including the beginning and end time of startup. If a startup exceeds the proposed 30 minute timeframe, then an explanation would be submitted with the semiannual report. This information would be kept either onsite or at the nearest manned location. Thus, this information will be available to inspectors at any time. As noted above, Petitioner has incentive to startup as quickly and efficiently as possible without damaging equipment.

We are aware of no specific requirement to track information in the manner that the IEPA has proposed. Further, to report the information as the IEPA has specified is not only redundant

to semiannual reporting requirements, it is also more stringent than requirements found in the relevant Federal Maximum Achievable Control Technology (MACT) standards and/or the New Source Performance Standards (NSPS).

Recommendation: Petitioner recommends removing language that stipulates redundant stand-alone reporting requirements as this information will already be included in semiannual reporting.

Condition 7.1.12 Compliance Procedures (pgs. 22-23 of CAAPP Permit):

Issue: In subsection (b), the IEPA notes that combustion of natural gas fuel results in Sulfur Dioxide (SO2) emissions that are "well below the 2000 ppm limit," but it then improperly requires that records of SO2 emissions be maintained.

Analysis: In this situation, the argument against requiring SO2 recordkeeping has been made by the IEPA in language found in the same subsection, i.e., it would be impossible to reach the 2000 ppm limit while burning natural gas.

Recommendation: We agree with IEPA's assertion and thus suggest removal of the needlessly stipulated record keeping and reporting requirements.

Condition 7.1.13 State-Only Conditions (pgs. 23-24 of CAAPP Permit):

Issue: In this section, the IEPA improperly requires compliance with all requirements identified in subsections (a), (b), (c), (d) and (e).

Analysis: Petitioner agrees with the IEPA that it must comply with 35 Ill. Adm. Code 217.388, but compliance is demonstrated through compliance with one of the five alternatives noted rather than all of them. Please note that Petitioner plans to demonstrate compliance by maintaining recordkeeping as set forth in 35 IAC 217.388(a).

Recommendation: Petitioner suggests revising the language in this section to require compliance through any of the five options found in items (a), (b), (c), (d), "or" (e). Condition 7.2.7 Testing Requirements (pgs. 28-29 of CAAPP Permit):

Issue: The IEPA has improperly mandated opacity testing for the "exhaust from the affected turbines," which unnecessarily complicates operations at the Compressor Facility.

Analysis: The Compressor Facility's turbine uses natural gas as fuel and thus the opacity requirement of less than 10% opacity should be complied with by using natural gas. When not in a condition of normal operation, the turbine is taken down for maintenance. Accordingly, the goal of achieving low opacity is readily met through demonstration that the turbines are fueled with nothing other than natural gas. Continuous usage of natural gas can be proven through the FERC Gas Tariff and this approach is consistent with requirements found in other jurisdictions.

Recommendation: This section should be removed and Condition 7.2.9 Recordkeeping Requirements should be amended to demonstrate continuous usage of natural gas via the FERC Gas Tariff.

Condition 7.2.8 Monitoring Requirements (pgs. 29-30 of CAAPP Permit):

Issue: Analogous to language found in Condition 7.2.7 Testing Requirements addressed above, the IEPA has improperly mandated opacity monitoring for the "affected turbines" as a means of insuring proper operation of the turbine equipment.

Analysis: This requirement unnecessarily complicates operations at the Compressor Facility. The equipment in question may not run year-round, which would appear to require opacity monitoring during each "scheduled exercise of the affected turbines." It is unclear what is meant by the term "scheduled exercise," and thus when opacity monitoring would actually be required.

Further, as noted above in our discussion of Condition 7.2.7 Testing Requirements, opacity evaluations are of little value when a turbine is fueled with natural gas. Accordingly, we renew our suggestion that the most logical and cost effective monitoring approach is to require continuous usage of natural gas as proved through the FERC Gas Tariff.

Recommendation: This section should be removed and Condition 7.2.9 Recordkeeping Requirements should be amended to demonstrate continuous usage of natural gas through the FERC Gas Tariff.

Condition 7.2.9 (b) The Permittee shall keep monthly records of the following items for the affected turbine (pg. 31 of CAAPP Permit):

Issue: In subsection (i), the IEPA has improperly required that monthly records be kept for "natural gas usage rates per affected turbine."

Analysis: Petitioner is aware of no regulatory support for such a requirement. Further, we asked the IEPA for clarification of the basis for this requirement during the draft permit review process, but were not provided an answer.

Recommendation: In the absence of a defined regulatory requirement, Petitioner recommends modifying this record keeping requirement to reflect tracking of natural gas usage on an "annual per facility" basis. This strategy would allow Petitioner to avoid spending unnecessary capital to reconfigure the facility and needlessly track fuel usage on a monthly basis. Condition 7.2.9 (c) Records for Startup (pgs. 3 1-32 of CAAPP Permit):

Issue: In subsection (i)(B)-(E), IEPA has improperly required extensive record keeping and justification in circumstances where "normal operation was not achieved within 10 minutes."

Analysis: This requirement is problematic for a number of reasons. First, the turbine cannot always reach normal operations within 10 minutes, particularly during certain circumstances including but not limited to cold-weather and maintenance events. Pursuant to the

location, cold weather is often encountered. That said, it will always be Petitioner's desire to startup as safely and efficiently as possible so we can meet our customer's demands. Thus, we have incentive to startup as quickly as possible, but weather in particular has the potential to impact our ability to start within the stated timeframe.

Second, the 10 minute startup requirement is not in line with industry requirements for the equipment in question. By way of comparison, recently released Federal regulations do not designate a startup timeframe for such equipment. Thus, this requirement is much more stringent than the Federal requirements, which are periodically updated and thus account for equipment updates. Although the turbine in question is not an affected source, we have referenced the NSPS because it does not stipulate a startup time frame even for new equipment, let alone equipment constructed prior to the applicability date.

Third, given that many startups would require provision of a "detailed description of the startup," including "reason for operation," "an explanation of why normal work practices and proper operation and other established startup procedures could not be performed," and whether excess opacity occurred. It is well understood that operations are not normal while conducting startup procedures, thus it is unclear why it would be necessary to state the obvious. Further, it seems wholly unnecessary to document the reason for a facility's operation. While difficult to understand the need for some of this information, the stated requirements would be more palatable if the startup timeframe was more achievable. That is, if the "detailed description of the startup" was designed to account for unusual startup scenarios. Finally, as discussed above, Petitioner only burns natural gas, thus there is no value in conducting opacity readings.

Recommendation: The turbine is not an affected source under current Federal regulations. Accordingly, any recordkeeping under this section would be more stringent than the Federal requirements, therefore we recommend removing this recordkeeping requirement. Condition 7.2.10 Reporting Requirements (pgs. 21-22 of CAAPP Permit):

Issue: In subsection (b)(i), the IEPA has improperly required that monthly records be kept for "natural gas usage rates per affected turbine."

Analysis: Petitioner is aware of no regulatory support for such a defined requirement and have previously asked the IEPA for clarification of the basis for this requirement during the draft permit review process, but were not provided an answer. We also note that the turbine was permitted at its maximum emission rate, so there is no logical reason to require monthly fuel usage records, i.e. fuel usage will be the same for the year one way or the other.

Recommendation: In the absence of a defined regulatory requirement, Petitioner recommends modifying this record keeping requirement to reflect tracking hours of operation for the turbine on an annual basis (hours per year).

Issue: In subsection (c), the IEPA has redundantly required reporting of information from startup events.

Analysis: The turbine is not an affected source under current Federal regulations. Accordingly, any recordkeeping under this section would be more stringent than the Federal requirements.

Recommendation: Petitioner recommends removing language that stipulates more stringent reporting requirements.

Condition 7.2.12 Compliance Procedures (pg. 33 of CAAPP Permit):

Issue/Recommendation: In subsection (c)(i), in the Emissions Factors table, the "Engine Worthington (SN-01)" language should be replaced with the following language, "Turbine (SN-03)."

Condition 7.2.13 State-Only Conditions (pg. 34 of CAAPP Permit):

Issue: In this section, the IEPA has improperly imposed requirements on turbine equipment that does not meet the applicability requirements found in 35 Ill. Adm. Code 217.386.

Analysis: Specifically, the turbine equipment located at the Compressor Facility is rated at 3,280 bhp and is thus below the 3.5 MW (4,694 bhp) requirement found in 35 Ill. Adm. Code 217.3 86(a)(2)(B) threshold for applicability.

Recommendation: Petitioner recommends stating that the affected turbine is not subject to 35 IAC 217.386 because the turbine's bhp is below the threshold requirement.

Condition 7.4 Underground Natural Gas Storage and Dehydrator (pgs. 36-38 of CAAPP Permit):

Issue: The IEPA has improperly aggregated equipment located at the Storage Facility with the Compressor Facility in the CAAPP Permit.

Analysis: In accordance with Petitioner's argument above that it was improper to aggregate.

Recommendation: Petitioner recommends moving all sections of "Condition 7.4 Underground Natural Gas Storage and Dehydrator" out of the CAAPP Permit and back into the Storage Facility permit.

7.4.2 List of Emission Units and Air Pollution Control Equipment (pg. 36 of CAAPP Permit):

Issue/Recommendation: In the table found in this condition, the term "Scrubber" should be changed to "Separator."

7.4.4 Non-Applicability of Regulation of Concern (pg. 36 of CAAPP Permit):

Issue/Recommendation: In the fourth line of subsection (a), the word "turbine" should be changed to "dehy."

7.4.6 Production and Emission Limitations (pg. 37 of CAAPP Permit):

Issue: In subsection (a), dehydrator methanol usage is limited to "7,050 gal/year."

Analysis: Methanol is used in multiple processes, both on and off-site. The dehydrator draws methanol from a primary storage vessel, but other smaller vessels associated with non-dehydrator processes are also refilled periodically. Further, some of the methanol from the primary storage vessel is used in off-site operations. Accordingly, it is difficult to measure dehydrator methanol usage pursuant to delivery tickets made to the facility as these tickets only quantify total gallons delivered to the Storage Facility. Dehydrator methanol usage is limited by the hours of operation and pump capacity, which has prevented the equipment from ever approaching the 7,050 gal/year limit. However, this is not clear from the purchase tickets. Methanol tank calculations are typically performed for each tank using calculating programs such as TANKS 4.0. Accordingly, calculations records are normally kept per tank and not per piece of equipment.

Recommendation: As such, we request that the methanol limit be modified so that it is not specific to the dehydrator equipment. Alternatively, if the methanol requirements are to remain in the permit, then we suggest that the limits be tailored to the tank(s) and increased to account for all of the uses of methanol. In addition, the permit should be corrected to reflect that there are three (3) menthol tanks onsite with capacities of 6,000 gallons, 150 gallons, and 250 gallons respectively.

Issue: In subsection (b), VOM emissions are required to be tracked on a 12 month rolling total basis.

Analysis: This is a curious requirement considering the dehydrator emissions were based upon maximum potential to emit. Given that the dehydrator cannot exceed its maximum potential emissions, there is no logical reason to track emissions on a monthly basis, i.e., 12 month rolling total.

Recommendation: Petitioner suggests tracking emissions on an annual/calendar-year basis.

7.4.9 Recordkeeping Requirements (pg. 37 of CAAPP Permit):

Issue: In subsections (b) and (c), the IEPA again requires monthly record keeping, but for methanol, triethylene glycol, VOM and HAPs respectively.

Analysis: As noted above, emissions from the dehydrator were based on the equipment maximum potential to emit and thus there is no reason to maintain monthly records.

Recommendation: Accordingly, Petitioner recommends tracking emissions and thus compliance on an annual basis via throughput monitoring.

7.5.5 Control Requirements and Work Practices (pgs. 42-43 of CAAPP Permit):

Issue: In subsection (c), the language allows the IEPA to sample all fuels located at the source.

Analysis: While Petitioner assumes that IEPA has the authority to request general information, it is unclear how this would be helpful for either the Compressor or the Storage Facility.

Recommendation: Petitioner recommends adding justification as to which fuel sources could be sampled and under which legal authority. Please note that Petitioner does not actually own the natural gas fuel that it transports.

Issue: In subsection (d) and (g), the IEPA has set forth inconsistent requirements. ***Analysis:*** Specifically, subsection (d) requires a "per year" measurement, while subsection (g) requires a "12 month rolling total."

Recommendation: Petitioner suggests defining a requirement that is consistent with other requirements in the CAAPP Permit.

7.5.8 Monitoring Requirements (pg. 48 of CAAPP Permit):

Issue: As it has been addressed above, the IEPA has improperly mandated opacity monitoring for "affected natural gas engines" as a means of insuring proper operation of the engine equipment.

Analysis: This requirement unnecessarily complicates operations at the Compressor Facility. Further, the equipment in question may not run year-round, which would appear to require opacity monitoring during each "scheduled exercise of the affected engines." It is unclear what is meant by the term "scheduled exercise," and thus when opacity monitoring would actually be required.

Further, for reasons noted above in our discussion of Condition 7.1.7 Testing Requirements, opacity evaluations are of little value when an engine is fueled with natural gas. Accordingly, we renew our suggestion that the most logical and cost effective monitoring approach is to require continuous usage of natural gas as proved through the FERC Gas Tariff.

Recommendation: This section should be removed and Condition 7.5.9 Recordkeeping Requirements should be amended to demonstrate continuous usage of natural gas through the FERC Gas Tariff, which is consistent with other jurisdictions.

7.5.9 Recordkeeping Requirements (pgs. 48-5 1 of CAAPP Permit):

Issue: In subsection (a)(i)(A), the IEPA requires information be kept for each affected natural gas engine during each instance of operation, including date, time, duration and purpose.

Analysis: Petitioner sees no benefit to keeping the startup records for the emergency generator. This generator is already required to keep records accounting for hours for runtime, operation and maintenance, and malfunctions.

Recommendation: Accordingly, Petitioner recommends modifying the condition to only require date of startup and duration of the run. We also note that the recommended provisions are consistent with Federal requirements found at 40 CFR 60, Subpart JJJJ, which does not require any startup recordkeeping.

Issue: In subsection (b)(ii), the IEPA requires records be kept of "total usage of propane

Analysis: We note that neither the Compressor Facility or the Storage Facility utilize propane for any equipment, further neither facility has propane storage vessels.

Recommendation: Accordingly, Petitioner recommends removal from the CAAPP Permit of all language addressing propane requirements.

Issue: In subsection (d), the IEPA requires quantification of emissions from natural gas engines on a tons/month and tons/year basis.

Analysis: This is redundant to annual emission inventory submittal requirements.

Recommendation: Accordingly, Petitioner suggests striking subsection (d) entirely as it will be covered during the annual emissions inventory submittal.

7.5.10 Reporting Requirements (pg. 51 of CAAPP Permit):

Issue: In subsection (b), the IEPA sets requirements for engines greater than 500 HP.

Analysis: The generator in question is a 237 HP engine and is thus below the threshold for applicability. (see, 40 CFR 60.4245(c)).

Recommendation: Accordingly, Petitioner suggests removing subsection (b) from the CAAPP Permit. We also note that the numbering currently moves from (b) to (d), thereby skipping (c).

7.5.12 Compliance Procedures (pgs. 52-54 of CAAPP Permit):

Issue: In subsections (a)(i)-(ii), the IEPA has mandated several requirements that are only applicable for certified engines.

Analysis: The generator equipment in question is not certified and the requirements are not applicable.

Recommendation: Accordingly, Petitioner recommends removing subsections (a)(i)-(ii) from the CAAPP Permit.

Issue: In subsection (a)(iii)(A)(II), the IEPA sets requirements for engines greater than 500 HP.

Analysis: The generator in question is a 237 HP engine and is thus below the threshold for applicability.

Recommendation: Accordingly, Petitioner suggests removing subsection (a)(iii)(A)(II) from the CAAPP Permit.

Issue: In subsection (c), the IEPA notes that combustion of natural gas fuel results in SO2 emissions that are "well below the 2000 ppm limit," but it then improperly requires compliance with a SO2 limit that cannot be exceeded while firing natural gas.

Analysis: In this situation, the argument against requiring compliance with an SO2 emissions limit has been made by the IEPA in language found in the same subsection, i.e., it would be impossible to reach the 2000 ppm limit while burning natural gas.

Recommendation: We agree with IEPA's assertion and thus suggest removal of the needlessly stipulated SO2 emissions requirements. Alternatively, we recommend modifying the section to indicate compliance with SO2 requirements is met through combustion of natural gas.

9.6.1 Control Equipment Maintenance Records (pg. 68 of CAAPP Permit):

Issue/Recommendation: In this condition, the IEPA requires records be maintained "on the premises for each item of air pollution control equipment." We wish to strike the "on the premises" language and replace it with the following language "at the facility or at the nearest manned location."

WHEREFORE, CENTERPOINT ENERGY - MISSISSIPPI RIVER TRANSMISSION, LLC petitions the Illinois Pollution Control Board for a hearing on the IEPA's final action on Petitioner's CAAPP permit application, with respect to the permit conditions referenced herein, and a determination that the IEPA's action was arbitrary, capricious, and not supported by the Act or Board regulations. And, as set forth in the accompanying Motion, Petitioner requests confirmation that the effectiveness of the entire Final CAAPP Permit is stayed until the Board's final determination in this matter or, in the alternative, requests the Board confirm the automatic stay of effectiveness of the contested conditions within the Final CAAPP Permit. Petitioner reserves the right to amend this Petition as necessary in order to raise newly discovered issues arising from the Final CAAPP Permit and/or to provide additional specificity regarding the conditions of the Final CAAPP Permit, if required by the Board.

Respectfully submitted,

DATED: October 14, 2011

HALL ESTILL HARD WICK GABLE GOLDEN & NELSON, P.C.

By: Garry L. Keele, pro hac vice pending
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gkeele@hallestill.com
Attorneys for CenterPoint Energy - Mississippi River Transmission, LLC

CERTIFICATE OF SERVICE

I, Garry L. Keele, hereby certify that on October 14, 2011, I served by electronic submission on the below-listed Board official and on October 17, 2011, I served by electronic mail on the Illinois Environmental Protection Agency representative listed below, a PETITION TO APPEAL FINAL CAAPP PERMIT:

Mr. John Therriault
Assistant Clerk of the Board
Illinois Pollution Control Board
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601-3218
therriaj@ipcb.state.il.us
(Via Electronic Mail)

Sally A. Carter
Assistant Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276
sally.carter@illinois.gov
(Via Electronic Mail)

Garry L. Keele

Exhibit 1

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

PAT QUINN, GOVERNOR LISA BONNETT, INTERIM DIRECTOR

AIR 0100
PERMIT
rec'd 6/22/11

217/782-2113

"RENEWAL"
CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT

PERMITTEE:

CenterPoint Energy - Mississippi River Transmission, LLC
Attn: Lacey A. Ivey, Environmental Specialist
Post Office Box 21734
Shreveport, Louisiana 71151

I.D. No.: 119818AAA
Application No.: 95120153

Date Received: February 10, 2004
Date Issued: June 14, 2011
Expiration Date[1]: June 14, 2016

Operation of: CenterPoint Energy - Mississippi River Transmission Corporation, Natural Gas Compressor Station
Source Location: Summerfield Road, St. Jacob, Madison County, 62281
Responsible Official: Frank J. Antoine, Jr., VP - Midstream Operations

This permit is hereby granted to the above-designated Permittee to OPERATE a natural gas compressor station, pursuant to the above referenced permit application. This permit is subject to the conditions contained herein.

If you have any questions concerning this permit, please contact Ross Cooper at 217/782-2113.

Edwin C. Bakowski, P.E.
MTR

Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

ECB:RWC:psj
RWC
cc: Illinois EPA, FOS, Region 3
CES
Lotus Notes

1 Except as provided in Condition 8.7 of this permit.

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 Source Identification

CenterPoint Energy - Mississippi River Transmission, LLC
Summerfield Road
St. Jacob, Illinois 62281
Jeff Giger, 618/644-3741

I.D. No.: 119818AAA
County: Madison
Standard Industrial Classification: 4922, Natural gas transmission

1.2 Owner/Parent Company

CenterPoint Energy - Mississippi River Transmission, LLC
Post Office Box 21734
Shreveport, Louisiana 71151

1.3 Operator

CenterPoint Energy - Mississippi River Transmission, LLC
Post Office Box 21734
Shreveport, Louisiana 71151

Lacey A. Ivey, Environmental Specialist
(318)429-3297

1.4 Source Description

The source compresses natural gas for pipeline transmission and/or underground storage using two natural gas fired reciprocating engines and a natural gas fired gas turbine.

Note: This narrative description is for informational purposes only and is not enforceable.

2.0 LIST OF ABBREVIATIONS AND ACRONYMS COMMONLY USED

ACMA	Alternative Compliance Market Account
Act	Illinois Environmental Protection Act [415 ILCS 5/1 et seq.]
AP-42	Compilation of Air Pollutant Emission Factors, Volume 1, Stationary Point and Other Sources (and Supplements A through F), USEPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711
ATU	Allotment Trading Unit
BACT	Best Available Control Technology
BAT	Best Available Technology
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAAPP	Clean Air Act Permit Program
CAM	Compliance Assurance Monitoring
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CO	Carbon Monoxide
ERMS	Emissions Reduction Market System
HAP	Hazardous Air Pollutant
IAC	Illinois Administrative Code
I.D. No.	Identification Number of Source, assigned by Illinois EPA
ILCS	Illinois Compiled Statutes
Illinois EPA	Illinois Environmental Protection Agency
LAER	Lowest Achievable Emission Rate
MACT	Maximum Achievable Control Technology
MSSCAM	Major Stationary Sources Construction and Modification (35 IAC 203, New Source Review for non-attainment areas)
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO_x	Nitrogen Oxides
NSPS	New Source Performance Standards
PM	Particulate Matter
PM_{10}	Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns as measured by applicable test or monitoring methods
$PM_{2.5}$	Particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 microns as measured by applicable test or monitoring methods
PSD	Prevention of Significant Deterioration (40 CFR 52.21, New Source Review for attainment areas)
RMP	Risk Management Plan
SO_2	Sulfur Dioxide
T1	Title I - identifies Title I conditions that have been carried over from an existing permit
T1N	Title I New - identifies Title I conditions that are being established in this permit
T1R	Title I Revised - identifies Title I conditions that have been carried over from an existing permit and subsequently revised in this permit
USEPA	United States Environmental Protection Agency
VOM	Volatile Organic Material

3.0 CONDITIONS FOR INSIGNIFICANT ACTIVITIES

3.1 Identification of Insignificant Activities

The following activities at the source constitute insignificant activities as specified in 35 IAC 201.210:

3.1.1 Activities determined by the Illinois EPA to be insignificant activities, pursuant to 35 IAC 201.210(a)(1) and 201.211, as follows:

Blowdown Stack

3.1.2 Activities that are insignificant activities based upon maximum emissions, pursuant to 35 IAC 201.210(a)(2) or (a)(3), as follows:

None

3.1.3 Activities that are insignificant activities based upon their type or character, pursuant to 35 IAC 201.210(a)(4) through (18), as follows:

Direct combustion units designed and used for comfort heating purposes and fuel combustion emission units as follows: (A) Units with a rated heat input capacity of less than 2.5 mmBtu/hr that fire only natural gas, propane, or liquefied petroleum gas; (B) Units with a rated heat input capacity of less than 1.0 mmBtu/hr that fire only oil or oil in combination with only natural gas, propane, or liquefied petroleum gas; and (C) Units with a rated heat input capacity of less than 200,000 Btu/hr which never burn refuse, or treated or chemically contaminated wood [35 IAC 201.210(a)(4)].

Storage tanks of any size containing virgin or re-refined distillate oil, hydrocarbon condensate from natural gas pipeline or storage systems, lubricating oil, or residual fuel oils [35 IAC 201.210(a)(11)].

Gas turbines and stationary reciprocating internal combustion engines of between 112 kW and 1,118 kW (150 and 1,500 horsepower) power output that are emergency or standby units [35 IAC 201.210(a)(16)].

3.1.4 Activities that are considered insignificant activities pursuant to 35 IAC 201.210(b). Note: These activities are not required to be individually listed.

3.2 Compliance with Applicable Requirements

Insignificant activities are subject to applicable requirements notwithstanding status as insignificant activities. In particular, in addition to regulations of general applicability, such as 35 IAC

212.301 and 212.123 (Condition 5.3.2), the Permittee shall comply with the following requirements, as applicable:

3.2.1 For each particulate matter process emission unit, the Permittee shall comply with the applicable particulate matter emission limit of 35 IAC 212.321 or 212.322 (see Attachment 2) and 35 IAC Part 266. For example, the particulate matter emissions from a process emission unit shall not exceed 0.55 pounds per hour if the emission unit's process weight rate is 100 pounds per hour or less, pursuant to 35 IAC 266.110.

3.2.2 For each organic material emission unit that uses organic material, e.g., a mixer or printing line, the Permittee shall comply with the applicable VOM emission limit of 35 IAC 215.301, which requires that organic material emissions not exceed 8.0 pounds per hour or, if no odor nuisance exists, do not qualify as photochemically reactive material as defined in 35 IAC 211.4690.

3.2.3 For each open burning activity, the Permittee shall comply with 35 IAC Part 237, including the requirement to obtain a permit for open burning in accordance with 35 IAC 237.201, if necessary.

3.2.4 For each storage tank that has a storage capacity greater than 946 liters (250 gallons) and, if no odor nuisance exists, that stores an organic material with a vapor pressure exceeding 2.5 psia at 70°F, the Permittee shall comply with the applicable requirements of 35 IAC 215.122, which requires use of a permanent submerged loading pipe, submerged fill, or a vapor recovery system.

3.3 Addition of Insignificant Activities

3.3.1 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type that is identified in Condition 3.1, until the renewal application for this permit is submitted, pursuant to 35 IAC 201.212(a).

3.3.2 The Permittee must notify the Illinois EPA of any proposed addition of a new insignificant activity of a type addressed by 35 IAC 201.210(a) and 201.211 other than those identified in Condition 3.1, pursuant to Section 39.5(12)(b) of the Act.

3.3.3 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type identified in 35 IAC 201.210(b).

4.0 SIGNIFICANT EMISSION UNITS AT THIS SOURCE

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-01	Worthington 550 Hp (#58-2)	1965	None
SN-02	White-Superior 500 Hp (#6G825)	1973	None
SN-03	Natural Gas-Fired Turbine, Allison Model 501 kB	1975	None
Dehy	Underground Natural Gas Storage and Dehydrator	1999	Scrubber and Condenser
QTA-150	Natural Gas-Fired Emergency Engine	02/2010	Catalytic Converter

5.0 OVERALL SOURCE CONDITIONS

5.1 Applicability of Clean Air Act Permit Program (CAAPP)

5.1.1 This permit is issued based on the source requiring a CAAPP permit as a major source of NO_x and CO emissions.

5.2 Area Designation

This permit is issued based on the source being located in an area that, as of the date of permit issuance, is designated attainment or unclassifiable for the National Ambient Air Quality Standards for all criteria pollutants (CO, lead, NO_2, ozone, $PM_{2.5}$, PM_{10}, SO_2).

5.3 Source-Wide Applicable Provisions and Regulations

5.3.1 Specific emission units at this source are subject to particular regulations as set forth in Section 7 (Unit-Specific Conditions for Specific Emission Units) of this permit.

5.3.2 In addition, emission units at this source are subject to the following regulations of general applicability:

a. No person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally overhead at a point beyond the property line of the source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 IAC 212.301 and 212.314.

b. Pursuant to 35 IAC 212.123(a), no person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 IAC 212.122, except as allowed by 35 IAC 212.123(b) and 212.124.

5.3.3 Ozone Depleting Substances

The Permittee shall comply with the standards for recycling and emissions reduction of ozone depleting substances pursuant to 40 CFR Part 82, Subpart F, except as provided for motor vehicle air conditioners in Subpart B of 40 CFR Part 82:

a. Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.

b. Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.

c. Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

5.3.4 Risk Management Plan (RMP)

Should this stationary source, as defined in 40 CFR 68.3, become subject to the federal regulations for Chemical Accident Prevention in 40 CFR Part 68, then the owner or operator shall submit the items below. This condition is imposed in this permit pursuant to 40 CFR 68.215(a)(2)(i) and (ii).

a. A compliance schedule for meeting the requirements of 40 CFR Part 68 by the date provided in 40 CFR 68.10(a); or

b. A certification statement that the source is in compliance with all requirements of 40 CFR Part 68, including the registration and submission of the RMP, as part of the annual compliance certification required by Condition 9.8.

5.3.5 Future Emission Standards

a. Should this stationary source become subject to a new or revised regulation under 40 CFR Parts 60, 61, 62, or 63, or 35 IAC Subtitle B after the date issued of this permit, then the owner or operator shall, in accordance with the applicable regulation(s), comply with the applicable requirements by the date(s) specified and shall certify compliance with the applicable requirements of such regulation(s) as part of the annual compliance certification, as required by Condition 9.8. This permit may also have to be revised or reopened to address such new or revised regulations (see Condition 9.12.2).

b. This permit and the terms and conditions herein do not affect the Permittee's past and/or continuing obligation with respect to statutory or regulatory requirements governing major source construction or modification under Title I of the CAA. Further, neither the issuance of this permit nor any of the terms or conditions of the permit shall alter or affect the liability of the Permittee for any violation of applicable requirements prior to or at the time of permit issuance.

5.3.6 Episode Action Plan

a. Pursuant to 35 IAC 244.141, 244.142, and 244.143, the Permittee shall maintain at the source and have on file with the Illinois EPA a written episode action plan (plan) for reducing the levels of emissions during yellow alerts, red alerts, and emergencies, consistent with safe operating procedures. The plan shall contain the information specified in 35 IAC 244.144 and is incorporated by reference into this permit.

b. The Permittee shall immediately implement the appropriate steps described in this plan should an air pollution alert or emergency be declared by the Director of the Illinois EPA or his or her designated representative.

c. If an operational change occurs at the source which invalidates the plan, a revised plan shall be submitted to the Illinois EPA for review within 30 days of the change, pursuant to 35 IAC 244.143(d). Such plans shall be further revised if disapproved by the Illinois EPA.

5.4 Source-Wide Non-Applicability of Regulations of Concern

Source-wide non-applicability of regulations of concern are not set for this source. However, there may be unit specific non-applicability of regulations of concern set forth in Section 7 of this permit.

5.5 Source-Wide Control Requirements and Work Practices

Source-wide control requirements and work practices are not set for this source. However, there may be requirements for unit specific control requirements and work practices set forth in Section 7 of this permit.

5.6 Source-Wide Production and Emission Limitations

5.6.1 Permitted Emissions for Fees

The annual emissions from the source, not considering insignificant activities as addressed by Section 3.0 of this permit, shall not exceed the following limitations. The overall source emissions shall be determined by adding emissions from all emission units. Compliance with these limits shall be determined on a calendar year basis. These limitations (Condition 5.6.1) are set for the purpose of establishing fees and are not federally enforceable (see Section 39.5(18) of the Act).

Permitted Emissions of Regulated Pollutants

Pollutant	Tons/Year
Volatile Organic Material (VOM)	4.75
Sulfur Dioxide (SO_2)	----
Particulate Matter (PM)	1.49
Nitrogen Oxides (NO_x)	216.51
HAP, not included in VOM or PM	----
Total	222.75

5.6.2 Other Source-Wide Production and Emission Limitations

Other source-wide emission limitations are not set for this source pursuant to the federal rules for PSD, state rules for MSSCAM, or Section 502(b)(10) of the CAA. However, there may be

unit specific emission limitations set forth in Section 7 of this permit pursuant to these rules.

5.7 Source-Wide Testing Requirements

5.7.1 Pursuant to 35 IAC 201.282 and Section 4(b) of the Act, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:

a. Testing by Owner or Operator: The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests [35 IAC 201.282(a)].

b. Testing by the Illinois EPA: The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary [35 IAC 201.282(b)].

c. Any such tests are also subject to the Testing Procedures of Condition 8.5 set forth in the General Permit Conditions of Section 8.

5.8 Source-Wide Monitoring Requirements

Source-wide monitoring requirements are not set for this source. However, there may be provisions for unit specific monitoring set forth in Section 7 of this permit.

5.9 Source-Wide Recordkeeping Requirements

5.9.1 Annual Emission Records

The Permittee shall maintain records of total annual emissions on a calendar year basis for the emission units covered by Section 7 (Unit Specific Conditions for Specific Emission Units)

of this permit to demonstrate compliance with Condition 5.6.1, pursuant to Section 39.5(7)(b) of the Act.

5.9.2 Retention and Availability of Records

a. All records and logs required by this permit shall be retained for at least five years from the date of entry (unless a longer retention period is specified by the particular recordkeeping provision herein), shall be kept at a location at the source that is readily accessible to the Illinois EPA or USEPA, and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request.

b. The Permittee shall retrieve and print, on paper during normal source office hours, any records retained in an electronic format (e.g., computer) in response to an Illinois EPA or USEPA request for records during the course of a source inspection.

5.10 Source-Wide Reporting Requirements

5.10.1 General Source-Wide Reporting Requirements

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the source with the permit requirements within 30 days, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken. There are also reporting requirements for unit specific emission units set forth in Section 7 of this permit.

5.10.2 Annual Emissions Report

The annual emissions report required pursuant to Condition 9.7 shall contain emissions information, including HAP emissions, for the previous calendar year.

5.11 Source-Wide Operational Flexibility/Anticipated Operating Scenarios

Source-wide operational flexibility is not set for this source. However, there may be provisions for unit specific operational flexibility set forth in Section 7 of this permit.

5.12 Source-Wide Compliance Procedures

5.12.1 Procedures for Calculating Emissions

Except as provided in Condition 9.1.3, compliance with the source-wide emission limits specified in Condition 5.6 shall be addressed by the recordkeeping and reporting requirements of Conditions 5.9 and 5.10, and compliance procedures in Section 7 (Unit Specific Conditions for Specific Emission Units) of this permit.

6.0 CONDITIONS FOR EMISSIONS CONTROL PROGRAMS

This section is reserved for emissions control programs. As of the date of issuance of this permit, there are no such programs applicable to this source.

7.0 UNIT SPECIFIC CONDITIONS FOR SPECIFIC EMISSION UNITS

7.1 Natural Gas Fired Engines

7.1.1 Description

Natural gas fired engines used for running compressors for pipeline transmission and/or underground storage.

Note: This narrative description is for informational purposes only and is not enforceable.

7.1.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-01	Worthington 550 Hp (#58-2)	1965	None
SN-02	White-Superior 500 Hp (#6G825)	1973	None

7.1.3 Applicable Provisions and Regulations

a. The "affected engines" for the purpose of these unit-specific conditions, are engines described in Conditions 7.1.1 and 7.1.2.

b. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

c. No person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm [35 IAC 214.301].

d. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located in the Chicago

or St. Louis (Illinois) major metropolitan areas shall comply with applicable sections of 35 IAC 214 Subparts B through F.

Note: There are no applicable standards for gaseous fuel burning in 35 IAC 214 Subparts B through F.

e. Startup Provisions

Subject to the following terms and conditions, the Permittee is authorized to operate an affected engine in violation of the applicable standards in Condition 7.1.3(b) during startup. This authorization is provided pursuant to 35 IAC 201.149, 201.161 and 201.262, as the Permittee has applied for such authorization in its application, generally describing the efforts that will be used "…to minimize startup emissions, duration of individual starts, and frequency of startups."

i. This authorization does not relieve the Permittee from the continuing obligation to demonstrate that all reasonable efforts are made to minimize startup emissions, duration of individual startups and frequency of startups.

ii. The Permittee shall conduct startup of the engines in accordance with written procedures prepared by the Permittee and maintained at the facility, in the control room for the engines, that are specifically developed to minimize emissions from startups and that include, at a minimum, the following measures:

A. The Permittee shall conduct startup of an affected engine in accordance with the manufacturer's written instructions or other written instructions prepared by the Permittee and maintained on site.

B. The Permittee shall follow normal work practices and proper operation of compressors to minimize the number of shutdowns and in turn minimize the number of startups.

iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Condition 7.1.9(b) and 7.1.10(c).

iv. As provided by 35 IAC 201.265, an authorization in a permit for excess emissions during startup does not shield a Permittee from enforcement for any violation of applicable emission standard(s) that occurs during startup and only constitutes a prima facie defense to such an enforcement action provided that the

Permittee has fully complied with all terms and conditions connected with such authorization.

7.1.4 Non-Applicability of Regulations of Concern

a. The affected engines are not subject to the New Source Performance Standards (NSPS) for Compression Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart IIII, because the affected engines are by definition, 40 CFR 60.4219, spark ignition engines rather than compression ignition engines.

b. i. The affected engines are not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities, because the affected engines are not dehydration units pursuant to 40 CFR 63.1270(b).

ii. The affected engines are excluded from certain requirements of the National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines 40 CFR Part 63, Subpart ZZZZ, because the affected engines are subject pursuant to 40 CFR 63.6590(a)(1)(iii).

c. The affected engines are not subject to 35 IAC 212.321 or 212.322, due to the nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

d. The affected engines are not subject to 35 IAC 216.121 because the affected landfill gas engines are not fuel combustion units, as defined by 35 IAC 211.2470.

e. The affected engines are not subject to 35 IAC 217.141 because the affected engines are not fuel combustion units, as defined by 35 IAC 211.2470.

f. Each affected engine is not subject to the requirements of 35 IAC 219.143 because the blowdown emissions associated with engines are not considered to be vapor blowdown pursuant to 35 IAC 219.143.

g. The affected engines are not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected engines do not use an add-on control device to achieve compliance with an emission limitation or standard.

7.1.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected engine, including periodic inspection, routine maintenance and prompt repair of defects.

b. Natural gas shall be the only fuel fired in the affected engines.

7.1.6 Production and Emission Limitations

Production and emission limitations are not set for the affected engines. However, there are source-wide production and emission limitations set forth in Condition 5.6.

7.1.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the Permittee shall have the opacity of the exhaust from the affected engine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. Such testing shall be conducted for specific engine(s) within 70 calendar days of the request, or on the date affected engine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

v. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The Permittee shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of engine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

7.1.8 Monitoring Requirements

a. i. If an affected engine is routinely operated or exercised to confirm that the affected engine will operate when needed, the operation and opacity of the affected engine shall be formally observed by operating personnel for the affected engine or a member of Permittee's environmental staff on a regular basis to assure that the affected engine is operating properly, which observations shall be made at least every six months.

ii. If an affected engine is not routinely operated or exercised, i.e., the time interval between operation of an affected engine is typically greater than six months, the operation and opacity of the affected engine shall be formally observed as provided above each time the Permittee carries out a scheduled exercise of the affected engine.

iii. The Permittee shall also conduct formal observations of operation and opacity of an affected engine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the Permittee may schedule these observations to take place during periods when it would otherwise be operating the affected engine.

Note: The "formally observation" required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected engines who would be able to make a determination based from the affected engines who would be able to make a determination based from the observed opacity as to whether of not the affected engine was running properly, and subsequently initiate a corrective action if necessary.

7.1.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected engines to demonstrate compliance with Conditions 5.6.1 and 7.1.3, pursuant to Section 39.5(7)(b) of the Act:

a. i. The Permittee shall keep onsite records of the results of periodic inspections, routine maintenance, and repair of defects. Upon request, these documents shall be made available for inspection and copying by the Illinois EPA.

ii. An operating log for each affected engine, which shall include the following information:

A. Information for the observations conducted pursuant to Condition 7.1.8(a) or 7.1.7(a), with date, time, personnel, and findings.

I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected engine that it conducts or that are conducted on its behalf by individuals who are qualified to make such observations for Condition 7.1.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.

II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.1.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected engine was running properly, and whether or not corrective action is necessary and was subsequently initiated.

b. The Permittee shall keep monthly records of the following items for the affected engine:

i. Natural gas usage rates per affected engine, mmscf/mo and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.1.12(b).

c. Records for Startup

The Permittee shall maintain the following records, pursuant to Section 39.5(7)(b) of the Act, for each affected engines subject to Condition 7.1.3(f), which at a minimum shall include:

i. The following information for each startup of the affected engines:

A. Date and duration of the startup, i.e., start time and time normal operation achieved.

B. If normal operation was not achieved within 10 minutes, an explanation why startup could not be achieved within this time.

C. A detailed description of the startup, including reason for operation and whether normal work practices and proper operation was performed.

D. An explanation why normal work practices and proper operation and other established startup procedures could not be performed, if not performed.

E. Whether exceedance of Condition 5.3.2 and 7.1.3(b) may have occurred during startup. If an exceedance may have occurred, an explanation of the nature of opacity, i.e., severity and duration, during the startup and the nature of opacity at the conclusion of startup.

ii. A maintenance and repair log for each affected engine, listing each activity performed with date.

7.1.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected engines with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions from the affected engines in excess of the limits specified in Condition 7.1.3 within 30 days of such occurrence.

ii. Operation of the affected engines in excess of the limits specified in Condition 7.1.5 within 30 days of such occurrence.

b. i. Natural gas usage rates per affected engine, mmscf/month and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.1.12(b).

c. Reporting of Startups

In accordance with the due dates in Condition 8.6.1, the Permittee shall submit semi-annual startup reports to the Illinois EPA pursuant to Sections 39.5(7)(a) and (f) of the Act. These reports may be submitted along with other semi-annual reports and shall include the following information for startups of the affected engines during the reporting period:

i. A list of the startups of the affected engines, including the date, duration and description of each startup, accompanied by a copy of the records pursuant to Condition 7.1.9(b) for each startup for which such records were required.

ii. If there have been no startups of an affected engines during the reporting period, this shall be stated in the report.

7.1.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected engines.

7.1.12 Compliance Procedures

a. Compliance with the PM emission limitations of Conditions 7.1.3(b) is addressed by the requirements of Condition 7.1.5(a), the testing requirements in Condition 7.1.7(a), the monitoring requirements of Condition 7.1.8(a), the records required in Condition 7.1.9(a), and the reports required in Condition 7.1.10(a).

b. i. Compliance with the SO_2 emission limitation of Condition 7.1.3(c) is addressed by the requirements of Condition 7.1.5, and the records and reports required in Conditions 7.1.9 and 7.1.10.

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.2.3(c), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 is addressed by the records required in Condition 7.1.9(a) and the emission factors and formulas listed below:

i. Emission factors for the affected engines:

	Emission Factors	
	Engine Worthington (SN-01)	White Superior (SN-02)
Pollutant	(lb/mmBtu)	(lb/mmBtu)
VOM	2.96E-02	2.96E-02
PM	9.50E-03	9.50E-03
SO_2	5.88E-04	5.88E-04
CO	3.72	3.72
	(lb/hr)	(lb/hr)
NO_x*	13.52	24.00

The emission factors for VOM, PM, SO_2, and CO are from AP-42 Section 3.2 (dated July 2000). The emission factor for NO_x is based from source test data, multiplied by engineering safety factor (1.5 for SN-01 and 1.2 for SN-02) for operational and test variations.

7.1.13 State-Only Conditions

Pursuant to 35 IAC 217.386(a)(2)(A), the Permittee shall comply with applicable requirements of these rules for the affected engines, including:

a. Compliance with the applicable NO_x emission standard(s), pursuant to 35 IAC 217.388.

b. When using an emissions averaging plan, show compliance with the applicable emissions averaging plan pursuant to 35 IAC 217.390.

c. Certifying to the Illinois EPA that the affected engine will be in compliance with the applicable emission limitation(s) of 35 IAC 217.388 by the applicable compliance dates in 35 IAC 217.392.

d. Compliance with the applicable testing and monitoring in accordance with 35 IAC 217.394.

e. Compliance with the applicable recordkeeping and reporting in accordance with 35 IAC 217.396.

7.2 Natural Gas Fired Turbine

7.2.1 Description

Natural gas fired turbine used to provide power to for running a compressor for pipeline transmission and/or underground storage.

Note: This narrative description is for informational purposes only and is not enforceable.

7.2.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-03	Natural Gas-Fired Turbine, Allison Model 501 kB	1975	None

7.2.3 Applicable Provisions and Regulations

a. The "affected turbine" for the purpose of these unit-specific conditions, is a turbine described in Conditions 7.2.1 and 7.2.2.

b. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

c. No person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm [35 IAC 214.301].

d. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located in the Chicago or St. Louis (Illinois) major metropolitan areas shall comply with applicable sections of 35 IAC 214 Subparts B through F.

Note: There are no applicable standards for gaseous fuel burning in 35 IAC 214 Subparts B through F.

e. Startup Provisions

Subject to the following terms and conditions, the Permittee is authorized to operate an affected turbine in violation of the applicable standards in Condition 7.1.3(b) during startup. This authorization is provided pursuant to 35 IAC 201.149, 201.161 and 201.262, as the Permittee has applied for such authorization in its application, generally describing the efforts that will be used "...to minimize startup emissions, duration of individual starts, and frequency of startups."

i. This authorization does not relieve the Permittee from the continuing obligation to demonstrate that all reasonable efforts are made to minimize startup emissions, duration of individual startups and frequency of startups.

ii. The Permittee shall conduct startup of the affected turbine (SN-03) in accordance with written procedures prepared by the Permittee and maintained at the facility, in the control room for the affected turbine (SN-03), that are specifically developed to minimize emissions from startups and that include, at a minimum, the following measures:

A. The Permittee shall conduct startup of an affected turbine in accordance with the manufacturer's written instructions or other written instructions prepared by the Permittee and maintained on site.

B. The Permittee shall follow normal work practices and proper operation of compressors to minimize the number of shutdowns and in turn minimize the number of startups.

iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Condition 7.2.9(b) and 7.2.10(c).

iv. As provided by 35 IAC 201.265, an authorization in a permit for excess emissions during startup does not shield a Permittee from enforcement for any violation of applicable emission standard(s) that occurs during startup and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.

7.2.4 Non-Applicability of Regulations of Concern

a. i. The affected turbines are not subject to the New Source Performance Standards (NSPS) for Stationary Combustion Turbines, 40 CFR Part 60, Subpart GG, because the affected turbine did not commence construction, modification, or reconstruction after February 18, 2005 pursuant to 40 CFR 60.4305(a).

ii. The affected turbines are not subject to the New Source Performance Standards (NSPS) for Stationary Combustion Turbines, 40 CFR Part 60, Subpart KKKK, because the affected turbines did not commence construction, modification, or reconstruction after February 18, 2005 pursuant to 40 CFR 60.4305(a), and are therefore subject to 40 CFR Part 60, Subpart GG for Stationary Gas Turbines.

Note: To qualify for this non-applicability, the Permittee has certified that the turbines have not been modified or reconstructed after February 18, 2005.

b. i. The affected turbine is not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities , because the affected turbine is not a dehydration unit pursuant to 40 CFR 63.1270(b).

ii. The affected turbine is not subject to the National Emissions Standards for Hazardous Air Pollutants for Stationary Combustion Turbines, 40 CFR Part 63, Subpart YYYY, because the affected turbines is not located at a major source of HAP emissions, pursuant to 40 CFR 63.6085.

c. The affected turbine is not subject to 35 IAC 212.321 or 212.322, due to the unique nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

d. The affected turbines are not subject to 35 IAC 216.121 because the affected turbines are not fuel combustion units, as defined by 35 IAC 211.2470.

e. i. The affected turbines are not subject to 35 IAC Part 217, Subpart V: Electric Power Generation, because the affected turbines neither serve a generator that has a nameplate capacity greater than 25 MWe and produces electricity for sale nor have any unit with a maximum design heat input that is greater than 250 mmBtu/hr that commenced operation on or after January 1, 1999, serving at any time a generator that has a nameplate capacity of 25 MWe or less and has

the potential to use more than 50% of the potential electrical output capacity of the unit, pursuant to 35 IAC 217.704.

ii. The affected turbines are not subject to 35 IAC 217.141 because the affected turbines are not fuel combustion units, as defined by 35 IAC 211.2470.

f. Each affected engine is not subject to the requirements of 35 IAC 219.143 because the blowdown emissions associated with engines are not considered to be vapor blowdown pursuant to 35 IAC 219.143.

g. The affected turbine is not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected turbine does not use an add-on control device to achieve compliance with an emission limitation or standard.

7.2.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected turbine, including periodic inspection, routine maintenance and prompt repair of defects.

b. Natural gas shall be the only fuel fired in the affected turbine.

7.2.6 Production and Emission Limitations

Production and emission limitations are not set for the affected turbine. However, there are source-wide production and emission limitations set forth in Condition 5.6.

7.2.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the source owner or operator shall have the opacity of the exhaust from the affected turbine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. Such testing shall be conducted for specific turbine(s) within 90 calendar days of the request, or on the date turbine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The source owner or operator shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

v. The source owner or operator shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The source owner or operator shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The source owner or operator shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of turbine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

7.2.8 Monitoring Requirements

a. i. If an affected turbine is routinely operated or exercised to confirm that the turbine will operate when needed, the operation and opacity of the affected turbine shall be formally observed by operating personnel for the affected turbine or a member of source owner or operator's environmental staff on a regular basis to assure that the affected turbine is operating properly, which observations shall be made at least every six months.

ii. If an affected turbine is not routinely operated or exercised, i.e., the time interval between operation of an affected turbine is typically greater than six months, the operation and opacity of the affected turbine shall be formally observed as provided above

each time the source owner or operator carries out a scheduled exercise of the affected turbine.

iii. The source owner or operator shall also conduct formal observations of operation and opacity of an affected turbine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the source owner or operator may schedule these observations to take place during periods when it would otherwise be operating the affected turbine.

Note: The formal observation required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected turbine who would be able to make a determination based from the observed opacity as to whether or not the affected turbine was running properly, and subsequently initiate a corrective action if necessary.

7.2.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected turbine to demonstrate compliance with Conditions 5.6.1 and 7.2.3, pursuant to Section 39.5(7)(b) of the Act:

a. i. The Permittee shall keep onsite records of the results of periodic inspections, routine maintenance, and repair of defects. Upon request, these documents shall be made available for inspection and copying by the Illinois EPA.

ii. An operating log for each affected engine, which shall include the following information:

A. Information for the observations conducted pursuant to Condition 7.1.8(a) or 7.1.7(a), with date, time, personnel, and findings.

I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected that it conducts or that are conducted on its behalf by individuals who are qualified to make such observations for Condition 7.1.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.

II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.1.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected turbine was running properly, and whether or not corrective action is necessary and was subsequently initiated.

b. The Permittee shall keep monthly records of the following items for the affected turbine:

i. Natural gas usage rates per affected turbine, mmscf/mo and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.2.12(b).

c. Records for Startup

The Permittee shall maintain the following records, pursuant to Section 39.5(7)(b) of the Act, for each affected turbine subject to Condition 7.2.3(b), which at a minimum shall include:

i. The following information for each startup of the affected turbine:

A. Date and duration of the startup, i.e., start time and time normal operation achieved.

B. If normal operation was not achieved within 10 minutes, an explanation why startup could not be achieved within this time.

C. A detailed description of the startup, including reason for operation and whether normal work practices and proper operation was performed.

D. An explanation why normal work practices and proper operation and other established startup procedures could not be performed, if not performed.

E. Whether exceedance of Condition 5.3.2 and 7.2.3(b) may have occurred during startup. If an exceedance may have occurred, an explanation

of the nature of opacity, i.e., severity and duration, during the startup and the nature of opacity at the conclusion of startup.

ii. A maintenance and repair log for the affected turbine, listing each activity performed with date.

7.2.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected turbine with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions from the affected turbine in excess of the limits specified in Condition 7.2.3 within 30 days of such occurrence.

ii. Operation of the affected turbines in excess of the limits specified in Condition 7.2.5 within 30 days of such occurrence.

b. i. Natural gas usage rates per affected turbine, mmscf/mo and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.2.12(b).

c. Reporting of Startups

In accordance with the due dates in Condition 8.6.1, the Permittee shall submit semi-annual startup reports to the Illinois EPA pursuant to Sections 39.5(7)(a) and (f) of the Act. These reports may be submitted along with other semi-annual reports and shall include the following information for startups of the affected turbine during the reporting period:

i. A list of the startups of the affected turbine, including the date, duration and description of each startup, accompanied by a copy of the records pursuant to Condition 7.2.9(b) for each startup for which such records were required.

ii. If there have been no startups of an affected turbine during the reporting period, this shall be stated in the report.

7.2.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected turbine. However, there may be provisions for source-wide operational flexibility set forth in Condition 5.11 of this permit.

7.2.12 Compliance Procedures

a. Compliance with the PM emission limitations of Conditions 7.2.3(b) is addressed by the requirements of Condition 7.2.5(a), the testing requirements in Condition 7.2.7(a), the monitoring requirements of Condition 7.2.8(a), the records required in Condition 7.2.9(a), and the reports required in Condition 7.2.10(a).

b. i. Compliance with the SO_2 emission limitation of Condition 7.2.3(c) is addressed by the requirements of Condition 7.2.5, and the records and reports required in Conditions 7.2.9 and 7.2.10.

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.2.3(c), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 and 7.2.3(c) and (e) are addressed by the records required in Condition 7.1.9(a) and the emission factors and formulas listed below:

i. Emission factors for the affected turbine:

Pollutant	Emission Factors Engine Worthington (SN-01) (lb/mmBtu)
VOM	2.1E-03
PM	6.6E-03
SO_2	3.4E-03
CO	8.2E-02

	(lb/hr)
NO_x*	19.18

The emission factors for VOM, PM, SO_2, and CO are from AP-42 Section 3.1 (dated April 2000). The emission factor for NO_x is based from source test data, multiplied by engineering safety factor (1.2 for SN-03) for operational and test variations.

7.2.13 State-Only Conditions

Pursuant to 35 IAC 217.386(a)(2)(B), the Permittee shall comply with applicable requirements of these rules for the affected engines, including:

a. Compliance with the applicable NO_x emission standard(s), pursuant to 35 IAC 217.388.

b. When using an emissions averaging plan, show compliance with the applicable emissions averaging plan pursuant to 35 IAC 217.390.

c. Certifying to the Illinois EPA that the affected engine will be in compliance with the applicable emission limitation(s) of 35 IAC 217.388 by the applicable compliance dates in 35 IAC 217.392.

d. Compliance with the applicable testing and monitoring in accordance with 35 IAC 217.394.

e. Compliance with the applicable recordkeeping and reporting in accordance with 35 IAC 217.396.

7.3 Intentionally Left Blank

7.4 Underground Natural Gas Storage and Dehydrator

7.4.1 Description

Underground natural gas storage dehydration process prior to being sent out on the pipeline. The process uses triethyleneglycol (TEG) and a natural gas fired reboiler (0.75 mmBtu/hr) to drive off the vapor.

Note: This narrative description is for informational purposes only and is not enforceable.

7.4.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
Dehy	Natural Gas Dehydrator	1999	Scrubber and Condenser

7.4.3 Applicable Provisions and Regulations

a. The "affected dehydrator" for the purpose of these unit-specific conditions, is a dehydrator described in Conditions 7.4.1 and 7.4.2.

b. Pursuant to 35 IAC 219.301, no person shall cause or allow the discharge of more than 8 lbs/hr of organic material into the atmosphere from any emission unit, except as provided in 35 IAC 219.302, 219.303, 219.304 and the following exception: If no odor nuisance exists the limitation of this Subpart shall apply only to photochemically reactive material.

7.4.4 Non-Applicability of Regulations of Concern

a. The affected dehydrator is not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities , because the affected turbine does not transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user (if there are no local distribution company) at a major sources of hazardous air pollutants (HAP) emissions as defined in 40 CFR 63.1271, pursuant to 40 CFR 63.1270(a).

b. The affected dehydrator is not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected dehydrator does not have potential pre-control device emissions of the applicable regulated air pollutant that equals or exceeds major source threshold levels.

7.4.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected dehydrator, including periodic inspection, routine maintenance and prompt repair of defects.

7.4.6 Production and Emission Limitations

In addition to Condition 5.3.2 and the source-wide emission limitations in Condition 5.6, the affected dehydrator is subject to the following:

a. The affected dehydrator shall not exceed 7,050 gal/year of methanol and 3,680,000 gallons/year for triethylene glycol usage. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total). This limit was established in Permit 96020085 [T1].

b. VOM emissions from the affected natural gas storage and transmission operations shall not exceed nominal emission rates of 1.3 lb/hour and 2.3 tons/year. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total). These limits were established in Permit 96020085 [T1].

7.4.7 Testing Requirements

Testing requirements are not set for the affected dehydrator.

7.4.8 Monitoring Requirements

Monitoring requirements are not set for the affected dehydrator.

7.4.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected dehydrator to demonstrate compliance with Conditions 5.6.1, 7.4.3, and 7.4.6, pursuant to Section 39.5(7)(b) of the Act:

a. Amount of natural gas dehydrated, mmscf/mo and mmscf/year.

b. Usage of methanol and triethylene glycol (gallon or lb/month).

c. Emissions of VOM and HAPs (ton/mo and ton/yr).

7.4.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected dehydrator with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions of VOM from the affected dehydrator in excess of the limits specified in Conditions 7.4.3 or 7.4.6 within 30 days of such occurrence.

ii. Operation of the affected dehydrator in excess of the limits specified in Condition 7.4.6 within 30 days of such occurrence.

7.4.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected dehydrator.

7.4.12 Compliance Procedures

a. Compliance with Condition 7.4.3(b) is addressed by the requirements of Condition 7.4.5(a), and the records required in Condition 7.4.9.

b. Compliance with the VOM emission limitation of Condition 7.4.6(b) is addressed by the records required in Condition 7.4.9.

7.5 Natural Gas-Fired Emergency Engine(s) (Subject to NESHAP - 40 CFR 63 Subpart ZZZZ and NSPS - 40 CFR 60 Subpart JJJJ)

7.5.1 Description

The engine(s) are process emission units used for driving a generator for onsite or backup electrical needs. The engine(s) fire natural gas.

Note: This narrative description is for informational purposes only and is not enforceable.

7.5.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
QTA-150[1]	Backup/Onsite Electric Generation	02/2010	Catalytic Converter

[1] Please see section 3.1.3 as this emission unit is also considered an insignificant activity.

7.5.3 Applicable Provisions and Regulations

a. The "affected natural gas engine(s) natural gas engine(s)" for the purpose of these unit-specific conditions, are natural gas engine(s) described in Conditions 7.5.1 and 7.5.2.

b. Pursuant to 40 CFR 60.4230(a)(4), the affected natural gas engine(s) are subject to the NSPS for Spark Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart JJJJ, because the Permittee is an owner or operator of a stationary SI ICE that commenced 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 25 HP, pursuant to 40 CFR 60.4230(a)(4)(iv).

Pursuant to 40 CFR 60.4233(e), owners and operators of stationary SI ICE with a maximum engine power greater than or equal to 75 KW (100 HP) (except gasoline and rich burn engines that use LPG) must comply with the emission standards in Table 1, below, to this subpart for their stationary SI ICE. For owners and operators of stationary SI ICE with a maximum engine power greater than or equal to 100 HP (except gasoline and rich burn engines that use LPG) manufactured prior to January 1, 2011 that were certified to the certification emission standards in 40 CFR part 1048 applicable to engines that are not severe duty engines, if such stationary SI ICE was certified to a carbon monoxide (CO) standard above the standard in Table 1

to this subpart, then the owners and operators may meet the CO certification (not field testing) standard for which the engine was certified.

Table 1 to Subpart JJJJ of Part 60—NO_x, CO, and VOC Emission Standards for Stationary Non-Emergency SI Engines ≥ 100 HP (Except Gasoline and Rich Burn LPG), Stationary SI Landfill/Digester Gas Engines, and Stationary Emergency Engines >25 HP

Engine Type And Fuel	Maximum Engine Power	Manufacture Date	Emission Standards[a]					
			g/HP-hr			ppmvd at 15% O_2		
			NO_x	CO	VOC[d]	NO_x	CO	VOC[d]
Emergency	HP ≥ 130	1/1/2009	2.0	4.0	1.0	160	540	86

[a] Owners and operators of stationary non-certified SI engines may choose to comply with the emission standards in units of either g/HP-hr or ppmvd at 15 percent O_2.

[d] For purposes of this subpart, when calculating emissions of volatile organic compounds, emissions of formaldehyde should not be included.

c. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

d. i. Pursuant to 35 IAC 214.301, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.

ii. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located

in the Chicago or St. Louis (Illinois) major metropolitan areas shall comply with applicable Subparts B through F, in this case 35 IAC 214.161(b). Pursuant to 35 IAC 214.161(b), no person shall cause or allow the emission of sulfur dioxide into the atmosphere in any one hour period from any existing fuel combustion emission source, burning liquid fuel exclusively to exceed 0.3 lbs/mmBtu of sulfur dioxide per MW-hr of actual heat input when distillate fuel oil is burned.

7.5.4 Non-Applicability of Regulations of Concern

a. The affected natural gas engine(s) are not subject to the New Source Performance Standards (NSPS) for Compression Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart IIII, because the affected natural gas engine(s) are by definition, 40 CFR 60.4219, spark ignition engines rather than compression ignition engines.

b. The affected natural gas engine(s) are excluded from certain requirements of the National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines 40 CFR Part 63, Subpart ZZZZ, because the affected natural gas engine(s) are new or reconstructed spark ignition engines at an area or major source less than or equal to 500 BHP pursuant to 40 CFR 63.6590(c). Requirements necessary to maintain the exclusion, and therefore compliance with that Part, are found within this Section. Specifically, those requirements are not becoming an affected source pursuant to 40 CFR 63.6590.

c. The affected natural gas engine(s) are not subject to the Acid Rain Program, 40 CFR 72, because each of the affected natural gas engine(s) serves one or more generators with the total nameplate capacity of 25 MWe or less, pursuant to 40 CFR 72.7(a)(1).

d. The affected natural gas engine(s) are not subject to 35 IAC 212.321 or 212.322, due to the unique nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

e. The affected natural gas engine(s) are not subject to 35 IAC 216.121 because the affected natural gas engine(s) are not fuel combustion units, as defined by 35 IAC 211.2470.

f. i. The affected natural gas engine is not subject to 35 IAC Part 217, Subpart Q: Stationary Reciprocating Internal Combustion Engines and Turbines, because the affected natural gas engine is used as an emergency

or standby unit as defined by 35 Ill. Adm. Code 211.1920, pursuant to 35 IAC 217.386(b)(1).

ii. The affected natural gas engine(s) are not subject to 35 IAC 217.141 because the affected natural gas engines are not fuel combustion units, as defined by 35 IAC 211.2470.

g. The affected natural gas engine(s) are not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected natural gas engine(s) are subject to a NSPS proposed after November 15, 1990, pursuant to 40 CFR 64.2(b)(1)(i).

7.5.5 Control Requirements and Work Practices

a. At all times, including periods of startup, shutdown, and malfunction, the source owner or operator shall, to the extent practicable, maintain and operate any affected natural gas engine(s)in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Illinois EPA or the USEPA which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source [40 CFR 60.11(d)].

b. Natural gas shall be the only fuel fired in the affected natural gas engine(s).

c. The Illinois EPA shall be allowed to sample all fuels stored at the source.

d. For purposes of being considered an emergency or standby unit(s) pursuant to 35 IAC 201.210(a)(16) and 35 IAC 211.1920, the affected natural gas engine(s) shall not exceed 500 hours of operation per year.

e. Pursuant to 40 CFR 60.4243(d), emergency stationary ICE may be operated for the purpose of maintenance checks and readiness testing, provided that the tests are recommended by Federal, State or local government, the manufacturer, the vendor, or the insurance company associated with the engine. Maintenance checks and readiness testing of such units is limited to 100 hours per year. There is no time limit on the use of emergency stationary ICE in emergency situations. The owner or operator may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency ICE beyond 100

hours per year. Emergency stationary ICE may operate up to 50 hours per year in non-emergency situations, but those 50 hours are counted towards the 100 hours per year provided for maintenance and testing. The 50 hours per year for non-emergency situations cannot be used for peak shaving or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity. For owners and operators of emergency engines, any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as permitted in this section, is prohibited.

f. Pursuant to 40 CFR 60.4243(g), it is expected that air-to-fuel ratio (AFR) controllers will be used with the operation of three-way catalysts/non-selective catalytic reduction. The AFR controller must be maintained and operated appropriately in order to ensure proper operation of the engine and control device to minimize emissions at all times.

g. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total) [T1].

7.5.6 Production and Emission Limitations

Production and emission limitations are not set for the affected natural gas engine(s).

7.5.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the Permittee shall have the opacity of the exhaust from the affected natural gas engine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. Such testing shall be conducted for specific affected natural gas engine(s) (s) within 60 calendar days of the request, or on the date the affected natural gas engine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

v. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The Permittee shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of engine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

b. Pursuant to 40 CFR 60.4243(f), if you are an owner or operator of a stationary SI internal combustion engine that is less than or equal to 500 HP and you purchase a non-certified engine or you do not operate and maintain your certified stationary SI internal combustion engine and control device according to the manufacturer's written emission-related instructions, you are required to perform initial performance testing as indicated, but you are not required to conduct subsequent performance testing unless the stationary engine is rebuilt or undergoes major repair or maintenance. A rebuilt stationary SI ICE means an engine that has been rebuilt as that term is defined in 40 CFR 94.11(a).

c. Pursuant to 40 CFR 60.4244, owners and operators of stationary SI ICE who conduct performance tests must follow the procedures below:

i. Each performance test must be conducted within 10 percent of 100 percent peak (or the highest achievable) load and according to the requirements in

40 CFR 60.8 and under the specific conditions that are specified by Table 2 of 40 CFR 60 Subpart JJJJ, pursuant to 40 CFR 60.4244(a).

Note: Table 2 of 40 CFR 60 Subpart JJJJ, Requirements for Performance Tests, is found in Section 7.5.13

ii. You may not conduct performance tests during periods of startup, shutdown, or malfunction, as specified in 40 CFR 60.8(c). If your stationary SI internal combustion engine is non-operational, you do not need to startup the engine solely to conduct a performance test; however, you must conduct the performance test immediately upon startup of the engine, pursuant to 40 CFR 60.4244(b).

iii. You must conduct three separate test runs for each performance test required in this section, as specified in 40 CFR 60.8(f). Each test run must be conducted within 10 percent of 100 percent peak (or the highest achievable) load and last at least 1 hour, pursuant to 40 CFR 60.4244(c).

iv. Pursuant to 40 CFR 60.4244(d), to determine compliance with the NO_x mass per unit output emission limitation, convert the concentration of NO_x in the engine exhaust using Equation 1 of this section:

$$ER = \frac{C_d \times 1.912 \times 10^{-3} \times Q \times T}{HP\text{-}hr} \qquad \text{(Eq. 1)}$$

Where:

ER = Emission rate of NOX in g/HP-hr.

Cd = Measured NO_x concentration in parts per million by volume (ppmv).

1.912 × 10-3 = Conversion constant for ppm NO_x to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meter per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, horsepower-hour (HP-hr).

v. Pursuant to 40 CFR 60.4244(e), to determine compliance with the CO mass per unit output emission

limitation, convert the concentration of CO in the engine exhaust using Equation 2 of this section:

$$ER = \frac{C_d \times 1.164 \times 10^{-3} \times Q \times T}{HP - hr} \qquad (Eq. 2)$$

Where:

ER = Emission rate of CO in g/HP-hr.

Cd = Measured CO concentration in ppmv.

1.164 × 10-3 = Conversion constant for ppm CO to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meters per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, in HP- hr.

vi. A. Pursuant to 40 CFR 60.4244(f), for purposes of this subpart, when calculating emissions of VOC, emissions of formaldehyde should not be included. To determine compliance with the VOC mass per unit output emission limitation, convert the concentration of VOC in the engine exhaust using Equation 3 of this section:

$$ER = \frac{C_d \times 1.833 \times 10^{-3} \times Q \times T}{HP - hr} \qquad (Eq. 3)$$

Where:

ER = Emission rate of VOC in g/HP-hr.

Cd = VOC concentration measured as propane in ppmv.

1.833 × 10-3 = Conversion constant for ppm VOC measured as propane, to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meters per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, in HP-hr.

B. Pursuant to 40 CFR 60.4244(g), if the owner/operator chooses to measure VOC emissions using either Method 18 of 40 CFR part 60, appendix A, or Method 320 of 40 CFR part 63, appendix A, then it has the option of correcting the measured VOC emissions to account for the potential differences in measured values between these methods and Method 25A. The results from Method 18 and Method 320 can be corrected for response factor differences using Equations 4 and 5 of this section. The corrected VOC concentration can then be placed on a propane basis using Equation 6 of this section.

$$RF_i = \frac{C_{Mi}}{C_{Ai}} \qquad \text{(Eq. 4)}$$

Where:

RF_i = Response factor of compound i when measured with EPA Method 25A.

CM_i = Measured concentration of compound i in ppmv as carbon.

CA_i = True concentration of compound i in ppmv as carbon.

$$C_{icorr} = RF_i \times C_{imeas} \qquad \text{(Eq. 5)}$$

Where:

C_{icorr} = Concentration of compound i corrected to the value that would have been measured by EPA Method 25A, ppmv as carbon.

C_{imeas} = Concentration of compound i measured by EPA Method 320, ppmv as carbon.

$$C_{Eq} = 0.6098 \times C_{icorr} \qquad \text{(Eq. 6)}$$

Where:

CPeq = Concentration of compound i in mg of propane equivalent per DSCM.

7.5.8 Monitoring Requirements

a. i. If an affected natural gas engine is routinely operated or exercised to confirm that the affected natural gas engine will operate when needed, the operation and opacity of the affected natural gas engine shall be formally observed by operating personnel for the affected natural gas engine or a member of Permittee's environmental staff on a regular basis to assure that the affected natural gas engine is operating properly, which observations shall be made at least every six months.

ii. If an affected natural gas engine is not routinely operated or exercised, i.e., the time interval between operation of an affected natural gas engine is typically greater than six months, the operation and opacity of the affected natural gas engine shall be formally observed as provided above each time the Permittee carries out a scheduled exercise of the affected natural gas engine.

iii. The Permittee shall also conduct formal observations of operation and opacity of an affected natural gas engine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the Permittee may schedule these observations to take place during periods when it would otherwise be operating the affected natural gas engine.

Note: The "formally observation" required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected natural gas engine who would be able to make a determination based from the observed opacity as to whether of not the affected natural gas engine was running properly, and subsequently initiate a corrective action if necessary.

7.5.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for each affected natural gas engine to demonstrate compliance with Conditions 5.6.1 and 7.5.3, pursuant to Section 39.5(7)(b) of the Act:

a. i. An operating log for each affected natural gas engine, which shall include the following information:

A. Information for each time the affected natural gas engine is operated, with date, time, duration, and purpose (i.e., exercise or power service). Monthly and annual records of hours of operation of each affected natural gas engine and total hours of operation.

B. Information for the observations conducted pursuant to Condition 7.5.8(a) or 7.5.7(a), with date, time, personnel, and findings.

I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected natural gas engine that it conducts or that are conducted on its behalf by individuals who are qualified to make such observations for Condition 7.5.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.

II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.5.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected natural gas engine was running properly, and whether or not corrective action is necessary and was subsequently initiated.

C. Information identifying any deviation from Condition 7.5.5(b).

ii. A maintenance and repair log for each affected natural gas engine and associated equipment, listing activities performed with date.

iii. The Permittee shall keep records of good operating practices for each affected natural gas, as defined in Condition 7.5.5(a).

b. Fuel usage for the affected natural gas engine(s):

i. Total usage of natural gas, scf/month and scf/year.

ii. Total usage of propane, scf/month and scf/year.

c. i. Pursuant to 40 CFR 60.4245(a), owners and operators of all stationary SI ICE must keep records of the information below:

A. All notifications submitted to comply with 40 CFR 60 Subpart JJJJ and all documentation supporting any notification, pursuant to 40 CFR 60.4245(a)(1).

B. Maintenance conducted on the engine, pursuant to 40 CFR 60.4245(a)(2).

C. If the stationary SI internal combustion engine is a certified engine, documentation from the manufacturer that the engine is certified to meet the emission standards and information as required in 40 CFR Parts 90, 1048, 1054, and 1060, as applicable, pursuant to 40 CFR 60.4245(a)(3).

D. If the stationary SI internal combustion engine is not a certified engine or is a certified engine operating in a non-certified manner and subject to 40 CFR.4243(a)(2), documentation that the engine meets the emission standards, pursuant to 40 CFR 60.4245(a)(4).

ii. Pursuant to 40 CFR 60.4245(b), for all stationary SI emergency ICE greater than or equal to 500 HP manufactured on or after July 1, 2010, that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. For all stationary SI emergency ICE greater than or equal to 130 HP and less than 500 HP manufactured on or after July 1, 2011 that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. For all stationary SI emergency ICE greater than 25 HP and less than 130 HP manufactured on or after July 1, 2008, that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. The owner or operator must document how many hours are

spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation.

d. Emissions from each affected natural gas engine (i.e., NO_x, CO, SO_2, VOM, and PM) in tons/month and tons/year with supporting calculations and data as required by Condition 7.5.9.

7.5.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of an affected natural gas engine(s) with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions of opacity, SO_2, NO_x, CO, or VOC, from the affected natural gas engine(s) in excess of the limits specified in Conditions 7.5.3 within 30 days of such occurrence.

ii. Operation of the affected natural gas engine(s) in noncompliance with the requirements specified in Condition 7.5.5 within 30 days of such occurrence.

b. Pursuant to 40 CFR 60.4245(c), owners and operators of stationary SI ICE greater than or equal to 500 HP that have not been certified by an engine manufacturer to meet the emission standards in 40 CFR 60.4231 must submit an initial notification as required in 40 CFR 60.7(a)(1). The notification must include the information:

i. Name and address of the owner or operator, pursuant to 40 CFR 60.4245(c)(1).

ii. The address of the affected source, pursuant to 40 CFR 60.4245(c)(2).

iii. Engine information including make, model, engine family, serial number, model year, maximum engine power, and engine displacement, pursuant to 40 CFR 60.4245(c)(3).

iv. Emission control equipment, pursuant to 40 CFR 60.4245(c)(4).

v. Fuel used, pursuant to 40 CFR 60.4245(c)(5).

d. Pursuant to 40 CFR 60.4245(d),owners and operators of stationary SI ICE that are subject to performance testing

must submit a copy of each performance test as conducted in 40 CFR 60.4244 within 60 days after the test has been completed.

7.5.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected natural gas engine(s).

7.5.12 Compliance Procedures

a. Compliance with the emission limitations of Conditions 7.5.3(b) is addressed by the requirements of Condition 7.5.5, the testing requirements in Condition 7.5.7(b)-(d), the monitoring requirements of Condition 7.5.8, the records required in Condition 7.5.9(c)(ii) and (iii), and the reports required in Condition 7.5.10, and the below:

i. Pursuant to 40 CFR 60.4243(a)(1), if you operate and maintain the certified stationary SI internal combustion engine and control device according to the manufacturer's emission-related written instructions, you must keep records of conducted maintenance to demonstrate compliance, but no performance testing is required if you are an owner or operator.

ii. Pursuant to 40 CFR 60.4243(a)(2), if you do not operate and maintain the certified stationary SI internal combustion engine and control device according to the manufacturer's emission-related written instructions, your engine will be considered a non-certified engine, and you must demonstrate compliance according as follows:

A. Pursuant to 40 CFR 60.4243(a)(2)(i), if you are an owner or operator of a stationary SI internal combustion engine less than 100 HP, you must keep a maintenance plan and records of conducted maintenance to demonstrate compliance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions, but no performance testing is required if you are an owner or operator.

B. Pursuant to 40 CFR 60.4243(a)(2)(ii), if you are an owner or operator of a stationary SI internal combustion engine greater than or equal to 100 HP and less than or equal to 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air

pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test within 1 year of engine startup to demonstrate compliance.

C. Pursuant to 40 CFR 60.4243(a)(2)(iii), if you are an owner or operator of a stationary SI internal combustion engine greater than 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test within 1 year of engine startup and conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first, thereafter to demonstrate compliance.

iii. Pursuant to 40 CFR 60.4243(c), if you are an owner or operator of a stationary SI internal combustion engine that must comply with the emission standards specified in 40 CFR 40 CFR 60.4233(f), you must demonstrate compliance according to 40 CFR 60.4243(b)(2)(i) or (ii), below, except that if you comply according to 40 CFR 60.4243(b)(2)(i), you demonstrate that your non-certified engine complies with the emission standards specified in 40 CFR 60.4233(f).

A. Non-certified engine: Purchasing a non-certified engine according to the requirements specified in 40 CFR 60.4244, as applicable, and according to 40 CFR 60.4243(b)(2)(i) and (ii), below:

I. If you are an owner or operator of a stationary SI internal combustion engine greater than 25 HP and less than or equal to 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test to demonstrate compliance, pursuant to 40 CFR 60.4243(b)(2)(i).

II. If you are an owner or operator of a stationary SI internal combustion engine greater than 500 HP, you must keep a

maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test and conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first, thereafter to demonstrate compliance, pursuant to 40 CFR 60.4243(b)(2)(ii).

b. Compliance with the PM emission limitations of Conditions 7.5.3(c) is addressed by the requirements of Condition 7.5.5(a), the testing requirements in Condition 7.5.7(a), the monitoring requirements of Condition 7.5.8(a), the records required in Condition 7.5.9(a), and the reports required in Condition 7.5.10(a).

c. i. Compliance with the SO_2 emission limitation of Condition 7.5.3(d)(i) is addressed by the requirements of Condition 7.5.5, the testing requirements in Condition 7.5.7(b), and the records and reports required in Conditions 7.5.9(b) and (c) and 7.5.10(a).

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.5.3(d), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 are addressed by the records and reports required in Conditions 7.5.9 and 7.5.10 and the emission factors and formulas listed below if suitable manufacture's emission rate data is not available:

i. Emission factors for the affected natural gas engine(s):

Pollutant	Emission Factors (lb/mmBtu) Fuel Input	(g/hp-hr)[1] Power Output
VOM	3.58E-01	0.156
PM	9.91E-03	-
SO_2	5.88E-04	-
NO_x	2.21	0.132
CO	3.72	2.592

1 Manufacture's emission rate data at the time of permit processing.

Emissions from fuel input = Natural Gas Usage x Heat Content of Natural Gas x Emission Factor

OR

Emissions from power output = Natural Gas Usage x BSFC x Emission Factor

The heat content of natural gas shall be assumed to be 1020 Btu/scf per AP-42.

The emission factors are for Natural Gas-fired Reciprocating Engines from Table 3.2-3 of AP-42 Section 3.2 (dated 7/00).

7.5.13 Table 2 to Subpart JJJJ of Part 60—Requirements for Performance Tests

Table 2 to Subpart JJJJ of Part 60—Requirements for Performance Tests

[As stated in 40 CFR 60.4244, you must comply with the following requirements for performance tests within 10 percent of 100 percent peak (or the highest achievable) load]

For each	Complying with the requirement to	You must	Using	According to the following requirements
1. Stationary SI internal combustion engine demonstrating compliance according to 40 CFR 60.4244.	a. limit the concentration of NO_x in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(a) If using a control device, the sampling site must be located at the outlet of the control device.

For each	Complying with the requirement to	You must	Using	According to the following requirements
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3B[b] of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for NO_x concentration.	
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for NO_x concentration.	
	v. Measure NO_x at the exhaust of the stationary internal combustion engine.	(5) Method 7E of 40 CFR Part 60, Appendix A, Method D6522-00(2005)[a], Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	

For each	Complying with the requirement to	You must	Using	According to the following requirements
	b. limit the concentration of CO in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A.	(a) If using a control device, the sampling site must be located at the outlet of the control device.
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3Bb of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for CO concentration.	
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for CO concentration.	

For each	Complying with the requirement to	You must	Using	According to the following requirements
	v. Measure CO at the exhaust of the stationary internal combustion engine.	(5) Method 10 of 40 CFR Part 60, Appendix A, ASTM Method D6522-00(2005)[a], Method 320 of 40 CFR Part 63, Appendix A, or ASTM D 6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	
	c. Limit the concentration of VOC in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A.	(a) If using a control device, the sampling site must be located at the outlet of the control device.
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3B[b] of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for VOC concentration.	
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		

For each	Complying with the requirement to	You must	Using	According to the following requirements
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for VOC concentration.	
	v. Measure VOC at the exhaust of the stationary internal combustion engine.	(5) Methods 25A and 18 of 40 CFR Part 60, Appendix A, Method 25A with the use of a methane cutter as described in 40 CFR 1065.265, Method 18 or 40 CFR Part 60, Appendix A,[cd] Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	

[a] ASTM D6522-00 is incorporated by reference; see 40 CFR 60.17. Also, you may petition the Administrator for approval to use alternative methods for portable analyzer.

[b] You may use ASME PTC 19.10-1981, Flue and Exhaust Gas Analyses, for measuring the O_2 content of the exhaust gas as an alternative to EPA Method 3B.

[c] You may use EPA Method 18 of 40 CFR Part 60, Appendix A, provided that you conduct an adequate presurvey test prior to the emissions test, such as the one described in OTM 11 on EPA's Web site (*http://www.epa.gov/ttn/emc/prelim/otm11.pdf*).

[d] You may use ASTM D6420-99 (2004), Test Method for Determination of Gaseous Organic Compounds by Direct Interface Gas Chromatography/Mass Spectrometry as an alternative to EPA Method 18 for measuring total nonmethane organic.

8.0 GENERAL PERMIT CONDITIONS

8.1 Permit Shield

Pursuant to Section 39.5(7)(j) of the Act, the Permittee has requested and has been granted a permit shield. This permit shield provides that compliance with the conditions of this permit shall be deemed compliance with applicable requirements which were applicable as of the date the proposed permit for this source was issued, provided that either the applicable requirements are specifically identified within this permit, or the Illinois EPA, in acting on this permit application, has determined that other requirements specifically identified are not applicable to this source and this determination (or a concise summary thereof) is included in this permit.

This permit shield does not extend to applicable requirements which are promulgated after November 11, 2010 (the date of issuance of the proposed permit) unless this permit has been modified to reflect such new requirements.

8.2 Applicability of Title IV Requirements (Acid Deposition Control)

This source is not an affected source under Title IV of the CAA and is not subject to requirements pursuant to Title IV of the CAA.

8.3 Emissions Trading Programs

No permit revision shall be required for increases in emissions allowed under any USEPA approved economic incentives, marketable permits, emissions trading, and other similar programs or processes for changes that are provided for elsewhere in this permit and that are authorized by the applicable requirement [Section 39.5(7)(o)(vii) of the Act].

8.4 Operational Flexibility/Anticipated Operating Scenarios

8.4.1 Changes Specifically Addressed by Permit

Physical or operational changes specifically addressed by the Conditions of this permit that have been identified as not requiring Illinois EPA notification may be implemented without prior notice to the Illinois EPA.

8.4.2 Changes Requiring Prior Notification

The Permittee is authorized to make physical or operational changes that contravene express permit terms without applying for or obtaining an amendment to this permit, provided that [Section 39.5(12)(a)(i) of the Act]:

a. The changes do not violate applicable requirements;

b. The changes do not contravene federally enforceable permit terms or conditions that are monitoring (including test

methods), recordkeeping, reporting, or compliance certification requirements;

c. The changes do not constitute a modification under Title I of the CAA;

d. Emissions will not exceed the emissions allowed under this permit following implementation of the physical or operational change; and

e. The Permittee provides written notice to the Illinois EPA, Division of Air Pollution Control, Permit Section, at least 7 days before commencement of the change. This notice shall:

i. Describe the physical or operational change;

ii. Identify the schedule for implementing the physical or operational change;

iii. Provide a statement of whether or not any New Source Performance Standard (NSPS) is applicable to the physical or operational change and the reason why the NSPS does or does not apply;

iv. Provide emission calculations which demonstrate that the physical or operational change will not result in a modification; and

v. Provide a certification that the physical or operational change will not result in emissions greater than authorized under the Conditions of this permit.

8.5 Testing Procedures

Tests conducted to measure composition of materials, efficiency of pollution control devices, emissions from process or control equipment, or other parameters shall be conducted using standard test methods if applicable test methods are not specified by the applicable regulations or otherwise identified in the conditions of this permit. Documentation of the test date, conditions, methodologies, calculations, and test results shall be retained pursuant to the recordkeeping procedures of this permit. Reports of any tests conducted as required by this permit or as the result of a request by the Illinois EPA shall be submitted as specified in Conditions 8.6.3 and 8.6.4.

8.6 Reporting Requirements

8.6.1 Monitoring Reports

Reports summarizing required monitoring as specified in the conditions of this permit shall be submitted to the Illinois EPA

every six months as follows, unless more frequent submittal of such reports is required in Sections 5 or 7 of this permit [Section 39.5(7)(f) of the Act]:

Monitoring Period	Report Due Date
January - June	September 1
July - December	March 1

All instances of deviations from permit requirements must be clearly identified in such reports. All such reports shall be certified in accordance with Condition 9.9.

8.6.2 Test Notifications

Unless otherwise specified elsewhere in this permit, a written test plan for any test required by this permit shall be submitted to the Illinois EPA for review at least 60 days prior to the testing pursuant to Section 39.5(7)(a) of the Act. The notification shall include at a minimum:

a. The name and identification of the affected unit(s);

b. The person(s) who will be performing sampling and analysis and their experience with similar tests;

c. The specific conditions under which testing will be performed, including a discussion of why these conditions will be representative of maximum emissions and the means by which the operating parameters for the source and any control equipment will be determined;

d. The specific determinations of emissions and operation that are intended to be made, including sampling and monitoring locations;

e. The test method(s) that will be used, with the specific analysis method, if the method can be used with different analysis methods;

f. Any minor changes in standard methodology proposed to accommodate the specific circumstances of testing, with justification; and

g. Any proposed use of an alternative test method, with detailed justification.

8.6.3 Test Reports

Unless otherwise specified elsewhere in this permit, the results of any test required by this permit shall be submitted to the Illinois EPA within 60 days of completion of the testing. The

test report shall include at a minimum [Section 39.5(7)(e)(i) of the Act]:

a. The name and identification of the affected unit(s);

b. The date and time of the sampling or measurements;

c. The date any analyses were performed;

d. The name of the company that performed the tests and/or analyses;

e. The test and analytical methodologies used;

f. The results of the tests including raw data, and/or analyses including sample calculations;

g. The operating conditions at the time of the sampling or measurements; and

h. The name of any relevant observers present including the testing company's representatives, any Illinois EPA or USEPA representatives, and the representatives of the source.

8.6.4 Reporting Addresses

a. Unless otherwise specified in the particular provision of this permit or in the written instructions distributed by the Illinois EPA for particular reports, reports and notifications shall be sent to the Illinois EPA - Air Compliance Unit with a copy sent to the Illinois EPA - Air Regional Field Office.

b. As of the date of issuance of this permit, the addresses of the offices that should generally be utilized for the submittal of reports and notifications are as follows:

i. Illinois EPA - Air Compliance Unit

Illinois Environmental Protection Agency
Bureau of Air
Compliance & Enforcement Section (MC 40)
P.O. Box 19276
Springfield, Illinois 62794-9276

ii. Illinois EPA - Air Quality Planning Section

Illinois Environmental Protection Agency
Bureau of Air
Air Quality Planning Section (MC 39)
P.O. Box 19276
Springfield, Illinois 62794-9276

iii. Illinois EPA - Air Regional Field Office

Illinois Environmental Protection Agency
Division of Air Pollution Control
2009 Mall Street
Collinsville, Illinois 62234

iv. USEPA Region 5 - Air Branch

USEPA (AR - 17J)
Air & Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604

c. Permit applications should be addressed to the Air Permit Section. As of the date of issuance of this permit, the address of the Air Permit Section is as follows:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section (MC 11)
P.O. Box 19506
Springfield, Illinois 62794-9506

8.7 Title I Conditions

Notwithstanding the expiration date on the first page of this CAAPP permit, any Title I conditions that would be included in this permit in the future, which would be identified by a T1, T1N, or T1R designation, would remain in effect until such time as the Illinois EPA takes action to revise or terminate them in accordance with applicable procedures for action on Title I conditions. This is because these conditions would either: (a) incorporate conditions of earlier permits that were issued by the Illinois EPA pursuant to authority that includes authority found in Title I of the CAA (T1 conditions), (b) be newly established in this CAAPP permit pursuant to authority that includes such Title I authority (T1N conditions), or (c) reflect a revision or combination of conditions established in this CAAPP permit (T1R conditions). (See also Condition 1.5.)

9.0 STANDARD PERMIT CONDITIONS

9.1 Effect of Permit

9.1.1 The issuance of this permit does not release the Permittee from compliance with State and Federal regulations which are part of the Illinois State Implementation Plan, as well as with other applicable statutes and regulations of the United States or the State of Illinois or applicable ordinances, except as specifically stated in this permit and as allowed by law and rule.

9.1.2 In particular, this permit does not alter or affect the following [Section 39.5(7)(j)(iv) of the Act]:

a. The provisions of Section 303 (emergency powers) of the CAA, including USEPA's authority under that Section;

b. The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;

c. The applicable requirements of the acid rain program consistent with Section 408(a) of the CAA; and

d. The ability of USEPA to obtain information from a source pursuant to Section 114 (inspections, monitoring, and entry) of the CAA.

9.1.3 Notwithstanding the conditions of this permit specifying compliance practices for applicable requirements, pursuant to Section 39.5(7)(j) and (p) of the Act, any person (including the Permittee) may also use other credible evidence to establish compliance or noncompliance with applicable requirements.

9.2 General Obligations of Permittee

9.2.1 Duty to Comply

The Permittee must comply with all terms and conditions of this permit. Any permit noncompliance constitutes a violation of the CAA and the Act, and is grounds for any or all of the following: enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application [Section 39.5(7)(o)(i) of the Act].

The Permittee shall meet applicable requirements that become effective during the permit term in a timely manner unless an alternate schedule for compliance with the applicable requirement is established.

9.2.2 Duty to Maintain Equipment

The Permittee shall maintain all equipment covered under this permit in such a manner that the performance or operation of such equipment shall not cause a violation of applicable requirements.

9.2.3 Duty to Cease Operation

No person shall cause, threaten or allow the continued operation of any emission unit during malfunction or breakdown of the emission unit or related air pollution control equipment if such operation would cause a violation of an applicable emission standard, regulatory requirement, ambient air quality standard or permit limitation unless this permit provides for such continued operation consistent with the Act and applicable Illinois Pollution Control Board regulations [Section 39.5(6)(c) of the Act].

9.2.4 Disposal Operations

The source shall be operated in such a manner that the disposal of air contaminants collected by the equipment operations, or activities shall not cause a violation of the Act or regulations promulgated there under.

9.2.5 Duty to Pay Fees

The Permittee must pay fees to the Illinois EPA consistent with the fee schedule approved pursuant to Section 39.5(18) of the Act, and submit any information relevant thereto [Section 39.5(7)(o)(vi) of the Act]. The check should be payable to "Treasurer, State of Illinois" and sent to: Fiscal Services Section, Illinois Environmental Protection Agency, P.O. Box 19276, Springfield, Illinois 62794-9276.

9.3 Obligation to Allow Illinois EPA Surveillance

Upon presentation of proper credentials and other documents as may be required by law and in accordance with constitutional limitations, the Permittee shall allow the Illinois EPA, or an authorized representative to perform the following [Sections 4 and 39.5(7)(a) and (p)(ii) of the Act]:

a. Enter upon the Permittee's premises where an actual or potential emission unit is located; where any regulated equipment, operation, or activity is located or where records must be kept under the conditions of this permit;

b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

c. Inspect during hours of operation any sources, equipment (including monitoring and air pollution control equipment),

practices, or operations regulated or required under this permit;

d. Sample or monitor any substances or parameters at any location:

i. At reasonable times, for the purposes of assuring permit compliance or applicable requirements; or

ii. As otherwise authorized by the CAA, or the Act.

e. Obtain and remove samples of any discharge or emission of pollutants authorized by this permit; and

f. Enter and utilize any photographic, recording, testing, monitoring, or other equipment for the purposes of preserving, testing, monitoring, or recording any regulated activity, discharge or emission at the source authorized by this permit.

9.4 Obligation to Comply with Other Requirements

The issuance of this permit does not release the Permittee from applicable State and Federal laws and regulations, and applicable local ordinances addressing subjects other than air pollution control.

9.5 Liability

9.5.1 Title

This permit shall not be considered as in any manner affecting the title of the premises upon which the permitted source is located.

9.5.2 Liability of Permittee

This permit does not release the Permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the sources.

9.5.3 Structural Stability

This permit does not take into consideration or attest to the structural stability of any unit or part of the source.

9.5.4 Illinois EPA Liability

This permit in no manner implies or suggests that the Illinois EPA (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the source.

9.5.5 Property Rights

This permit does not convey any property rights of any sort, or any exclusive privilege [Section 39.5(7)(o)(iv) of the Act].

9.6 Recordkeeping

9.6.1 Control Equipment Maintenance Records

A maintenance record shall be kept on the premises for each item of air pollution control equipment. At a minimum, this record shall show the dates of performance and nature of preventative maintenance activities.

9.6.2 Records of Changes in Operation

A record shall be kept describing changes made at the source that result in emissions of a regulated air pollutant subject to an applicable requirement, but not otherwise regulated under this permit, and the emissions resulting from those changes [Section 39.5(12)(b)(iv) of the Act].

9.6.3 Retention of Records

a. Records of all monitoring data and support information shall be retained for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit [Section 39.5(7)(e)(ii) of the Act].

b. Other records required by this permit including any logs, plans, procedures, or instructions required to be kept by this permit shall be retained for a period of at least 5 years from the date of entry unless a longer period is specified by a particular permit provision.

9.7 Annual Emissions Report

The Permittee shall submit an annual emissions report to the Illinois EPA, Air Quality Planning Section no later than May 1 of the following year, as required by 35 IAC Part 254.

9.8 Requirements for Compliance Certification

Pursuant to Section 39.5(7)(p)(v) of the Act, the Permittee shall submit annual compliance certifications. The compliance certifications shall be submitted no later than May 1 or more frequently as specified in the applicable requirements or by permit condition. The compliance certifications shall be submitted to the Air Compliance Unit, Air Regional Field Office, and USEPA Region 5 - Air Branch. The addresses for the submittal of the compliance certifications are provided in Condition 8.6.4 of this permit.

a. The certification shall include the identification of each term or condition of this permit that is the basis of the

certification; the compliance status; whether compliance was continuous or intermittent; the method(s) used for determining the compliance status of the source, both currently and over the reporting period consistent with the conditions of this permit.

b. All compliance certifications shall be submitted to USEPA Region 5 in Chicago as well as to the Illinois EPA.

c. All compliance reports required to be submitted shall include a certification in accordance with Condition 9.9.

9.9 Certification

Any document (including reports) required to be submitted by this permit shall contain a certification by a responsible official of the Permittee that meets the requirements of Section 39.5(5) of the Act and applicable regulations [Section 39.5(7)(p)(i) of the Act]. An example Certification by a Responsible Official is included as Attachment 1 to this permit.

9.10 Defense to Enforcement Actions

9.10.1 Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit [Section 39.5(7)(o)(ii) of the Act].

9.10.2 Emergency Provision

a. An emergency shall be an affirmative defense to an action brought for noncompliance with the technology-based emission limitations under this permit if the following conditions are met through properly signed, contemporaneous operating logs, or other relevant evidence [Section 39.5(7)(k) of the Act]:

i. An emergency occurred as provided in Section 39.5(7)(k) of the Act and the Permittee can identify the cause(s) of the emergency.

Note: For this purpose, emergency means a situation arising from sudden and reasonably unforeseeable events beyond the control of the source, as further defined by Section 39.5(7)(k)(iv) of the Act.

ii. The permitted source was at the time being properly operated;

iii. The Permittee submitted notice of the emergency to the Illinois EPA within two working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a detailed

description of the emergency, any steps taken to mitigate emissions, and corrective actions taken; and

iv. During the period of the emergency the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission limitations, standards, or regulations in this permit.

b. This provision is in addition to any emergency or upset provision contained in any applicable requirement. This provision does not relieve a Permittee of any reporting obligations under existing federal or state laws or regulations [Section 39.5(7)(k)(iv) of the Act].

9.11 Permanent Shutdown

This permit only covers emission units and control equipment while physically present at the indicated source location(s). Unless this permit specifically provides for equipment relocation, this permit is void for the operation or activity of any item of equipment on the date it is removed from the permitted location(s) or permanently shut down. This permit expires if all equipment is removed from the permitted location(s), notwithstanding the expiration date specified on this permit.

9.12 Reopening and Reissuing Permit for Cause

9.12.1 Permit Actions

This permit may be modified, revoked, reopened and reissued, or terminated for cause in accordance with applicable provisions of Section 39.5 of the Act. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition [Section 39.5(7)(o)(iii) of the Act].

9.12.2 Reopening and Revision

This permit must be reopened and revised if any of the following occur [Section 39.5(15)(a) of the Act]:

a. Additional requirements become applicable to the equipment covered by this permit and three or more years remain before expiration of this permit.

b. Additional requirements become applicable to an affected source for acid deposition under the acid rain program.

c. The Illinois EPA or USEPA determines that this permit contains a material mistake or that inaccurate statement were made in establishing the emission standards or limitations, or other terms or conditions of this permit.

10.0 ATTACHMENTS

Attachment 1 Example Certification by a Responsible Official

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: _____

Name: _____

Official Title: _____

Telephone No.: _____

Date Signed: _____

Attachment 2 Emissions of Particulate Matter from Process Emission Units

a. New Process Emission Units for Which Construction or Modification Commenced On or After April 14, 1972 [35 IAC 212.321].

i. No person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 IAC 212.321 [35 IAC 212.321(a)].

ii. Interpolated and extrapolated values of the data in subsection (c) of 35 IAC 212.321 shall be determined by using the equation [35 IAC 212.321(b)]:

$$E = A(P)^B$$

where:

P = Process weight rate; and
E = Allowable emission rate; and,

A. Up to process weight rates of 408 Mg/hr (450 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	1.214	2.54
B	0.534	0.534

B. For process weight rate greater than or equal to 408 Mg/hr (450 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	11.42	24.8
B	0.16	0.16

iii. Limits for Process Emission Units For Which Construction or Modification Commenced On or After April 19, 1972 [35 IAC 212.321(c)]:

Metric		English	
P	E	P	E
Mg/hr	kg/hr	T/hr	lb/hr
0.05	0.25	0.05	0.55
0.1	0.29	0.10	0.77
0.2	0.42	0.2	1.10
0.3	0.64	0.30	1.35
0.4	0.74	0.40	1.58
0.5	0.84	0.50	1.75
0.7	1.00	0.75	2.40
0.9	1.15	1.00	2.60
1.8	1.66	2.00	3.70
2.7	2.1	3.00	4.60
3.6	2.4	4.00	5.35
4.5	2.7	5.00	6.00
9.0	3.9	10.00	8.70
13.0	4.8	15.00	10.80
18.0	5.7	20.00	12.50
23.0	6.5	25.00	14.00
27.0	7.1	30.00	15.60
32.0	7.7	35.00	17.00
36.0	8.2	40.00	18.20
41.0	8.8	45.00	19.20
45.0	9.3	50.00	20.50
90.0	13.4	100.00	29.50
140.0	17.0	150.00	37.00
180.0	19.4	200.00	43.00
230.0	22.0	250.00	48.50
270.0	24.0	300.00	53.00
320.0	26.0	350.00	58.00
360.0	28.0	400.00	62.00
408.0	30.1	450.00	66.00
454.0	30.4	500.00	67.00

b. Existing Process Emission Units for Which Construction or Modification Prior to April 14, 1972 [35 IAC 212.322].

i. No person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission units at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 IAC 212.322 [35 IAC 212.322(a)].

ii. Interpolated and extrapolated values of the data in subsection (c) of 35 IAC 212.321 shall be determined by using the equation [35 IAC 212.322(b)]:

$$E = C + A(P)^B$$

where:

P = Process weight rate; and
E = Allowable emission rate; and,

A. Up to process weight rates up to 27.2 Mg/hr (30 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	1.985	4.10
B	0.67	0.67
C	0	0

B. For process weight rate in excess of 27.2 Mg/hr (30 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	25.21	55.0
B	0.11	0.11
C	- 18.4	- 40.0

iii. Limits for Process Emission Units For Which Construction or Modification Commenced Prior to April 14, 1972 [35 IAC 212.322(c)]:

Metric		English	
P	E	P	E
Mg/hr	kg/hr	T/hr	lb/hr
0.05	0.27	0.05	0.55
0.1	0.42	0.10	0.87
0.2	0.68	0.2	1.40
0.3	0.89	0.30	1.83
0.4	1.07	0.40	2.22
0.5	1.25	0.50	2.58
0.7	1.56	0.75	3.38
0.9	1.85	1.00	4.10
1.8	2.9	2.00	6.52
2.7	3.9	3.00	8.56
3.6	4.7	4.00	10.40
4.5	5.4	5.00	12.00
9.0	8.7	10.00	19.20
13.0	11.1	15.00	25.20
18.0	13.8	20.00	30.50
23.0	16.2	25.00	35.40
27.2	18.15	30.00	40.00
32.0	18.8	35.00	41.30
36.0	19.3	40.00	42.50
41.0	19.8	45.00	43.60
45.0	20.2	50.00	44.60
90.0	23.2	100.00	51.20
140.0	25.3	150.00	55.40
180.0	26.5	200.00	58.60
230.0	27.7	250.00	61.00
270.0	28.5	300.00	63.10
320.0	29.4	350.00	64.90
360.0	30.0	400.00	66.20
400.0	30.6	450.00	67.70
454.0	31.3	500.00	69.00

Attachment 3 Compliance Assurance Monitoring (CAM) Plan

There are no specific emission units that require a CAM plan as identified in the Monitoring Requirements of Subsection 8 for each Section 7, Unit Specific Conditions for Specific Emission Units.

Attachment 4 Guidance

The Illinois has prepared guidance for sources on the Clean Air Act Permit Program (CAAPP) that is available on the Internet site maintained by the Illinois EPA, www.epa.state.il.us. This guidance includes instructions on applying for a revision or renewal of the CAAPP permit.

Guidance On Revising A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-revising.pdf

Guidance On Renewing A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-renewing.pdf

The application forms prepared by the Illinois EPA for the CAAPP are also available from the Illinois EPA's Internet site:

www.epa.state.il.us/air/caapp/index.html

These CAAPP application forms should also be used by a CAAPP source when it applies for a construction permit. For this purpose, the appropriate CAAPP application forms and other supporting information, should be accompanied by a completed Application For A Construction Permit form (199-CAAPP) and Fee Determination for Construction Permit Application form (197-FEE):

www.epa.state.il.us/air/caapp/199-caapp.pdf
www.epa.state.il.us/air/permits/197-fee.pdf

RWC:psj

Exhibit 2

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

P.O. BOX 19506, SPRINGFIELD, ILLINOIS 62794-9506

THOMAS V. SKINNER, DIRECTOR

217/782-2113

LIFETIME OPERATING PERMIT

PERMITTEE

Mississippi River Transmission Corp.
Attn: Laura Guthrie, Environ. Specialist
Post Office Box 21734
Shreveport, Louisiana 71151

Application No.: 96020085 I.D. No.: 119818AAB
Applicant's Designation: STJACOBSTG Date Received: April 23, 2001
Subject: Natural Gas Storage and Transmission
Date Issued: May 11, 2001 Expiration Date: See Condition 1.
Location: Summerfield Road, St. Jacob

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of:

Methanol Storage Tank
Natural Gas Transmission Operation Controlled by a Scrubber and Dehydrator

pursuant to the above-referenced application. This permit is subject to standard conditions attached hereto and the following special condition(s):

1a. This permit shall expire 180 days after the Illinois EPA sends a written request for the renewal of this permit.

b. This permit shall terminate if it is withdrawn or is superseded by a revised permit.

2. This permit is issued based on emissions of volatile organic material from any emission unit not exceeding 8 lb/hour pursuant to 35 Ill. Adm. Code 218.301.

3a. This permit is issued based on usage of materials not exceeding 7,050 gal/year of methanol and 3,680,000 gallons/year for triethylene glycol.

b. This permit is issued based on negligible emissions of volatile organic material (VOM) from the natural gas storage and transmission operations. For this purpose emissions shall not exceed nominal emission rates of 1.3 lb/hour and 2.3 tons/year.

4. In the event that the operation of this source results in an odor nuisance the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.

5. At all times the Permittee shall to the extent practicable, maintain and operate the equipment, including associated air pollution control equipment in a manner consistent with good pollution control practices for minimizing emissions.

6. The Permittee shall maintain monthly records of the following items:

a. Usage of methanol and triethylene glycol (gallon or lb/month).

7. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least three years from the date of entry and shall be made available for inspection and copying by the Illinois EPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA request for records during the course of a source inspection.

8. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.

9. Two (2) copies of required reports and notifications concerning equipment operation or repairs, performance testing or a continuous monitoring system shall be sent to:

   Illinois Environmental Protection Agency
   Division of Air Pollution Control
   Compliance Section (#40)
   P.O. Box 19276
   Springfield, Illinois 62794-9276

   and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

   Illinois Environmental Protection Agency
   Division of Air Pollution Control
   2009 Mall Street
   Collinsville, Illinois 62234

10. Persons with lifetime operating permits must obtain a revised permit for any of the following changes at the source:

    a. An increase in emissions above the amount the emission unit or the source is permitted to emit;

    b. A modification;

    c. A change in operations that will result in the source's noncompliance with conditions in the existing permit; or

    d. A change in ownership, company name, or address, so that the application or existing permit is no longer accurate.

Please note that usage of methanol has been increased to 7,050 gal/year.

If you have any questions on this permit, please contact Randy Solomon at 217/782-2113.

Donald E. Sutton

Donald E. Sutton, P.E.
Manager, Permit Section
Division of Air Pollution Control

DES:RBS:psj

cc: Region 3

STATE OF ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY
DIVISION OF AIR POLLUTION CONTROL
P.O. BOX 19506
SPRINGFIELD, IL 62794-9506

STANDARD CONDITIONS FOR LIFETIME OPERATING PERMITS

July 1, 1998

The Illinois Environmental Protection Act [415 ILCS 5/39 (formerly Illinois Revised Statutes, Chapter 111-1/2, Section 1039)] grants the Illinois Environmental Protection Agency authority to impose conditions on permits which it issues.

1. The issuance of this Permit does not release the Permittee from compliance with state and federal regulations which are part of the Illinois State Implementation Plan, as well as with other applicable statutes and regulations of the United States or the State of Illinois, or with applicable local laws, ordinances and regulations.

2. The Illinois EPA has issued this Permit based upon the information submitted by the Permittee in the permit application. Any misinformation, false statement or misrepresentation in the application shall be grounds for the revocation under 35 Ill. Adm. Code 201.166.

3. a. The Permittee shall not authorize, cause, direct or allow any modification as defined in 35 Ill. Adm. Code 201.102, of equipment, operations or practices which are reflected in the permit application as submitted, until the appropriate permit is obtained from the Illinois EPA.

   b. The Permittee shall obtain a new or revised permit under Section 39.5 of the Act, if the source no longer meets the applicability criteria of 35 Ill. Adm. Code 201.169 because of changes in emissions units or control equipment.

   c. The Permittee shall obtain a revised permit prior to any of the following changes at the source:

      i. An increase in emissions above the amount the emission unit or the source is permitted to emit; or

      ii. A modification; or

      iii. A change in operations that will result in the source's noncompliance with a condition in the existing permit; or

      iv. A change in ownership, company name, or address, so that the application or existing permit is no longer accurate.

4. a. This Permit only covers emission units and control equipment while physically present at the indicated source location. Unless the Permit specifically provides for equipment relocation, this Permit is void for an item of equipment on the day it is removed from the permitted location, or if all equipment is removed.

   b. The Permittee shall notify the Illinois EPA in writing to withdraw the Permit if all operations at the source have been permanently discontinued.

5. The Permittee shall allow any duly authorized agent of the Illinois EPA, upon the presentation of credentials, at reasonable times:

   a. To enter the Permittee's property where actual or potential effluent, emission or noise units are located or where any activity is to be conducted, pursuant to this Permit;

   b. To have access to and to copy any records required to be kept under the terms and conditions of this Permit;

   c. To inspect, including during any hours of operation of equipment constructed or operated under this Permit, such equipment and any equipment required to be kept, used, operated, calibrated and maintained under this Permit;

   d. To obtain and remove samples of any discharge or emission of pollutants; and

   e. To enter and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring or recording any activity, discharge or emission authorized by this Permit.

6. The issuance of this Permit:

   a. Shall not be considered as in any manner affecting the title of the premises upon which the permitted source is located;

   b. Does not release the Permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the source;

   c. Does not take into consideration or attest to the structural stability of any unit or part of the project; and

   d. In no manner implies or suggests that the Illinois EPA (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the equipment or source.

7. The Permittee shall maintain all equipment at the source covered under this Permit in such a manner that the performance of such equipment shall not cause a violation of the Environmental Protection Act or regulations promulgated thereunder.

8. The Permittee shall maintain a maintenance record on the premises for each item of air pollution control equipment. This record shall be made available to any agent of the Illinois EPA at any time during normal working hours and/or operating hours. As a minimum, this record shall show the dates of performance and nature of preventative maintenance activities.

9. No person shall cause or allow startup of any emission unit or continued operation during malfunction or breakdown of any emission unit or related air pollution control equipment if such startup or continued operation would cause a violation of an applicable emission standard or permit limitation if such operation is not allowed as a special condition of this Permit, as required by 35 Ill. Adm. Code 201.149.

10. The Permittee shall submit an Annual Emission Report as required by 35 Ill. Adm. Code 201.302 and 35 Ill. Adm. Code Part 254.

11. The Permittee shall pay the annual site fee for the source in accordance with Section 9.5 of the Act.

Directory
Environmental Protection Agency
Bureau of Air

September 1, 1992

For assistance in preparing a permit application, contact the Permit Section:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section
2200 Churchill Road
Springfield, Illinois 62706
217/782-2113

Or contact a regional office of the Field Operations Section. The regional offices and their areas of responsibility are shown on the map. The addresses and telephone numbers of the regional offices are as follows:

ILLINOIS EPA
REGION 1
BUREAU OF AIR, FOS
9511 WEST HARRISON
DES PLAINES, IL 60016
847-294-4000

Illinois EPA
Region 2
5415 North University
Peoria, Illinois 61614
309/693-5461

Illinois EPA
Region 3
2009 Mall Street
Collinsville, Illinois 62234
618/346-5120

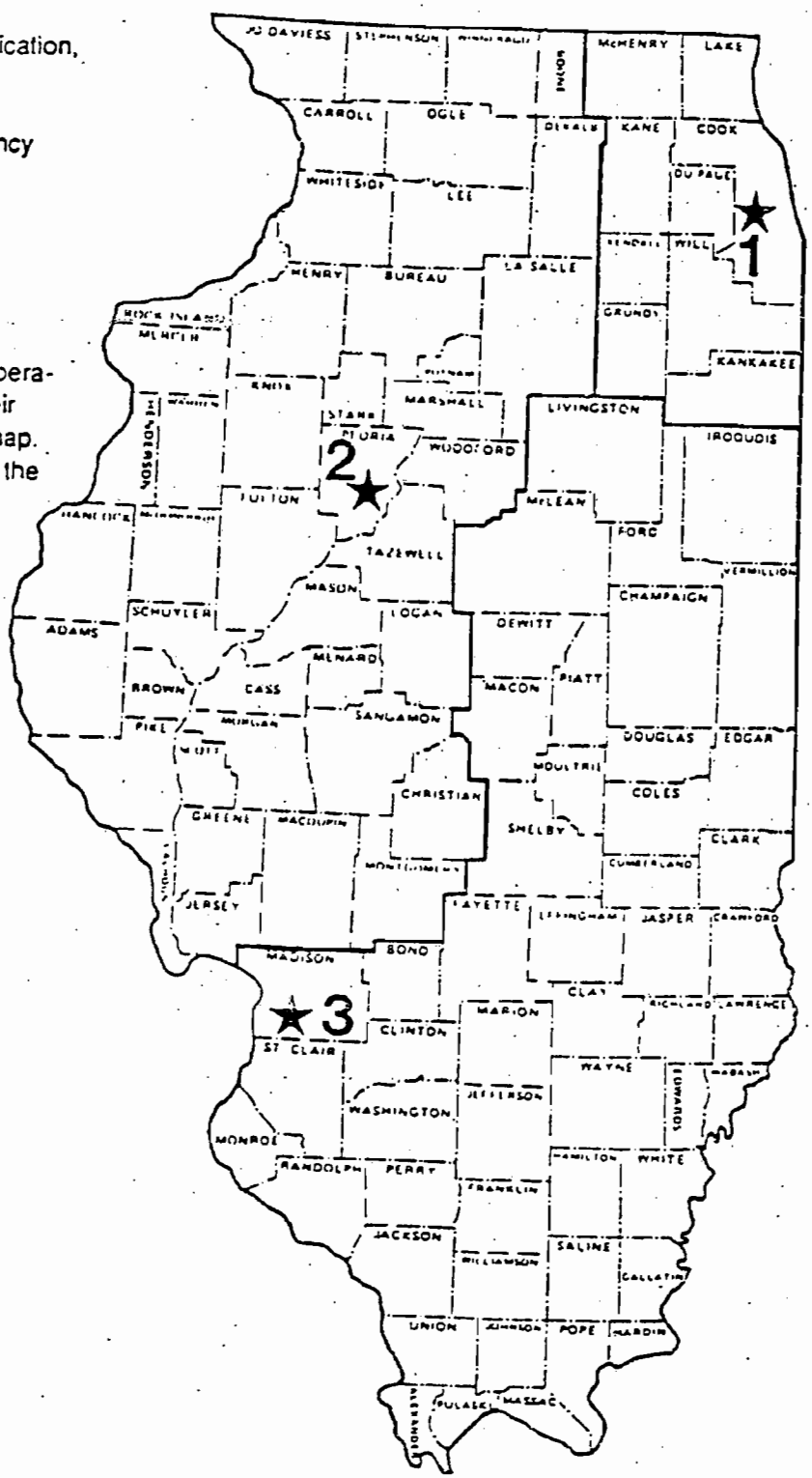

Exhibit 3

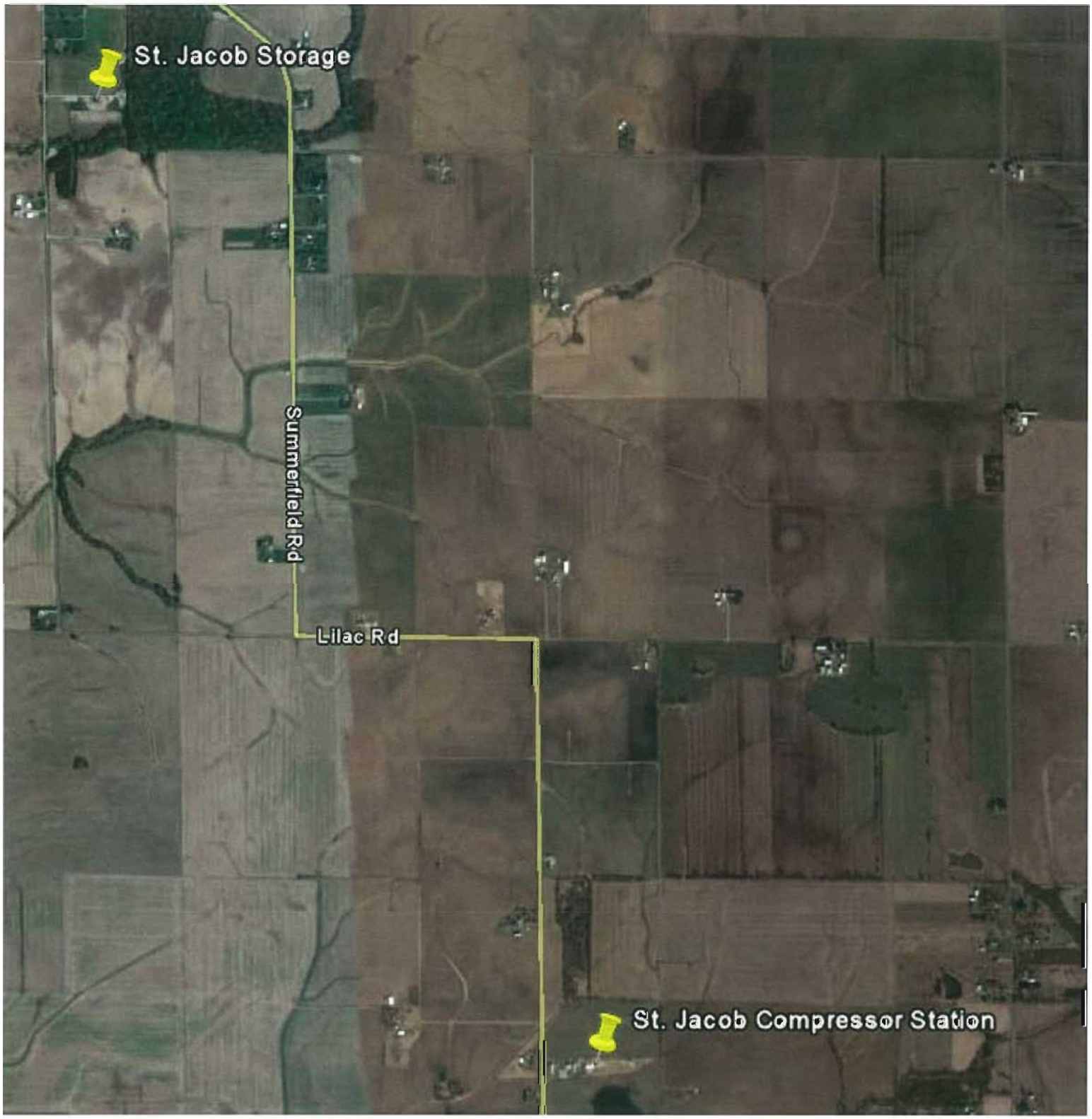
St. Jacob Storage
Summerfield Rd
Lilac Rd
St. Jacob Compressor Station

Exhibit 4

July 12, 2006

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Illinois Environmental Protection Agency (MC 11)
Bureau of Air
Air Permitting Section
P. O. Box 19506
Springfield, Illinois 62794-9506
Attention: Mr. Roston Cooper

Re: CenterPoint Energy - Mississippi River Transmission Corporation
St. Jacob Compressor Station, Application #: 95120153, ID No.: 119818AAA
St. Jacob Storage Area Dehy, Application #: 96020085, ID No.: 119818AAB

Dear Mr. Cooper:

This letter is to follow-up our conversation of June 6, regarding CenterPoint Energy - Mississippi River Transmission Corporation's (MRT) St. Jacob Compressor Station (the "station") and the St. Jacob Storage Area Dehydrator (the "dehydrator"). As discussed, it is my understanding that during the review of the Title V air permit renewal application, the Illinois Environmental Protection Agency (the "ILEPA") determined that these two (2) facilities should be evaluated together for permitting purposes under 40 CFR 70. In that regard, MRT would like to provide additional information concerning the definitions in the regulations along with clarification on the operations of these two (2) facilities in order to assist with this determination, as follows:

The following definitions are included in 40 CFR 70.2:

> *Major source means any stationary source (or any group of stationary sources that are located on one or more contiguous or adjacent properties, and are under common control of the same person (or persons under common control)) belonging to a single major industrial grouping and that are described in paragraph (1), (2), or (3) of this definition. For the purposes of defining "major source," a stationary source or group of stationary sources shall be considered part of a single industrial grouping if all of the pollutant emitting activities at such source or group of sources on contiguous or adjacent properties belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987.*
>
> *(1) A major source under section 112 of the Act, which is defined as:*
>
> *(i) For pollutants other than radionuclides, any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, in the aggregate, 10 tons per year (tpy) or more of any hazardous air pollutant which has been listed pursuant to section 112(b) of the Act, 25 tpy or more of any combination of such hazardous air pollutants, or such lesser quantity as the Administrator may establish by rule.*

> ***Notwithstanding the preceding sentence, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are major sources*** (emphasis added); *or*
>
> *(ii) For radionuclides, "major source" shall have the meaning specified by the Administrator by rule.*
>
> *(2) A major stationary source of air pollutants, as defined in section 302 of the Act, that directly emits or has the potential to emit, 100 tpy or more of any air pollutant (including any major source of fugitive emissions of any such pollutant, as determined by rule by the Administrator). The fugitive emissions of a stationary source shall not be considered in determining whether it is a major stationary source for the purposes of section 302(j) of the Act, unless the source belongs to one of the following categories of stationary source.*

(NOTE: This list of categories in Paragraph 2 and Paragraph 3 in its entirety are not included for purposes of this discussion.)

Additionally, Title 35 of the Illinois Administrative Code includes the following definitions:

Section 211.6130: Source

> *"Source" means any stationary source (or any group of stationary sources) that are located on one or more contiguous or adjacent properties that are under common control of the same person (or persons under common control) and that belongs to a single major industrial grouping. For the purposes of defining "source," a stationary source or group of stationary sources shall be considered part of a single major industrial grouping if all of the pollutant emitting activities at such source or group of sources located on contiguous or adjacent properties and under common control belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987 (incorporated by reference in 35 Ill. Adm. Code 218.112 and 219.112), or such pollutant emitting activities at a stationary source (or group of sources) located on contiguous or adjacent properties and under common control constitute a support facility as defined in Section 39.5 of the Environmental Protection Act [415 ILCS 5/39.5]. The determination as to whether any group of stationary sources are located on contiguous or adjacent properties, and/or are under common control, and/or whether the pollutant emitting activities at such group of stationary sources constitute a support facility shall be made on a case by case basis [415 ILCS 5/39.5]. (Source: Amended at 25 Ill. Reg.5900, effective April 17, 2001).*

415 ILCS 5/39/5: Support facility

> *"Support facility" means any stationary source (or group of stationary sources) that conveys, stores, or otherwise assists to a significant extent in the production of a principal product at another stationary source (or group of stationary sources). A support facility shall be considered to be part of the same source as the stationary source (or group of stationary sources) that it supports regardless of the 2-digit Standard Industrial Classification code for the support facility.*

Under these definitions, ILEPA could only require aggregation of emissions from the station and the dehydrator when **all** of the following criteria are met: (1) sources are located on contiguous or adjacent property, (2) sources are deemed to be under "common control", and (3) sources are classified under the same two-digit primary SIC code. While the sources are under common control and are classified under the same two-digit SIC code, the station and the dehydrator are located at least 1 mile apart and thus could not be considered to be on contiguous or adjacent property.

Additionally, as defined above, equipment associated with "production wells" shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control. We believe the intent of this provision is to define scenarios where aggregation shall not occur, including situations where facilities are connected by pipelines. The dehydrator is located at a storage well and, while the dehydrator and compressor station are connected via pipelines and can operate together, they are not interdependent. During injection into the natural gas storage formation, the compressors at the station are used to assist in the injection process, however the dehydrator is not operated during this period. During withdrawal from the natural gas storage formation, gas is withdrawn and processed through the dehydrator to remove any water that has become entrained with the natural gas. The gas then continues into the transmission pipeline, bypassing the compressor engines at the station. The compressor engines are not used to compress the gas during the withdrawal period. As stated above, this equipment can operate together, but is not interdependent.

Additionally, the dehydrator cannot be defined as a "support facility" for the station. As addressed above, the dehydrator does not convey, store, or otherwise assist with the operation of and/or production by the station (i.e., both facilities are operated independently of the other). Considering the operational descriptions noted above, the dehydrator should not be aggregated with the station because (1) the equipment is not located on contiguous or adjacent property, (2) the equipment operate independently of each other, including the lack of any support function, and (3) the emissions from equipment at production wells are not to be aggregated with compressor station engines.

We appreciate your consideration of this additional information. If you have any questions, please feel free to call me at (318) 429-3706. Thank you for your assistance in this matter.

Sincerely,
CenterPoint Energy Gas Transmission Company

Laura L. Guthrie
Manager, Air Program

Cc: Illinois Environmental Protection Agency, Division of Air Pollution Control, 2009 Mall Street, Collinsville, Illinois 62234

bcc: Walter Ferguson
Frank Antoine
Debbie Ristig
Mark Schroeder
Connie Oslica
Joe Meyer
Mike Miller
Tim Mason
J.D. Martin
Earnie Fegley
Ken Williams
Garry Keele

Exhibit 5

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

SEP 20 2007 (AR-18J)

Edwin C. Bakowski
Acting Manager, Permits Section
Bureau of Air
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19506
Springfield, Illinois 62794-9506

Dear Mr. Bakowski:

Thank you for your April 12, 2007, letter regarding Air Products and Chemicals Incorporated. Specifically, you request the concurrence of the U.S. Environmental Protection Agency with the Illinois Environmental Protection Agency's (IEPA) determination that the Tuscola, Illinois, facilities of Air Products and Chemicals Incorporated (Air Products) and Cabot Corporation (Cabot) should be considered a single source, for purposes of New Source Review and Title V permitting. EPA concurs in IEPA's determination that the Tuscola, Illinois, facilities of Air Products and Cabot should be considered a single source.

In the Federal Prevention of Significant Deterioration (PSD) regulations, 40 CFR Part 52 - Approval and Promulgation of Implementation Plans, the Administrator provides the following definitions --

> 52.21(b)(5): "*Stationary source* means any building, structure, facility, or installation which emits or may emit a regulated NSR pollutant."
>
> 52.21(b)(6): "*Building, structure, facility, or installation* means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control) [with exceptions not herein applicable.]"

Consequently, for two separate sources to constitute a single "stationary source," both of their "pollutant emitting activities" must:

1. belong to the "same industrial grouping,"
2. be "located on one or more contiguous or adjacent properties," and
3. be "under the control of the same person (or persons under common control). . . ."

"Same Industrial Grouping"

In a January 19, 2007, letter of William Allison, Environmental Specialist with Air Products ("Allison letter"), Mr. Allison identifies the Air Products' facility as being classified under SIC Code 2813, "a producer of Industrial Gases and NAICS Code 32512;" and the Cabot facility as being classified under SIC Code 2819, "a producer of industrial inorganic chemicals."

In the 1980 proposed promulgation of 40 CFR 21(b)(5) and (6), EPA stated that:

> [o]ne source classification encompasses both primary and support facilities, even when the latter includes units with a different two-digit SIC code. Support facilities are typically those which convey, store, or otherwise assist in the production of the principal product.

45 Fed. Reg. 52676, 52695 (August 7, 1980).

Cabot's "principal product" is inorganic chemicals. Because it must have gaseous hydrogen and steam to produce inorganic chemicals, in 1992 Cabot entered into a 15-year contract with Air Products under which Air Products agreed to provide to Cabot hydrogen and steam. Allison Letter. Though Cabot could obtain these products "from an adjacent location or in the case of hydrogen, [have it] delivered over the road from an off-site supplier," Air Products "supplies its entire volume of gaseous hydrogen product, and a portion of its steam product" to Cabot, with Air Products using the remainder of its steam product itself. Id. Under the terms of their contract, Air Products provides "hydrogen gas and steam at a specified volume, pressure, and flow;" and Cabot compensates Air Products for its hydrogen and steam "by a set payment schedule" negotiated by the two parties. Id. In an earlier letter, Air Products informed IEPA that the "hydrogen plant will operate 24 hours per day, seven days per week[,]" and that "the gas will be delivered via

pipeline to the Cabot facility." Letter of Kent S. Kisenbauer, PSG Operations - Environmental (January 30, 1992).

Given that the sole purpose of Air Products' Tuscola, Illinois, facility is to provide the hydrogen and steam necessary for Cabot to produce inorganic chemicals, with the Tuscola facility having no other customers, one must conclude that Air Products does "convey, store, or otherwise assist in the production of" Cabot's inorganic chemicals, and, therefore, is a "support facility" of Cabot. Consequently, a finding is warranted that Air Product's Tuscola, Illinois, facility does belong to the same "industrial grouping" as Cabot's Tuscola, Illinois, facility. This finding is consistent with longstanding EPA policy. See Determination Letter of John S. Seitz, Director, Office of Quality Planning and Standards, to Kentucky Division for Air Quality (March 29, 2001).

"Contiguous or Adjacent Properties"

Air Products facility is "located within the boundaries of the Cabot Corporation, Cab-O-Sil Division, facility located in Tuscola, Douglas County, Illinois." Kisenbauer Letter. Air Products "leases a parcel of land from the Cabot Corporation for operation of its hydrogen plant." Allison Letter. As already noted, the two facilities are connected by the pipeline through which the Air Products facility delivers the hydrogen to the Cabot facility. Given these circumstances, it is apparent that the Air Products facility is "located on one or more contiguous or adjacent properties." In fact, the Air Products facility is on the same site as Cabot's facility, with Air Products paying Cabot for being able to be located on Cabot's property.

"Under Control of the Same Person or Persons under Common Control"

As noted, the contract between Air Products and Cabot is "for the sale of hydrogen gas and steam at a specified volume, pressure and flow." In that all of Air Products' production of hydrogen goes to Cabot, and Cabot determines the "volume, pressure and flow" of hydrogen to be delivered under the contract based upon Cabot's requirements, it follows that, in basing its levels of production on Cabot's requirements, Air Products' production is controlled by Cabot. As a facility's levels of production have a direct effect on the facility's emission of pollutants, Cabot's hydrogen requirements control the emissions of Air Product's Tuscola, Illinois, facility. Moreover, given the nature of the contract, it is highly

unlikely that Air Products' Tuscola, Illinois, hydrogen producing facility would have built at this site if Cabot was not located at the same site. Rather, it was Cabot's needs and location that controlled the Air Products' facility being constructed and operated at the Tuscola site. Again, this determination is consistent with earlier U.S. EPA determinations addressing the application of this component of the Administrator's definition of "building, structure, facility, or installation." Seitz Letter.

Based on the specific facts which have been presented to us, we believe that IEPA has reached the appropriate conclusion that Air Products' and Cabot's Tuscola, Illinois facilities should be considered a single source for purposes of New Source Review and Title V permitting. If you have any further questions, please feel free to contact me, or have your staff contact Constantine Blathras at (312) 886-0671.

Sincerely yours,

Pamela Blakley

Pamela Blakley, Chief
Air Permits Section

Exhibit 6

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Office of Air Quality Planning and Standards
Research Triangle Park, North Carolina 27711

Jul 3 2001

Mr. Peter Hamlin
Bureau Chief, Air Quality Bureau
Iowa Dept. of Natural Resources
7900 Hickman Road, Suite 1
Urbandale, Iowa 50322

Dear Mr. Hamlin:

This is in response to your letter of January 12, 2001, seeking guidance from the Environmental Protection Agency (EPA) concerning the Prevention of Significant Deterioration (PSD) program. The question concerns the relationship between Alliant Power and Climax Molybdenum with regard to a source determination for five 1600 KW diesel-fired backup generators. Specifically, you asked whether the generators would be considered to be under common control with the rest of the Climax Molybdenum facility, or whether they would be considered under the control of Alliant Power and therefore a separate source from Climax Molybdenum. We have been working with your staff to understand this issue in detail.

We have carefully studied the terms of the 1994 contract between Alliant Power and Climax Molybdenum; Administrative Order No. 1999-AQ-39 entered into with the Iowa Department of Natural Resources (IDNR) by Climax Molybdenum on December 6, 1995; the IDNR site visit file memorandum entitled "Site visit to Climax Molybdenum in Fort Madison, IA on November 14, 1996"; the letter from Alliant Energy to me of February 23, 2001; and other information pertaining to this issue as provided to us by both Alliant Power and IDNR.

Our review of the above information leads us to the conclusion that the terms of the Administrative Order cited above require certain actions on the part of Climax Molybdenum that are inconsistent with the terms of the 1994 contract. IDNR's site visit confirmed that where such an inconsistency exists, Climax Molybdenum is complying with the terms of the Administrative Order. Specifically, the contract requires that IEA (now Alliant Energy) retains control over operating and maintaining the generators and purchasing fuel. (A Climax Molybdenum operator would be able to turn on the generators, but only with permission from IEA). The Administrative Order, however, specifies that Climax procedures call for Climax Molybdenum to start the generators at any time that the weather forecast indicates that a power interruption could be anticipated. The IDNR's site visit confirmed that Climax Molybdenum's procedures allow for Climax personnel to operate the generators without consultation with Alliant Power.

Therefore the conditions of the Administrative Order and the evidence presented by IDNR's site visit lead us to conclude that for all practical purposes, the generators appear to be under the control of Climax Molybdenum. It appears that, because the terms of the Administrative Order pre-empt the contract between Climax Molybdenum and Alliant Power, the facilities are operating in a manner consistent with the Administrative Order. Presuming this is true, we believe it is reasonable for Iowa to conclude that the generators are under common control with the rest of the Climax Molybdenum facility.

I appreciate the opportunity to be of service and trust the information provided is helpful. If you have any questions regarding this correspondence, please contact Kathy Kaufman of my staff at (919) 541-0102.

Sincerely,

signed by Thomas C. Curran for

John S. Seitz
Director
Office of Air Quality Planning
and Standards

CERTIFIED MAIL

John Seitz
Office of Air Quality Planning and Standards
Mail Drop 10
U.S. Environmental Protection Agency
Research Triangle Park, NC 27711

Re: PSD question concerning common control, Alliant Energy and Climax Molybdenum.

Dear Mr. Seitz:

The Iowa Department of Natural Resources (Department) is seeking guidance from EPA concerning the Prevention of Significant Deterioration (PSD) program. The specific question is in regards to the issue of a support facility and what constitutes common control.

Situation:

Climax Molybdenum is a major source for PSD. It normally receives its electricity from the local utility (Alliant Power). However, there are times when power is not available to the facility. For the periods when power is not available Climax Molybdenum has five 1600-KW diesel-fired backup generators on its property. The units were installed in 1995. Having backup generators is typical for many companies. However, the difference in this case is that instead of owning these generators, Climax Molybdenum leases these units from Alliant Power as part of an arrangement with the utility for interruptible power. There are, therefore, two situations when power is not available to Climax from the utility and these generators provide power to Climax. These times are unscheduled outages (lightning strikes, ice storms, etc.) and utility ordered curtailments. The generators are designed to startup and operate automatically when their sensors detect the absence of utility power. The units can also be started remotely by Alliant Power for use by Climax or by Alliant. However, only Climax has ever used the power generated by these generators. In addition, Climax personnel can start and have manually started the generators when they became aware of a potential power outage. The one advantage to manual start-up before a power outage occurs, but is anticipated, is continuity of electrical power to minimize impact on Climax operations. In the automatic mode startup sequence, it takes several minutes for the detection system to sense the utility outage, automatically startup the generators, and bring them up to operating speed so they can take over the electrical load.

The Department has previously told both companies that the generators are considered a support facility since Climax Molybdenum has the ability to startup the units and in the Department's view this would constitute common control. This is discussed in an April 10, 1997, Departmental memo by Chris Roling. A copy of this memo is included in Packet 1 of the information that the Department is including with this letter. Also enclosed is a copy of a 1996 letter from EPA Region VII to the Department written in response to the Department's request for guidance in this particular case. The Department's determination is further supported by guidance from EPA Region VII concerning another situation in Iowa with Penford Products and Alliant Power. The documentation for this situation is included in Packet 2 of information that is included with this letter. In that situation, Penford Products did not have the ability to manually operate the units in question from the Penford Products plant and EPA Region VII still felt Alliant Power's facility was a support facility. It should also be noted that one of Alliant Power's arguments for the boilers located at Penford Products not being a support facility is that Penford Products has no control on the operation of the units.

Alliant Power and Climax Molybdenum question the Department's decision that the generators are a support facility for Climax Molybdenum. One of the reasons is that EPA Region V told the State of Wisconsin in a similar situation that on-site generators did not constitute a support facility to the underlying plant. A copy of this letter is included in Packet 1 of the supporting documentation.

Aaron Wauters, IDNR
Field Office 6
Daniel L. Siegfried, Alliant Energy
Don Patterson, Beveridge & Diamond
Michael B. Wood, Phelps Dodge Corporation

Exhibit 7

HALL ESTILL
ATTORNEYS AT LAW

Garry L. Keele, II
320 South Boston Avenue, Suite 200
Tulsa, OK 74103-3706
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gkeele@hallestill.com

September 10, 2009

BY CERTIFIED MAIL

Roston Cooper
Bureau of Air, Air Permitting Section
Illinois Environmental Protection Agency (MC 11)
P. O. Box 19506
Springfield, Illinois 62794-9506

Re: CenterPoint Energy - Mississippi River Transmission Corporation (MRT)
St. Jacob Compressor Station, Application #: 95120153, ID No.: 119818AAA
St. Jacob Storage Area Dehy, Application #: 96020085, ID No.: 119818AAB
Response to conversations indicating required aggregation of facilities
Client/Matter No. 720725.01965

Dear Mr. Cooper:

This letter is intended to supplement our earlier written correspondence as submitted on July 12, 2006 and also to provide a written response to a conversation that occurred between you and Ms. Laura Guthrie on May 2, 2008, regarding CenterPoint Energy - Mississippi River Transmission Corporation's (MRT) St. Jacob Compressor Station (Station) and the St. Jacob Storage Area Dehydrator (Dehydrator). It is our understanding that the Illinois Environmental Protection Agency (IEPA) maintains the position that these two (2) facilities should be evaluated together for permitting purposes under 40 CFR 70. Pursuant to your suggestions, we are providing additional information concerning potential aggregation of the facilities. Please consider the following.

BACKGROUND:

Guidance pertaining to the aggregation of Stationary Sources has been evolving since the implementation of the Prevention of Significant Determination (PSD) program. Title V program requirements provided additional guidance and clarification on the subject. As such, at the time of our July 12, 2006 submittal our arguments were based upon a variety of statutory, regulatory and/or guidance materials that addressed aggregation of Stationary Sources for purposes of permitting determinations. However, only the "exploration and production" exemption language found in the definition of Major Source provided any direct guidance that was unique to Oil and Gas facilities.

On January 12, 2007, the United States Environmental Protection Agency (EPA) issued specific guidance on the subject of "Source Determinations for Oil and Gas Industries" (O&G guidance) (Attached).[1] The O&G guidance was developed to provide direction as to when scenarios involving various "exploration, extraction, or production" activities need to be aggregated to determine Major Stationary Source status under PSD and/or Title V.[2] Put another way, the O&G guidance examines the unique circumstances relative to the oil and gas industry and provides a two step analysis to be utilized when addressing aggregation of oil and gas air emission sources. Accordingly, we provide the following analysis of the Station and Dehydrator in light of this specific oil and gas guidance.

SURFACE SITES (INDIVIDUAL SOURCES):

The first question is whether each individual Surface Site in and of itself qualifies as a separate Major Stationary Source.

The EPA suggests the first step should be to evaluate the facts and circumstances by applying the definition of "surface site"[3] found in the National Emission Standards for Hazardous Air Pollutants for Source Categories (MACT), Subpart HH—National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities, 40 CFR 63.761 as follows:

> *Surface Site* means any combination of one or more graded pad sites, gravel pad sites, foundations, platforms, or the immediate physical location upon which equipment is physically affixed.[4]

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[1] U.S. Environmental Protection Agency, Office of Air and Radiation, *Source Determinations for Oil and Gas Industries* (January 12, 2007).
[2] Id. at 1 and n.2.
[3] Id. at 1, 4 and n.15.
[4] Id. at 1. Also, please note that MACT, Subpart HHH—National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities, 40 CFR 63.1271 provides a helpful definition of *Facility* and an identical definition of *Surface Site* as follows:

> *Facility* means any grouping of equipment where natural gas is processed, compressed, or stored prior to entering a pipeline to a local distribution company or (if there is no local distribution company) to a final end user. Examples of a facility for this source category are: an underground natural gas storage operation; or a natural gas compressor station that receives natural gas via pipeline, from an underground natural gas storage operation, or from a natural gas processing plant. The emission points associated with these phases include, but are not limited to, process vents. Processes that may have vents include, but are not limited to, dehydration and compressor station engines.
>
> Facility, for the purpose of a major source determination, means natural gas transmission and storage equipment that is located inside the boundaries of an individual surface site (as defined in this section) and is connected by ancillary equipment, such as gas flow lines or power lines. Equipment that is part of a facility will typically be located within close proximity to other equipment located at the same facility. Natural gas transmission and storage equipment or groupings of equipment located on different gas leases, mineral fee tracts, lease tracts, subsurface unit areas, surface fee tracts, or surface lease tracts shall not be considered part of the same facility.
>
> *Surface site* means any combination of one or more graded pad sites, gravel pad sites, foundations, platforms, or the immediate physical location upon which equipment is physically affixed.

The term "Surface Site" is generally intended to address a "single area of development."[5] This definition lends itself to a straight forward application of what should be included within an individual surface site, e.g., if equipment is located side-by-side on a gravel pad, then such equipment should be collectively considered to be part of the same Surface Site. Although the definition comes from a MACT, the EPA considers this to be a good starting point to begin evaluating where to limit aggregation of oil and gas emissions sources for purposes of PSD and Title V permitting.

The EPA has good reasons to limit the scope of aggregation via a Surface Site approach beginning with the definition of "Major Stationary Source" as found in the Federal New Source Review (NSR) regulations, which states "any Stationary Source that emits or has the potential to emit above certain specified emissions thresholds depending on the attainment status of the area."[6] NSR regulations define "Stationary Source" to mean "any building, structure, facility or installation" that emits any regulated air pollutant.[7] The regulations provide three criteria necessary to establish that emission activities belong under the same "building," "structure," "facility," or "installation" including (1) common control, (2) contiguous or adjacent property and (3) same major industrial grouping.[8] Although the Title V program sets different thresholds for regulated air pollutants, it utilizes the same criteria to evaluate if emissions should be aggregated into a single Stationary Source with less emphasis being placed on industrial grouping.[9]

The EPA explains that their "foremost principle that guides our decision-making is that we should apply a 'common sense notion' of a plant," when evaluating a potential Stationary Source under the PSD/NSR and/or Title V programs.[10] The EPA cites the Alabama Power v. Castle decision where the court cautioned that "... EPA cannot treat contiguous and commonly owned units as a single source unless they fit within the four statutory terms," and further that EPA should "provide for aggregation of industrial activities" while considering "proximity and ownership."[11] In light of the limitations placed on its discretion to aggregate emission sources by the Alabama Power court, the EPA reasoned that it must (1) reasonably carry out the purposes of the PSD/NSR program, (2) approximate a common sense notion of a "plant," and (3) avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of "building," "structure," "facility," or "installation."[12] These items are viewed as the overarching principles to be followed when evaluating the three regulatory criteria for determining what makes up a Stationary Source.

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[5] *Source Determinations for Oil and Gas Industries* (2007) at 1.
[6] Id. at 2.
[7] Id. and n.3.
[8] Id. at 2 and n.4.
[9] Id. at 2 and n.5.
[10] Id at 2.
[11] Id. and n.6.
[12] Id. at 2 and n.7.

In our set of facts, the Station and Dehydrator that the IEPA proposes to aggregate are located approximately 2.4 miles apart from one another. As such, it is difficult to conceive any logical notion that the Station and Dehydrator could be considered to be part of the same Surface Site. Given the distance between the respective Surface Sites, it is clear that they do not directly connect with one another, nor are they even in the immediate physical vicinity of each other. Similarly, it is not logical to assert that the Station and Dehydrator are part of a "single area of development." As such, MRT asserts that the Station and Dehydrator are located on separate Surface Sites according to the MACT definition.

Likewise, when considering the distance between the respective Surface Sites, the Station and Dehydrator do not fit any common sense notion of the term "plant." Similarly, the Station and Dehydrator could not be grouped together under the ordinary meaning of the terms building, structure, facility and/or installation respectively. As such, MRT asserts that the Station and Dehydrator cannot be considered to be a single Stationary Source, but rather are considered to be two Stationary Sources under the O&G guidance. Finally, MRT asserts that only the Station exceeds the major source thresholds established under the Title V program.

AGGREGATION (COMMON CONTROL & PROXIMITY):

The second question is whether the regulated emissions from each individual Surface Site should be aggregated and evaluated as one grouping pursuant to the principles of common control and proximity.

The process of determining if pollution-emitting activities are "contiguous and adjacent" is relatively simple to apply in most industrial scenarios. However, the O&G guidance notes that Stationary Source determinations are not always straightforward for the oil and gas industry because even when common control and industrial groupings are consistent, unique geographical attributes often make it difficult to determine if the activities are contiguous and adjacent, e.g., production fields can cover many square miles.[13] Unlike many other industries, ownership rights are difficult to ascertain as surface and subsurface rights are often owned and/or leased by different entities.[14] Further, facility owners typically only control the surface area necessary to conduct exploration and production operations.[15]

Determining if sources are "contiguous and adjacent" requires consideration of "whether the land associated with the pollutant-emitting activity is connected to, or is nearby, land associated with another pollutant-emitting activity."[16] In addition, EPA has historically evaluated "operational dependence" and "proximity" when determining if pollution-emitting sources were considered to be "contiguous and adjacent."[17]

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[13] Id at 2.
[14] Id.
[15] Id. at 2, 3 and n.8.
[16] Id. at 3.
[17] Id. and n.9.

Operational dependence "considers the extent to which each activity relies on the other for its operations."[18] EPA recognizes the difficulty in determining operational dependence in the oil and gas industry as "materials are transferred between pollutant-emitting points and many activities are physically connected by pipelines, but the extent of the operational reliance may vary widely from point to point."[19] Further, EPA notes that in the past they have declined to address "functionality" with regards to the definition of Source because of the likelihood the Agency would become "embroiled in fine-grained analysis."[20] The EPA also makes clear that it does not intend "source" to "encompass activities that would be many miles apart along a long line," e.g., "EPA would not treat all of the pumping stations along a pipeline as one source."[21] The EPA further explains that for this industry, operational dependence will not drive a determination of contiguous and adjacent as it would "embroil the Agency" in matters it intended to avoid and because "it would potentially lead to results which do not adhere to the common sense notion of a 'plant.'"[22]

Proximity "considers the physical distance between two activities."[23] While EPA has not defined the necessary distance between two activities to avoid a determination of "contiguous and adjacent," it has stated that "proximity can be the most informative factor in determining whether two activities are contiguous or adjacent."[24] The EPA further notes that when two facilities are located close together, they can be found to be a single source without a finding of physical connection and operational dependence.[25] Likewise, the opposite holds equally true. That is, when two facilities are located far apart, they can be found to be separate sources even when found to be physically connected and operationally dependent.[26] The EPA continues stating:

> "Given the diverse nature of the oil and gas activities, we believe that *proximity* is the most informative factor in making source determinations for these industries. We do not believe that it is reasonable to aggregate well site activities, and other production field activities that occur over large geographic distances, with the downstream processing plant into a single major stationary source. Aggregation of such geographically-dispersed activities defies the concept of contiguous and adjacent. While the land mass may be 'contiguous and adjacent' when viewed as a whole, the limited portion of the properties physically associated with the pollutant-emitting activity are not necessarily nearby, connected, or in any way proximate to each other (*emphasis added*)."[27]

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[18] Id. at 3.
[19] Id.
[20] Id. and n.10.
[21] Id. at 3 and nn.10-11.
[22] Id. at 3.
[23] Id.
[24] Id.
[25] Id. and n.12.
[26] Id. at 3.
[27] Id. at 3, 4.

The EPA further provides that "two surface sites can be considered to be in close proximity if they are physically adjacent, or if they are separated by no more than a short distance (e.g., across a highway, separated by a city block or some similar distance).[28] The EPA continues noting that in "a great majority of cases" the permitting authority will determine that a single Surface Site is the most-suitable industrial grouping because it correlates best with definition of a stationary source.[29] It is further expected that such Surface Sites would not need to be aggregated with other Surface Sites when they are not located in close proximity to one another.[30]

As we provided in our July 12, 2006 submittal, the EPA also cites the Federal Clean Air Act provision that exempts oil and gas exploration and production activities from aggregation.[31] The EPA further notes that Congress recognized the unique geographic attributes of the oil and gas related industries when it included the exemption language in the Federal Clean Air Act.[32] This language was a factor in EPA's development of the MACT Surface Site concept discussed above and it is clearly relevant to case-by-case determinations of aggregation pertaining to oil and gas exploration, production, transportation and storage sources.[33]

In our case, the Station and Dehydrator are connected by pipeline, are not considered operationally dependent and are located 2.4 miles apart from each other. We have previously stipulated that the Station and Dehydrator are under common control and the same industrial grouping. The IEPA has verbally indicated that although the Station and Dehydrator are not operationally dependent, they will be aggregated nonetheless because they are connected by pipeline. The IEPA's position is puzzling considering physical connection is a primary factor in determining operational dependence between facilities. As such, the IEPA's ruling in this matter does appear to factor in operational dependence. That said and as was discussed above, for purposes of evaluating potential aggregation in oil and gas equipment scenarios, the EPA does not consider operational dependence to be a primary factor when evaluating if two sources are "contiguous and adjacent." Accordingly, EPA has indicated that it would not aggregate separate emission sources located miles apart simply because they were connected by pipeline.

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[28] Id. at 4, 5 and n.16.
[29] Id. at 5.
[30] Id.
[31] Id. at 4.
[32] Id.
[33] Id. and n.13.

"Proximity" is the concept that EPA focuses on to determine if two individual sources are "contiguous and adjacent." That is, they evaluate how close together the sources are located. Sources are said to be proximate to one another when they are "separated by no more than a short distance (e.g., across a highway, separated by a city block or some similar distance)." To repeat, the Station and Dehydrator are located 2.4 miles apart and thus they could not be considered to be situated in close proximity to one another. According to EPA, "Aggregation of such geographically-dispersed activities defies the concept of contiguous and adjacent." Further, such an aggregation would also defy any common sense notion of "a plant," which EPA and its designated authorities, including the IEPA, are charged with applying.

As such, MRT asserts that the Station and Dehydrator are not located proximately to each other and therefore are not considered to be "contiguous and adjacent" under EPA's O&G guidance. Accordingly, emissions from the Station and Dehydrator should not be aggregated for purposes of permitting and the facilities should remain separately permitted without aggregation of emissions.

CONCLUSION:

In summary, aggregation of oil and gas industry stationary sources of regulated pollutants remains a case-by-case analysis. However, unique characteristics of oil and gas pollutant-emitting sources requires a different aggregation analysis from than is applied to other industries. With the O&G guidance, EPA has proposed a two step process that first identifies individual Surface Sites that can be considered to be Stationary Sources, and second evaluates potential aggregation of those individual Surface Sites on the basis of common control and proximity. MRT asserts that emissions from the Station and Dehydrator should not be aggregated as they are not proximate to one another, nor are they operationally dependent.

Respectfully submitted,

HALL, ESTILL, HARDWICK, GABLE,
GOLDEN & NELSON, P.C.

Garry L. Keele, II

GLK

Attachment

cc: Laura Guthrie

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 12 2007

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Source Determinations for Oil and Gas Industries

FROM: William L. Wehrum
Acting Assistant Administrator (6101A)

TO: Regional Administrators I-X

The purpose of this memorandum is to provide guidance to assist permitting authorities in making major stationary source determinations for the oil and gas industry. This guidance extends to oil and gas operations on land, in state waters, and on the federal Outer Continental Shelf (OCS).[1]

Currently, significant oil and gas development is occurring in the Western United States. With this development, we expect issues to arise related to whether exploration, extraction or production activities need to be aggregated together to determine whether the activities qualify as a "major stationary source" for purposes of the major New Source Review (NSR) and the Title V permitting programs.[2] As explained in detail below, we suggest that permitting authorities begin the analysis by evaluating whether each individual surface site qualifies as a separate stationary source, and then aggregating two or more surface sites only if the surface sites are under common control and are located in close proximity to each other. The term "surface site" generally refers to a single area of development and includes any combination of one or more graded pad sites, gravel pad sites, foundations, platforms, or the immediate physical location upon which equipment is physically affixed. *See e.g.* 40 CFR 63.761.

[1] On the OCS, "emissions from any vessel servicing or associated with an OCS source, including emissions while at the OCS source or en route to or from the source within 25 miles of the OCS source, shall be considered direct emissions from the OCS source." See CAA §328(a)(4)(C). This memorandum does not supercede our existing interpretation of this regulatory language.

[2] Oil and gas development activities include such things as geological and geophysical exploration for petroleum deposits, drilling oil and gas wells, and separating natural gas liquids from crude oil. The activities generally fall into the major Standard Industrial Code (SIC) 13 including SIC 1311, 1321, 1381, 1382, and 1389.

The Federal NSR regulations define a "major stationary source" as any "stationary source" that emits or has the potential to emit above certain specified emissions thresholds (ranging from 10-250 tons per year) depending on the attainment status of the area. The Federal NSR regulations define "stationary source" to mean "any building, structure, facility, or installation which emits or may emit any air pollutant subject to regulation under the Act."[3] The regulations establish three criteria for identifying emissions activities that belong to the same "building," "structure," "facility," or "installation": (1) whether the activities are under common control, (2) whether the activities are located on one or more contiguous or adjacent properties; and (3) whether the activities belong to the same major industrial grouping.[4] The Title V program also considers whether activities are under common control and located on contiguous or adjacent property.[5]

In implementing the stationary source definition for the major NSR and Title V permit programs, the foremost principle that guides our decision-making is that we should apply a "common sense notion" of a plant. In *Alabama Power v. Costle*, the court cautioned that "...EPA cannot treat contiguous and commonly owned units as a single source unless they fit within the four permissible statutory terms," and that "EPA should ...provide for the aggregation, where appropriate, of industrial activities according to considerations such as proximity and ownership."[6] In 1980, we expressed the view that *Alabama Power* set boundaries on our discretion to interpret the component terms of "stationary source." Specifically, we indicated that we must (1) reasonably carry out the purposes of Prevention of Significant Deterioration (PSD); (2) approximate a common sense notion of a "plant"; and (3) avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of "building," "structure," "facility" or "installation."[7] Accordingly, we follow these overarching principles in interpreting the three regulatory criteria in context of a given source determination.

Source determinations within the oil and gas industries are not always straightforward. Even when two or more pollutant-emitting activities are clearly under common control and belong to the same 2-digit SIC code, the unique geographical attributes of the oil and gas industry necessitate a detailed evaluation of whether the activities are contiguous and adjacent. For example, well sites can be located hundreds of miles from the natural gas processing plant, and some oil and gas operations (*e.g.*, a production field) can cover many square miles. Moreover, unlike many industries, land ownership and control are not easily distinguished in this industry, because subsurface and surface property rights are often owned and leased by different entities, and drilling and exploration activities are contracted to third parties. While it is not uncommon for a single company to gain the use of a large area of contiguous property through

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[3] *See e.g.* 40 CFR 52.21(b)(5)

[4] Under this definition, activities are within the same industrial grouping if they share the same two-digit Standard Industrial Classification (SIC). Exploration, extraction or production activities in the oil and natural gas development industry share the same two-digit SIC code – "13".

[5] 40 CFR 70.2 also includes a SIC reference which is not contained in the statute. We have proposed to delete this reference from the title V regulations.

[6] *Alabama Power Co. v. Costle* 636 F.2d 323, 397 (D.C. Cir. 1979)

[7] 45 FR 52676, 52695 (August 7,1980)

these lease and mineral rights agreements, owners or operators of production field facilities typically control only the surface area necessary to operate the physical structures used in oil and gas production, and not the land between well drill sites.[8]

The concept of "contiguous and adjacent" considers whether the land associated with the pollutant-emitting activity is connected to, or is nearby, land associated with another pollutant-emitting activity. Historically, we also have used such factors as operational dependence and proximity to inform our analysis of whether two properties are contiguous or adjacent.[9] The concept of "operational dependence" considers the extent to which each activity relies on the other for its operations. In the oil and gas industries, materials are transferred between pollutant-emitting points and many activities are physically connected via pipelines, but the extent of the operational reliance may vary widely from point to point.

Notably, in 1980, we declined to add a specific "functionality" criteria to the definition of source because we believed that "assessments of functional interrelationships would be highly subjective" and "embroil[] the Agency in fine-grained analysis."[10] We also made clear that we do not intend "source" to encompass activities that would be many miles apart along a long-line. For instance, EPA would not treat all of the pumping stations along a pipeline as one source.[11] Accordingly, for this industry, we do not believe determining whether two activities are operationally dependent drives the determination as to whether two properties are contiguous or adjacent, because it would embroil the Agency in precisely the fine-grained analysis we intended to avoid, and it would potentially lead to results which do not adhere to the common sense notion of a plant.

The concept of proximity considers the physical distance between two activities. EPA has not specifically defined an exact separation of distance that would cause two activities to be considered contiguous or adjacent. Nonetheless, we have stated that proximity can be the most informative factor in determining whether two activities are contiguous or adjacent. For example, we stated that when two facilities are close together, a permitting authority can consider the two facilities as a single source irrespective of an absence of physical connection and operational dependence.[12] We also think that the opposite is equally true. A permitting authority can find that two pollutant-emitting activities are separate sources when they are located far apart, irrespective of the presence of physical connections and operational dependence between the sites.

Given the diverse nature of the oil and gas activities, we believe that proximity is the most informative factor in making source determinations for these industries. We do not believe that it is reasonable to aggregate well site activities, and other production field activities that

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[8] We recognized the unique challenges this industry presents in our discussion of the facility definition in the section 112 rulemaking. 64 FR 32620, 32617 (June 17, 1999).

[9] *See e.g.* Memo. from Winston Smith, Director Air, Pesticides and Toxics Management Division to Randy C. Poole, Air Hygienist II, *Applicability of Title V Permitting Requirements to Gasoline Bulk Terminals Owned by Williams Energy Ventures, Inc.* (May 19, 1999)

[10] 45 FR 52676, 52694 (August 7, 1980).

[11] *Id* at 52695

[12] Memo. from Winston Smith at 6.

occur over large geographic distances, with the downstream processing plant into a single major stationary source. Aggregation of such geographically-dispersed activities defies the concept of contiguous and adjacent. While the land mass may be "contiguous or adjacent" when viewed as a whole, the limited portion of the properties physically associated with the pollutant-emitting activity are not necessarily nearby, connected, or in any way proximate to each other.

Congress also recognized the unique geographic attributes of the oil and gas industries when it provided specific direction on how emission sources in the oil and gas exploration and production industry should be grouped together for purposes of defining a major source under the Section 112 Air Toxics Program.[13] Specifically, Section 112(n)(4) of the Act states:

> [E]missions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are major sources, and in the case of any oil or gas exploration or production well (with its associated equipment), such emissions shall not be aggregated for any purpose under this section.

Applying our interpretation of the Section 112(a)(1) and (n)(4) statutory language, and our understanding of hazardous air pollutant (HAP) emission sources, we defined the major source under Section 112, for purposes of these industries, in reference to individual surface sites.[14]

For purposes of making source determinations for NSR and Title V, we recommend that permitting authorities first look to the Section 112 approach of segregating each individual surface site.[15] While we do not believe that permitting authorities should strictly apply the Section 112 definition of major stationary source for purposes of the NSR and Title V permit programs, we do believe that the "surface site" is a reasonable place to begin the source determination analysis. This is because we have already determined that a surface site fits within a reasonable interpretation of the term stationary source in context of one regulatory program, and administratively, we think it reasonable for a permitting authority to at least consider whether the same boundaries are appropriate in administrating other regulatory programs.

After identifying the individual surface site, the permitting authority should consider aggregating pollutant-emitting activities at multiple surface sites, when the surface sites are under common control and located in close proximity to each other. A reviewing authority can consider two surface sites to be in close proximity if they are physically adjacent, or if they are separated by no more than a short distance (e.g. across a highway, separated by a city block or

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[13] Although Congress provided direction in Section 112(n)(4) absent a specific finding related to whether the activities are within a "contiguous area," notably, the Congressional Record shows that Congress explained its basis for creating special treatment for these industries under Section 112 partially based on a finding that emissions, "are typically located in widely dispersed geographic areas, rather than concentrated in a single area." 136 Cong.Rec H12848-01.

[14] *See* 64 FR 32618 *and* 40 C.F.R. Part 63, Subpart HH.

[15] It is common practice, when making NSR source determinations, to first look at a small group of pollutant-emitting activities, and then determine whether it is appropriate to aggregate these activities with other activities to define the major stationary source. In the oil and gas industries, we think that a surface site contains an appropriate collection of pollutant-emitting activities to begin this analysis.

some similar distance). [16] Once the stationary source is identified, the permitting authority should consider the emissions from all equipment located either temporarily or permanently on the surface site(s) collectively to determine whether the surface site(s) qualifies as a major stationary source for NSR and Title V.[17,18]

In a great majority of cases, we expect that permitting authorities will find that a single surface site is the most-suitable industrial grouping because it correlates best with the definition of a stationary source. Accordingly, permitting authorities could treat each surface site as a separate stationary source and generally would not need to aggregate activities located on different oil and gas properties (oil and gas lease, mineral fee tract, subsurface unit area, surface fee trace or surface lease tract) or located on the same lease, when the sites are not located in close proximity to each other.

Whether or not a permitting authority should aggregate two or more pollutant-emitting activities into a single major stationary source for purposes of NSR and Title V remains a case-by-case decision considering the factors relevant to the specific circumstances. Nonetheless, today's guidance provides permitting authorities a reasonable analytical approach that simplifies the determination process and assures greater uniformity in permitting decisions. Unless unique factors (such as proximity or interdependence) indicate otherwise, permitting authorities can consider oil and gas exploration and production activity located on a single surface site to be an individual stationary source.

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[16] In making major stationary source determinations for this industry, some southern States apply a rule that generally results in separating pollutant-emitting activities located outside a ¼ mile radius.

[17] This approach differs from the Section 112 approach for these industries. The Section 112 approach exempts activities at the well and its associated equipment from the regulations. 64 FR 32610. Congress' based its direction to disaggregate these emission points for purposes of Section 112 on a finding that these emissions points generally have low HAP emissions.[17] 136 Cong.Rec H12848-01. This is not necessarily the case for criteria pollutants. Drilling sites can contribute high levels of CO, NO_x, and SO_2 emissions from internal combustion engines. Accordingly, a potential to impact ambient air quality exists if these pollutant-emitting activities are closely located, and we believe it appropriate to consider these emissions points in defining the major stationary source for the NSR and Title V permitting programs.

[18] Temporary emissions include emissions from a portable stationary source that would be less than two years in duration, unless the Administrator determines that a longer period would be appropriate. 45 FR 52728. Temporary emissions, however, do not include emissions from non-road engines.

Exhibit 8

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 12 2007

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Source Determinations for Oil and Gas Industries

FROM: William L. Wehrum
Acting Assistant Administrator (6101A)

TO: Regional Administrators I-X

The purpose of this memorandum is to provide guidance to assist permitting authorities in making major stationary source determinations for the oil and gas industry. This guidance extends to oil and gas operations on land, in state waters, and on the federal Outer Continental Shelf (OCS).[1]

Currently, significant oil and gas development is occurring in the Western United States. With this development, we expect issues to arise related to whether exploration, extraction or production activities need to be aggregated together to determine whether the activities qualify as a "major stationary source" for purposes of the major New Source Review (NSR) and the Title V permitting programs.[2] As explained in detail below, we suggest that permitting authorities begin the analysis by evaluating whether each individual surface site qualifies as a separate stationary source, and then aggregating two or more surface sites only if the surface sites are under common control and are located in close proximity to each other. The term "surface site" generally refers to a single area of development and includes any combination of one or more graded pad sites, gravel pad sites, foundations, platforms, or the immediate physical location upon which equipment is physically affixed. *See e.g.* 40 CFR 63.761.

[1] On the OCS, "emissions from any vessel servicing or associated with an OCS source, including emissions while at the OCS source or en route to or from the source within 25 miles of the OCS source, shall be considered direct emissions from the OCS source." See CAA §328(a)(4)(C). This memorandum does not supercede our existing interpretation of this regulatory language.

[2] Oil and gas development activities include such things as geological and geophysical exploration for petroleum deposits, drilling oil and gas wells, and separating natural gas liquids from crude oil. The activities generally fall into the major Standard Industrial Code (SIC) 13 including SIC 1311, 1321, 1381, 1382, and 1389.

The Federal NSR regulations define a "major stationary source" as any "stationary source" that emits or has the potential to emit above certain specified emissions thresholds (ranging from 10-250 tons per year) depending on the attainment status of the area. The Federal NSR regulations define "stationary source" to mean "any building, structure, facility, or installation which emits or may emit any air pollutant subject to regulation under the Act."[3] The regulations establish three criteria for identifying emissions activities that belong to the same "building," "structure," "facility," or "installation": (1) whether the activities are under common control, (2) whether the activities are located on one or more contiguous or adjacent properties; and (3) whether the activities belong to the same major industrial grouping.[4] The Title V program also considers whether activities are under common control and located on contiguous or adjacent property.[5]

In implementing the stationary source definition for the major NSR and Title V permit programs, the foremost principle that guides our decision-making is that we should apply a "common sense notion" of a plant. In *Alabama Power v. Costle*, the court cautioned that "...EPA cannot treat contiguous and commonly owned units as a single source unless they fit within the four permissible statutory terms," and that "EPA should ...provide for the aggregation, where appropriate, of industrial activities according to considerations such as proximity and ownership."[6] In 1980, we expressed the view that *Alabama Power* set boundaries on our discretion to interpret the component terms of "stationary source." Specifically, we indicated that we must (1) reasonably carry out the purposes of Prevention of Significant Deterioration (PSD); (2) approximate a common sense notion of a "plant"; and (3) avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of "building," "structure," "facility" or "installation."[7] Accordingly, we follow these overarching principles in interpreting the three regulatory criteria in context of a given source determination.

Source determinations within the oil and gas industries are not always straightforward. Even when two or more pollutant-emitting activities are clearly under common control and belong to the same 2-digit SIC code, the unique geographical attributes of the oil and gas industry necessitate a detailed evaluation of whether the activities are contiguous and adjacent. For example, well sites can be located hundreds of miles from the natural gas processing plant, and some oil and gas operations (*e.g.*, a production field) can cover many square miles. Moreover, unlike many industries, land ownership and control are not easily distinguished in this industry, because subsurface and surface property rights are often owned and leased by different entities, and drilling and exploration activities are contracted to third parties. While it is not uncommon for a single company to gain the use of a large area of contiguous property through

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these lease and mineral rights agreements, owners or operators of production field facilities typically control only the surface area necessary to operate the physical structures used in oil and gas production, and not the land between well drill sites.[8]

The concept of "contiguous and adjacent" considers whether the land associated with the pollutant-emitting activity is connected to, or is nearby, land associated with another pollutant-emitting activity. Historically, we also have used such factors as operational dependence and proximity to inform our analysis of whether two properties are contiguous or adjacent.[9] The concept of "operational dependence" considers the extent to which each activity relies on the other for its operations. In the oil and gas industries, materials are transferred between pollutant-emitting points and many activities are physically connected via pipelines, but the extent of the operational reliance may vary widely from point to point.

Notably, in 1980, we declined to add a specific "functionality" criteria to the definition of source because we believed that "assessments of functional interrelationships would be highly subjective" and "embroil[] the Agency in fine-grained analysis."[10] We also made clear that we do not intend "source" to encompass activities that would be many miles apart along a long-line. For instance, EPA would not treat all of the pumping stations along a pipeline as one source.[11] Accordingly, for this industry, we do not believe determining whether two activities are operationally dependent drives the determination as to whether two properties are contiguous or adjacent, because it would embroil the Agency in precisely the fine-grained analysis we intended to avoid, and it would potentially lead to results which do not adhere to the common sense notion of a plant.

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Applying our interpretation of the Section 112(a)(1) and (n)(4) statutory language, and our understanding of hazardous air pollutant (HAP) emission sources, we defined the major source under Section 112, for purposes of these industries, in reference to individual surface sites.[14]

For purposes of making source determinations for NSR and Title V, we recommend that permitting authorities first look to the Section 112 approach of segregating each individual surface site.[15] While we do not believe that permitting authorities should strictly apply the Section 112 definition of major stationary source for purposes of the NSR and Title V permit programs, we do believe that the "surface site" is a reasonable place to begin the source determination analysis. This is because we have already determined that a surface site fits within a reasonable interpretation of the term stationary source in context of one regulatory program, and administratively, we think it reasonable for a permitting authority to at least consider whether the same boundaries are appropriate in administrating other regulatory programs.

After identifying the individual surface site, the permitting authority should consider aggregating pollutant-emitting activities at multiple surface sites, when the surface sites are under common control and located in close proximity to each other. A reviewing authority can consider two surface sites to be in close proximity if they are physically adjacent, or if they are separated by no more than a short distance (e.g. across a highway, separated by a city block or

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In a great majority of cases, we expect that permitting authorities will find that a single surface site is the most-suitable industrial grouping because it correlates best with the definition of a stationary source. Accordingly, permitting authorities could treat each surface site as a separate stationary source and generally would not need to aggregate activities located on different oil and gas properties (oil and gas lease, mineral fee tract, subsurface unit area, surface fee trace or surface lease tract) or located on the same lease, when the sites are not located in close proximity to each other.

Whether or not a permitting authority should aggregate two or more pollutant-emitting activities into a single major stationary source for purposes of NSR and Title V remains a case-by-case decision considering the factors relevant to the specific circumstances. Nonetheless, today's guidance provides permitting authorities a reasonable analytical approach that simplifies the determination process and assures greater uniformity in permitting decisions. Unless unique factors (such as proximity or
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[16] In making major stationary source determinations for this industry, some southern States apply a rule that generally results in separating pollutant-emitting activities located outside a ¼ mile radius.

[17] This approach differs from the Section 112 approach for these industries. The Section 112 approach exempts activities at the well and its associated equipment from the regulations. 64 FR 32610. Congress' based its direction to disaggregate these emission points for purposes of Section 112 on a finding that these emissions points generally have low HAP emissions.[17] 136 Cong.Rec H12848-01. This is not necessarily the case for criteria pollutants. Drilling sites can contribute high levels of CO, NO_x, and SO_2 emissions from internal combustion engines. Accordingly, a potential to impact ambient air quality exists if these pollutant-emitting activities are closely located, and we believe it appropriate to consider these emissions points in defining the major stationary source for the NSR and Title V permitting programs.

[18] Temporary emissions include emissions from a portable stationary source that would be less than two years in duration, unless the Administrator determines that a longer period would be appropriate. 45 FR 52728. Temporary emissions, however, do not include emissions from non-road engines.

Exhibit 9

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 22 2009

OFFICE OF
AIR AND RADIATION

MEMORANDUM

SUBJECT: Withdrawal of Source Determinations for Oil and Gas Industries

FROM: Gina McCarthy
Assistant Administrator (6101A)

TO: Regional Administrators
Regions I – X

The purpose of this memorandum is to communicate to you that I am withdrawing a recent memo concerning the application of Clean Air Act permitting programs to the oil and gas industries. On January 12, 2007, Acting Assistant Administrator William Wehrum issued a guidance memorandum entitled "Source Determinations for Oil and Gas Industries."[1] The stated purpose of the 2007 guidance was to assist permitting authorities in making major stationary source determinations for the oil and gas industries. The memorandum did not mandate application of a particular approach but instead was a non-binding policy statement that set forth a possible methodology for making source determinations in these industries. The memorandum aimed to simplify the process for determining when permitting authorities should consider two or more pollutant-emitting activities in these industries to be a single stationary source for purposes of the New Source Review (NSR) and Title V permitting programs. Today, by this memorandum, I am withdrawing this previously issued guidance and instead re-emphasizing the fundamental criteria for making source determinations as specified in our existing NSR regulations, explained in the preamble to our 1980 promulgation of those regulations and demonstrated through historical practice in making source determinations in these programs.

I recognize that source determinations within the oil and gas industries will continue to be complex, involving in some cases in-depth analyses of ownership and operational issues. The previous memorandum attempted to simplify this analysis by focusing on one of the three regulatory criteria for source determinations – whether activities are "adjacent or contiguous." It emphasized proximity in addressing this criterion. In practice, however, I find individual facts warrant a closer examination of all three criteria identified in those regulations to arrive at a reasoned decision, and therefore, the simplified approach provided in the memorandum should not be relied on by permitting authorities as a sufficient endpoint in the decision-making process.

[1] *See* EPA docket EPA-HQ-OAR-2007-0629.

Permitting authorities should therefore rely foremost on the three regulatory criteria for identifying emissions activities that belong to the same "building," "structure," "facility," or "installation." These are (1) whether the activities are under the control of the same person (or person under common control); (2) whether the activities are located on one or more contiguous or adjacent properties; and (3) whether the activities belong to the same industrial grouping. 40 C.F.R. 52.21(b)(6). In applying these criteria, permitting authorities should also remain mindful of the explanation we provided in the 1980 preamble. *See* 45 FR 52676, 52694-95 (August 7,1980). In addition, over the past two decades, Regional Offices have applied these regulatory criteria in making source determinations in EPA permitting actions, and in providing guidance to other permitting authorities making such determinations (*available at http://www.epa.gov/region07/programs/artd/air/policy/search.htm).* Collectively, these numerous case-by-case determinations illustrate the kind of reasoned decision-making that is necessary to justify adequately a permitting authority's source determination decision. Nonetheless, these case-by-case source determinations represent highly fact-specific decisions, and while informative of the necessary analytical process, no single determination can serve as an adequate justification for how to treat any other source determination for pollutant-emitting activities with different fact-specific circumstances.

I agree with the previous memorandum's conclusion that whether or not a permitting authority should aggregate two or more pollutant-emitting activities into a single major stationary source for purposes of NSR and Title V remains a case-by-case decision in which permitting authorities retain the discretion to consider the factors relevant to the specific circumstances of the permitted activities. After conducting the necessary analysis, it may be that, in some cases, "proximity"may serve as the overwhelming factor in a permitting authority's source determination decision. However, such a conclusion can only be justified through reasoned decision making after examining whether other factors are relevant to the analysis.

Accordingly, I withdraw the guidance memorandum dated January 12, 2007, entitled "Source Determinations for Oil and Gas Industries," and direct permitting authorities to the three criteria for making source determinations specified in the existing NSR regulations. Regional Offices should continue to review and comment on source determinations to assure that permitting authorities conduct fully-reasoned source determinations that remain consistent with existing regulatory requirements and historical permitting practice.

Exhibit 10

BEFORE THE ADMINISTRATOR
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

IN THE MATTER OF Anadarko Petroleum Corporation, *Frederick Compressor Station* *Permit Number:* 95OPWE035 Issued by the Colorado Department of Public Health and Environment, Air Pollution Control Division	ORDER RESPONDING TO PETITIONERS' REQUEST THAT THE ADMINISTRATOR OBJECT TO ISSUANCE OF A STATE OPERATING PERMIT Petition Number: VIII-2010-4

ORDER DENYING PETITION FOR OBJECTION TO PERMIT

INTRODUCTION

The United States Environmental Protection Agency ("EPA") received a petition on November 5, 2010, from Wild Earth Guardians ("WEG" or "Petitioner"). In its petition, WEG requests that EPA object, pursuant to section 505(b)(2) of the Clean Air Act ("CAA" or "the Act"), 42 U.S.C. § 7661d, to the July 14, 2010, response of the Colorado Department of Public Health and Environment, Air Pollution Control Division (CDPHE) to the October 8, 2009 Order by EPA objecting to the issuance of the renewed title V permit for Anadarko Petroleum Corporation's (Anadarko's) Frederick Compressor Station, Permit Number 95OPWE035 issued on January 1, 2007.[1]

Specifically, WEG objects that CDPHE's response failed to appropriately assess whether oil and gas wells and other pollutant emitting activities connected with the Frederick Compressor Station should be aggregated together as a single stationary source for PSD and title V permitting purposes, to ensure compliance with applicable CAA requirements. WEG alleges that CDPHE's failure to aggregate the Frederick Compressor

[1] As is explained further in the Background section of this Order, WEG's November 5th petition is the third petition filed by WEG or a predecessor organization concerning the title V permit for Anadarko's Frederick Compressor Station (petition III). The first petition was filed on December 29, 2006 (petition I) and the second petition was filed on August 14, 2009 (petition II). EPA responded to those petitions on February 7, 2008, and October 8, 2009, respectively.

Station with other oil and gas wells and associated equipment that are connected with the compressor station is still unsupported and contrary to regulation and EPA guidance. WEG also alleges that CDPHE's analysis contained in its July 14, 2010, response is not legally adequate and is devoid of objectivity.

EPA has reviewed the allegations in petition III pursuant to the standards set forth by section 505(b)(2) of the Act, which provides that a petition generally may be based only on objections to the permit that were raised with reasonable specificity during the comment period provided by the permitting agency and places the burden on Petitioner to "demonstrate to the Administrator that the permit is not in compliance" with the applicable requirements of the Act or the requirements of Part 70. *See also* 40 CFR § 70.8(c)(1) and (d); *New York Public Interest Research Group, Inc. v. Whitman*, 321 F.3d 316, 333 n.11 (2nd Cir. 2002).

In reviewing the various allegations made in the petition, EPA considered, among other things: Petition III, including exhibits; EPA's October 8, 2009 Order granting petition II; CDPHE's July 14, 2010, response to the October 8, 2009 Order; supplemental information provided by CDPHE in a letter dated December 27, 2010; and the information reviewed in responding to petition I and petition II.

Based on a review of all the information before me, I deny Petitioner's request that EPA object to the CDPHE's response of July 14, 2010, concerning the Frederick Compressor Station title V permit, for the reasons set forth in this Order.

STATUTORY AND REGULATORY FRAMEWORK

Section 502(d)(1) of the Act calls upon each State to develop and submit to EPA an operating permit program to meet the requirements of title V. EPA granted interim approval to the title V operating permit program submitted by the state of Colorado effective February 23, 1995. 60 Fed. Reg. 4563 (Jan. 24, 1995); 40 CFR part 70, Appendix A. *See also* 61 Fed. Reg. 56367 (Oct. 31, 1996) (revising interim approval). Effective October 16, 2000, EPA granted full approval to Colorado's title V operating permit program. 65 Fed. Reg. 49919 (Aug. 16, 2000).

All major stationary sources of air pollution and certain other sources are required to apply for title V operating permits that include emission limitations and such other conditions as are necessary to assure compliance with applicable requirements of the Act, including requirements of the applicable State Implementation Plan (SIP). *See* CAA §§ 502(a) and 504(a)., 42 U.S.C. §§ 7661a(a) and 7661c(a).

The title V operating permit program does not generally impose new substantive air quality control requirements (referred to as "applicable requirements"), but does require permits to contain monitoring, recordkeeping, reporting, and other requirements to assure compliance by sources with applicable requirements. *See* 57 Fed. Reg. 32250, 32251 (July 21, 1992) (EPA final action promulgating part 70 rule).

One purpose of the title V program is to "enable the source, states, EPA and the public to better understand the requirements to which the source is subject, and whether the source is meeting those requirements." 57 Fed. Reg. 32250, 32251 (July 21, 1992). Thus, the title V operating permits program is a vehicle for ensuring that air quality control requirements are appropriately applied to facility emission units and that compliance with these requirements is assured.

Under section 505(a), 42 U.S.C. § 7661d(a), of the CAA and the relevant implementing regulations (40 C.F.R. § 70.8(a)), states are required to submit each proposed title V operating permit to EPA for review. Upon receipt of a proposed permit, EPA has 45 days to object to final issuance of the permit, if it is determined not to be in compliance with applicable requirements or the requirements under title V. 40 C.F.R. § 70.8(c).

If EPA does not object to a permit on its own initiative, section 505(b)(2) of the Act provides that any person may petition the Administrator, within 60 days of expiration of EPA's 45-day review period, to object to the permit. 42 U.S.C. § 7661d(b)(2), *see also* 40 C.F.R. § 70.8(d). The petition must "be based only on objections to the permit that were raised with reasonable specificity during the public comment period provided by the permitting agency (unless the petitioner demonstrates in the petition to the Administrator that it was impracticable to raise such objections within such period or unless the grounds for such objection arose after such period)." Section 505(b)(2) of the Act, 42 U.S.C. § 7661d(b)(2).

In response to such a petition, the CAA requires the Administrator to issue an objection if a petitioner demonstrates that a permit is not in compliance with the requirements of the CAA. 42 U.S.C. § 7661d(b)(2). *See also* 40 C.F.R. § 70.8(c)(1); *New York Public Interest Research Group (NYPIRG) v. Whitman*, 321 F.3d 316,333 n. 11 (2nd Cir. 2003).

Under section 505(b)(2), the burden is on the petitioner to make the required demonstration to EPA. *Sierra Club v. Johnson*, 541 F.3d. 1257, 1266-1267 (11th Cir. 2008); *Citizens Against Ruining the Environment v. EPA*, 535 F.3d 670, 677-678 (7th Cir. 2008); *Sierra Club v. EPA*, 557 F.3d 401, 406 (6th Cir. 2009) (discussing the burden of proof in title V petitions); *see also NYPIRG*, 321 F.3d at 333 n. 11.

BACKGROUND

The Facility

The Frederick Compressor Station is a Natural Gas Gathering and Compression facility as defined under Standard Industrial Classification (SIC) 1311. Gas is compressed to specification for transmission to sales pipelines using three internal combustion engines to power compressor units. Other activities conducted on site

include dehydration of the gas through contact with triethylene glycol, and gravity separation of condensates. The dehydrator is equipped with a thermal oxidizer unit to control volatile organic compound (VOC) emissions. Emissions from the tanks located onsite are controlled with an air-assist vertical flare. Fugitive VOC emissions also result from equipment leaks.

The Permit

On January 1, 2007, CDPHE renewed the Frederick Compressor Station operating permit pursuant to title V of the Act, the federal implementing regulations at 40 CFR Part 70, and the Colorado State implementing regulations at Regulation No. 3 part C. Petitioner commented during the public comment period, raising concerns with the draft operating permit. At the time of permit renewal, the Frederick Compressor Station was owned by Kerr-McGee Gathering, LLC. Kerr-McGee Gathering, LLC is now a wholly-owned subsidiary of Anadarko.[2]

On January 3, 2007, WEG filed its first petition (petition I) objecting to the renewal. Petition I alleged that the Frederick Compressor Station permit does not comply with 40 CFR part 70 in that: (1) the title V permit failed to assure compliance with Prevention of Significant Deterioration ("PSD") requirements because CDPHE failed to consider whether emissions from adjacent and interrelated pollutant emitting activities triggered PSD review, specifically Anadarko owned natural gas wells that supply natural gas to the Frederick Compressor Station; (2) in light of CDPHE's failure to consider PSD compliance, it is likely that the title V permit must include a compliance schedule; (3) CDPHE failed to respond to significant comments submitted by Petitioner during the title V public comment period; and (4) CDPHE failed to consider adjacent and interrelated pollutant emitting activities in defining the "source" subject to title V.

On February 7, 2008, EPA issued an Order granting petition I. EPA determined that CDPHE had failed to adequately respond to comments from WEG regarding the need to aggregate potentially connected sources of air pollution as a single source of air pollution. EPA directed CDPHE to respond to Petitioner's comments and, as necessary, supplement the permit record and make appropriate changes to the permit.

On April 29, 2008, CDPHE submitted the Technical Review Document (TRD) Addendum as its full response to EPA's February 7, 2008 Order. On August 1, 2008, EPA Region 8 informed WEG by letter of WEG's additional opportunity to petition in light of the TRD Addendum. WEG did so on August 14, 2008.

The August 14, 2008 petition (petition II) alleged that CDPHE's response to the February 7, 2008 Order – the TRD Addendum, together with CPDHE's determination that "no changes to the [title V] permit" are warranted – was inconsistent with the CAA.

[2] Kerr-McGee Gathering is one of several "midstream" companies operating in the Wattenburg Field. Midstream companies receive gas from wells, but do not control operation of the wells. See pages 3, 29-30 of CDPHE's July 14, 2010, response.

Petitioner argued that the permit continued to fail to ensure compliance with all applicable requirements, including PSD, title V permitting requirements, and the Colorado SIP. Petitioner requested that EPA object, pursuant to section 505(b)(2) of the Act, to the renewal of Anadarko's Frederick Compressor Station permit.

On October 8, 2009, EPA issued an Order granting petition II. EPA determined that CDPHE had failed to provide an adequate basis in the permit record for its determination of the source for PSD and title V purposes. CDPHE was required to supplement the permit record and, as necessary, make appropriate changes to the permit. It was recommended that CDPHE conduct a source determination analysis based on the three regulatory criteria laid out in PSD rules under the definition of "[b]uilding, structure, facility or installation" and ordered that CDPHE "establish a more thorough permit record" and "make any appropriate changes to the permit." While the Order recommended various factors that CDPHE could evaluate when assessing various emission sources in the Wattenberg gas field, it also recognized that CDPHE had the authority to request different or additional information in determining whether the various pollution emitting activities are contiguous or adjacent to, and under common control with, the Frederick Compressor Station.

On July 14, 2010, CDPHE submitted its response to EPA's October 8, 2009, Order, determining that after consideration of "all the facts, relevant applicability determinations, legal precedent, regulations and the [permitting] record...it is not appropriate to aggregate [the] Frederick Station with other emission sources in the Wattenberg Field." (Petitioner Exhibit 3 at 42). EPA advised Petitioner, in a letter dated October 18, 2010, that there was an opportunity to petition EPA to object to the July 14, 2010, response of CDPHE. Petitioner filed this petition on November 5, 2010.

ISSUES RAISED BY PETITIONER

Petitioner argues that CDPHE's position in its July 14, 2010, response, that aggregation is inappropriate, is unsupported and contrary to regulation and EPA guidance. Petitioner supports its position on the basis that: (1) EPA's prior aggregation determinations overwhelmingly demonstrate that oil and gas sources, and other similar sources, can be aggregated; (2) the pivotal factor in prior source determinations was whether the pollutant emitting activities were physically connected, such as with a pipeline or not, and that EPA's prior aggregation determinations, as well as PSD and title V regulations, do not require complete and exclusive interdependence between sources for aggregation; and (3) the prohibition on aggregation of oil and gas sources in CAA section 112 demonstrates Congress's intent that oil and gas sources be aggregated, where appropriate, for PSD and title V purposes. Discussion of each of these three points follows below.

I. The Title V Permit Fails to Apply Prior EPA Aggregation Statements

Petitioner's claim: Petitioner argues that the Administrator must object to the Frederick Compressor Station title V permit and CDPHE's response to the extent it fails to appropriately apply EPA guidance in justifying its source determination under PSD and title V. Petitioner cites several examples of prior agency statements where oil and gas sources were aggregated and a few where EPA found aggregation to be inappropriate. In particular, Petitioner asserts that CDPHE made no effort to apply prior EPA guidance in assessing the adjacency and/or contiguousness of the Frederick Compressor Stations with other pollutant emitting activities. Petition at 18.

The examples cited by Petitioner as prior statements regarding aggregation have been included by Petitioner as Exhibits 14, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25. These exhibits consist of the following:

Exhibit 14: Great Salt Lake Minerals (processing plant and brine pump station)
Exhibit 16: Citation Oil & Gas Corporation/Walker Hollow Unit (oil field)
Exhibit 17: EnerVest San Juan Operating Company (coal bed methane gathering compression stations)[3]
Exhibit 18: Valero Transmission Company (gas processing plant and gas transmission station)
Exhibit 19: Summit Petroleum Corporation/Mount Pleasant (gas field)
Exhibit 20: American Soda (commercial mine and soda ash processing plant)
Exhibit 21: Forest Oil/Kustatan Oil Production Facility and Osprey Oil Platform
Exhibit 22: ESCO Corporation/Main Plant metal casting & coating & Plant 3 metal casting
Exhibit 23: Shell Oil Company/Wilmington Refinery Complex; Wilmington & Dominguez Sections
Exhibit 24: Anheuser-Busch Brewery and Nutri-Turf Farm
Exhibit 25: General Motors Corporation/Fisher Body Paint & Oldsmobile Plant

EPA's response: Petitioner mischaracterizes some of these prior agency statements as "determinations," Petition at 14, since several of the exhibits referenced in the petition are actually recommendation letters from EPA to states, which provide EPA's assessment of how the specific facts in a particular permitting action could be evaluated in light of the regulatory criteria for the source determination, but leave the state permitting authority with the discretion to make the final source determination. Exhibits 14, 17, 20, 22 and 25. Additionally, while some of the prior agency statements relied upon by Petitioner were determinations (Exhibits 16, 18, 19, 21, 23 and 24), applicability determinations are made on a case-by-case basis and, therefore, reliance on

[3]The discussion of the concept of a "source" in the EnerVest San Juan Operating Company Letter (Petitioner's Exhibit 17) was not a "source" determination. It was intended to be a demonstration of the extent to which EPA would evaluate pollutant emitting activities for inclusion into the gas gathering compressor stations identified by the company. No detailed source analysis was performed and no source determination was made.

prior determinations alone does not provide an adequate justification for determining the source in a later permitting process with different facts.

Stationary source determinations are made on a case-by-case basis considering the foundational concepts provided in the CAA and EPA and state implementing regulations. The current regulatory definition of stationary source for purposes of major New Source Review (NSR) applicability was promulgated in 1980.[4] In its June 1979 opinion in *Alabama Power*, the D.C. Circuit Court of Appeals rejected the definition of a source in our 1978 regulations.[5] As we noted in the preamble to our 1980 final rules:

> ...the December opinion of the court in Alabama Power sets the following boundaries on the definition for PSD purposes of the component terms of "source": (1) it must carry out reasonably the purposes of PSD; (2) it must approximate a common sense notion of a "plant;" and (3) it must avoid aggregating pollutant-emitting activities that as a group would not fit within the ordinary meaning of "building," structure, "facility," or "installation."[6]

We used these guiding principles from the Court's opinion, including the common sense notion of a plant, to develop the three regulatory criteria for determining when permitting authorities should consider two or more pollutant-emitting activities to be a single stationary source for purposes of the major NSR programs. A stationary source is any building, structure, facility, or installation, which emits, or may emit a regulated NSR pollutant. 40 C.F.R. §§ 51.165(a)(1)(i), 52.21(b)(5). A building, structure, facility, or installation is all of the pollutant-emitting activities which belong to the same industrial grouping (i.e., have the same primary two-digit SIC code), are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control).[7]

To be considered a stationary source for purposes of major NSR, the pollutant emitting activities must meet all three of the regulatory criteria. These same criteria were later adopted into the definition of stationary source in 40 CFR 70.2 for purposes of determining when two or more pollutant-emitting activities are considered a stationary source for purposes of the title V permitting program, and EPA was clear that the

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[4] 45 FR 52676 (August 7, 1980).

[5] *Alabama Power Company v. Costle*, 636 F.2d 323 (D.C. Circuit 1980) Hereafter referred to as *Alabama Power*.

[6] 45 FR 52694-5 (August 7, 1980).

[7] A building, structure, facility, or installation means all of the pollutant-emitting activities which belong to the same industrial grouping, are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control) except the activities of any vessel. Pollutant-emitting activities shall be considered as part of the same industrial group if they belong to the same Major Group (i.e., which have the same primary two-digit code) as described in the Standard Industrial Classification Manual, 1972, as amended by the 1977 Supplement (U.S. Government Printing office stock numbers 4101-0065 and 003-005-00176-0, respectively. See 40 CFR 51.165(a)(1)(ii), 51.166(b)(6), 52.21(b)(6), and Section II.A.2 of Appendix S of 40 CFR Part 51.

language and application of the title V definition was to be consistent with the NSR definition contained in section 52.21. *See* 61 Fed. Reg. 34202, 34210 (July 1, 1996).

Guidance on source aggregation determinations under PSD and title V is provided in the September 22, 2009, Memorandum from Gina McCarthy, Assistant Administrator, Office of Air and Radiation, titled, *Withdrawal of Source Determination for Oil and Gas Industries (McCarthy Memo)*; available at:

http://www.epa.gov/region7/air/nsr/nsrmemos/oilgaswithdrawal.pdf).

For purposes of determining applicability of the PSD, nonattainment area NSR, and title V programs of the CAA, the McCarthy Memo states that permitting authorities should rely foremost on the three regulatory criteria for identifying emissions activities that belong to the same "building," "structure," "facility," or "installation." As stated above, these criteria are: whether the activities belong to the same industrial grouping (i.e., have the same primary two-digit SIC code), are located on one or more contiguous or adjacent properties, and are under the control of the same person (or persons under common control). [*See* 40 C.F.R. §§ 70.2, 71.2, 63.2, 51.165(a)(1)(i)-(ii), 51.166(b)((5)-(6), and 52.21 (*b*)(*6*).]

The McCarthy Memo emphasized that whether to aggregate sources for purposes of PSD, NSR, and title V applicability is a case-by-case determination that represents highly fact-specific decisions. While recognizing that EPA has issued many source determinations in its own permitting actions and provided source determination guidance to other permitting authorities that might be informative in future permitting actions, the McCarthy Memo clearly stated that "no single determination can serve as an adequate justification for how to treat any other source determination for pollutant-emitting activities with different fact-specific circumstances." *Id.* at 2. Therefore, while the prior agency statements and determinations related to oil and gas activities and other similar sources may be instructive, they are not determinative in resolving the source determination issue for the Frederick Compressor Station, particularly where a state with independent permitting authority is making the determination and the prior agency statements had, as we discuss below, substantially different fact-specific circumstances than the Frederick Compressor Station determination.

Pertinent, fact-specific information for the Frederick Compressor Station determination was provided by CDPHE in its July 14, 2010, response to EPA's October 2009 petition Order. For example, the response provides the following information:

1. The Frederick Compressor Station, the oil and gas exploration and production wells, and associated equipment are considered to belong to the same industrial grouping; i.e., the same primary two-digit SIC code (Petitioner Exhibit 3 at 34);

2. Because Kerr-McGee Gathering and Kerr-McGee Oil & Gas Onshore (KMOGO)[8] are both wholly-owned subsidiaries of Anadarko, CDPHE considers that for purposes of this analysis, the oil and gas exploration and production facilities owned or controlled by KMOGO that are connected via pipeline to the Frederick Station are controlled by, or are entities under common control with, the same entity, Anadarko (Petitioner Exhibit 3 at 35);

   Conversely, pollutant-emitting sources, such as wells, condensate tanks or glycol dehydrators at the well head, that are owned and operated by a third party, are not considered by CDPHE to be under the common control of Kerr-McGee Gathering, and CDPHE has determined that it is not appropriate to consider them for possible inclusion in the Frederick Station, even if they would otherwise meet the other two parts of the test (i.e., the same two-digit SIC code and the contiguous or adjacent criteria) (Petitioner Exhibit 3 at 35);

3. The CDPHE emission point tracking database indicates that there is a network of approximately 24,000 wells with a "spider web" (Petitioner Exhibit 3 at 26) of gas gathering lines operated by many oil and gas exploration and production companies, condensate tanks, glycol dehydrators and gas gathering compressor stations operated by many gas gathering companies scattered over 2,000 square miles in the Wattenberg Field (Petitioner Exhibit 3 at 25, 26, 29, 37, 39);

4. The spacing and density of wells in the Wattenberg Field is regulated by the Colorado Oil and Gas Conservation Commission. Well locations can also be controlled by land agreements, access issues, geologic formations, terrain, and, in some situations, by federal or state land management agencies (Petitioner Exhibit 3 at 40);

5. The locations of wells surrounding the Frederick Station and their associated pollutant-emitting equipment are not chosen primarily because of their proximity to the station. The nearby wells and their associated pollutant-emitting equipment are not necessarily dependent on this station, nor is the Frederick Station dependent on certain nearby wells. (Petitioner Exhibit 3 at 39, 40) CDPHE also considered proximity of emission points as "*another* important factor" in a larger contiguous/adjacent analysis. Petitioner Exhibit 3 at 39 (emphasis added);

6. Information received by CDPHE from the companies operating in the Wattenberg Field[9] demonstrates that:

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[8] KMOGO operates certain oil and gas wells and associated emission sources in the Wattenberg Field such as storage tanks and dehydrators. See footnote 3 on page 3 of CDPHE's July 14, 2010, response.
[9] *See* footnote 23 on page 25 of CDPHE's July 14, 2010, response, listing the information received by the CDPHE.

a. Ownership and operations of the oil and gas exploration and production wells, gas gathering compressor stations, and various interstitial and ancillary operations are dispersed among at least fifty different oil and gas exploration and production companies and several midstream companies (Petitioner Exhibit 3 at 29);

b. Multiple streams of oil and gas produced by oil and gas exploration and production wells are sent to multiple gas gathering compressor stations owned and/or operated by Kerr McGee and other companies (Petitioner Exhibit 3 at 25, 33);

c. Kerr McGee Gathering accepts the gas provided by the oil and gas production companies under contractual agreements, but does not control or affect the operations of the wells that are subjects of the contract (Petitioner Exhibit 3 at 25);

d. It is the decision of the oil and gas production companies regarding how and when they operate their wells, such as a decision to shut-in a well because of market conditions. Kerr McGee Gathering cannot override that decision (Petitioner Exhibit 3 at 25, 26);

e. Neither the Frederick Compressor Station nor Kerr-McGee Gathering has operational control over these wells and their associated pollutant-emitting equipment, neither those owned/operated by KMOGO, nor those owned/operated by third parties. However, while Kerr-McGee Gathering may not exert operational control over KMOGO wells/equipment, they are controlled by the same corporate entity (i.e., Anadarko) for business purposes. (Petitioner Exhibit 3 at 37);

f. The gas gathering system's pressures, as a whole, determine how collected gas moves through the system's network of pipes and compressor stations, not contractual or other arrangements. Kerr-McGee Gathering's gas gathering agreements do not specify that collected gas will be moved through any specific compression station, including the Frederick Compressor Station. (Petitioner Exhibit 3 at 27, 37);

g. Once gas from a particular well is metered and flows into the gathering lines of a gas gathering company, that gas becomes commingled with other gas flowing through lines from wells operated by separate companies (Petitioner Exhibit 3 at 26);

h. The ownership, contractual, engineering, and operating realities of the Wattenberg Field support few, if any, instances of interdependence

among oil and gas exploration and production wells and gas gathering compressor stations (Petitioner Exhibit 3 at 39);

i. Should the Frederick Compressor Station be shut down for maintenance, equipment replacement, or other reasons, gas can flow to other gas gathering compressor stations with available capacity, based upon system pressures (Petitioner Exhibit 3 at 37); and

j. Gathering systems, including the portion of Kerr-McGee Gathering's system connected to the Frederick Compressor Station, are complex and subject to many variables that impact the gathering system dynamics. There are common changes to the gathering system dynamics on a day to day basis. There is no guarantee that gas collected from any KMOGO well will pass through the Frederick Station on any particular day (or portion of a day) (Petitioner Exhibit 3 at 38, 39).

Upon evaluation of each of the arguments made in the petition (including examination of the prior agency statements contained in the exhibits to that petition), all of the information and analysis provided by CDPHE in its July 14, 2010, response (Petitioner Exhibit 3), and other information in the record, EPA finds that Petitioner has not met its burden of demonstrating that the permit is not "in compliance with" the applicable requirements of the Act or the requirements of Part 70. Petitioner has not demonstrated that CPDHE incorrectly applied the three relevant regulatory criteria in determining whether to aggregate pollutant emitting activities into a single stationary source for purposes of PSD and title V applicability. The record shows that CPDHE determined that the Frederick Compressor Station and the other emission sources in the Wattenberg Field were under common control and in the same primary two-digit SIC code, but were not contiguous or adjacent. As explained below, CDPHE determined that Frederick Compressor Station and the other emission sources did not have a unique or dedicated interdependent relationship and were not proximate and therefore were not contiguous or adjacent, and Petitioner has not demonstrated that CDPHE's determination was fundamentally flawed or contrary to the relevant regulations, including the Colorado SIP.

The prior agency statements cited by Petitioner at Exhibits 14, 19, 20, 21, 22, 23, and 25 all involved pollutant-emitting activities with a common two-digit SIC code and under common control. Therefore, similar to the CDPHE determination, a "contiguous or adjacent" analysis was essential to the determination of whether the pollutant-emitting activities should be aggregated. As explained above, while these letters *may* be informative in later source determinations, they are not determinative of the source decision for this permitting action, especially given that CDPHE is exercising its independent permitting authority with regard to the Frederick Compressor Station. In addition, in these prior agency statements cited, the facts indicate a unique or dedicated relationship with no interference from other owners or operators, which resulted in a

conclusion in each case that the pollutant emitting activities were contiguous or adjacent. As discussed below, these circumstances are substantially different from Frederick Compressor Station.

- In the Forest Oil/ Kustatan Oil Production Facility and Osprey Oil Platform determination (Petitioner Exhibit 21), both pollutant-emitting activities were owned and operated by Forest Oil, and while Alaska's SIP does not require a common SIC code for source determinations (Petitioner Exhibit 21 at 4), both operations shared a primary SIC code. EPA examined the high degree of interrelatedness of the two pollutant-emitting activities and concluded that they should be considered adjacent. The pollutant emitting activities thus met all three regulatory criteria for source aggregation. In determining whether the activities were adjacent, Region 10 concluded that the platform and production unit operate as one facility as each is "exclusively dependent" upon the other.[10] The Osprey Oil Platform relied upon the Kustatan Oil Production Facility to process all of the platform's produced oil into marketable oil and gas, while separating and treating the produced water. Once treated, the produced water is piped back to the Osprey Oil Platform and re-injected into the formation off-shore. Further, Kustatan provides power generation to Osprey.

  These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control. Instead, multiple owner/operators control the movement of gas, and Kerr-McGee Gathering's gas gathering agreements do not specify that collected gas will be moved through any specific compression station, including the Frederick Compressor Station, and the gas from the wells (including KMOGO's wells) can flow to any number of locations other than Frederick Compressor Station (Petitioner Exhibit 3 at 25, 27, 29, 37, 38, 39).

- Similarly, in the aggregation determination for a gas sweetening plant and related gas wells operated by Summit Petroleum Company near Rosebush, Michigan (Petitioner Exhibit 19), the facts specific to that analysis indicated that all the operations in the gas field were owned or operated by Summit Petroleum Company and all the sour gas produced from wells in the field flowed to one gas sweetening plant through an integrated pipeline collection system. There was no evidence that any of the gas from the wells could flow to sweetening plants owned or operated by other entities. Thus, EPA concluded that the pollutant-emitting activities were adjacent, given their interdependent nature. As the activities also shared a common SIC code and were under common control, they met all three regulatory criteria for source

[10] Forest Oil Kustatan Facility and Osprey Platform Construction Permitting Applicability Determination, Memorandum from Douglas E Hardesty to Robert R. Robichaud, August 21, 2001, pg. 5.

aggregation. These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- The ESCO Corporation's Main Metal Casting and Coating Plant and its Plant 3 Metal Casting operations (Petitioner Exhibit 22) were under common control and had the same primary two-digit SIC code. EPA analysis of the facts indicated that these two pollutant emitting activities could be found to be adjacent because Plant 3 was entirely dependent on facilities at the main Plant for production of the company's finished product. All of the castings produced by the foundries at both the Main Plant and Plant 3 are coated at the coating facility located at the Main Plant. Furthermore, all final production, packaging, shipping, etc. of the finished product is done at the Main Plant. These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- Shell Oil Company's Wilmington Refinery Complex (Petitioner Exhibit 23) is divided into a Wilmington Section and a Dominguez Section. The Wilmington Section and the Dominguez section were under common control and had the same primary two-digit SIC code. The two sections were considered by EPA to be adjacent since they functioned together as one refinery. They were separated by 1.8 miles, but were connected by a network of pipelines used to transport intermediary products from one site to the other. The two sections thus had a dedicated relationship to each other. These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- General Motors Corporation's Fisher Auto Body Plant and Oldsmobile Plant (Petitioner Exhibit 25) were recommended by EPA to be considered under common control, in the same primary two-digit SIC code, and adjacent, due to their unique relationship. The two step assembly processes, while being a mile apart, were connected by a special railroad spur for transport between facilities, similar to a two step body/frame operation under one roof connected by a conveyor for transport of the bodies. The two plants were the only facilities served by the railroad spur. These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- The American Soda/Commercial Mine and Soda Ash Processing Plant (discussed in Petitioner Exhibit 20) were recommended by EPA to be considered in the same primary two-digit SIC code, under common control, and adjacent. It was recommended that the mine and ash processing plant be considered adjacent because "the two will clearly be functionally interdependent, as evidenced by the dedicated slurry pipeline and the spent brine return pipeline which will connect the two facilities." (Petitioner Exhibit 20 at 1.) These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- The Great Salt Lake Minerals processing plant and pump station (Petitioner Exhibit 14) were recommended by EPA to be considered in the same primary two-digit SIC code, under common control, and adjacent. It was recommended that the processing plant and pump station be considered adjacent because of the "unique relationship between the pump station and the salt processing plant and the dedicated channel (21.5 miles) between the two that supplies the pre-concentrated brine." (Petitioner Exhibit 14 at 2.) These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

- The Anheuser-Busch Brewery determination (Petitioner Exhibit 24) concerned a brewery and landfarm that were under common control and were considered to be adjacent, based on the interrelatedness of the two sites.[11] The brewery wastewater stream, containing hydrocarbons, was piped to the landfarm and disposed of by land application. The brewery and landfarm were determined to be adjacent because the "landfarm is an integral part of the brewery operations" and "brewery operation is dependent on landfarm operations." These fact-specific circumstances are substantially different from the Frederick Compressor Station determination, where there is no dedicated relationship between Frederick Compressor Station and other activities under common control, as explained above.

In each of these Exhibits (14, 19-25) that Petitioner cites, sources were considered contiguous or adjacent where a unique or dedicated relationship existed between the two pollutant emitting activities[12]. On the contrary, the Wattenberg Field has a "spider web"

[11] The Anheuser-Busch Brewery determination also included an analysis finding that the landfarm was a support facility for the brewery. EPA determined that the landfarm's purpose was to support the production of the primary product (beer). Thus, EPA concluded that they should be considered to share the same major SIC code. See also discussion of Valero Transmission Company (Petitioner Exhibit 18) below.

of gas gathering lines operated by many oil and gas exploration and production companies, as well as condensate tanks, glycol dehydrators and gas gathering compressor stations operated by many gas gathering companies.[13] As described by CDPHE in its July 14, 2010, response (Petitioner Exhibit 3), ownership and operations of the oil and gas exploration and production wells, gas gathering compressor stations, and various interstitial and ancillary operations are dispersed among at least fifty different oil and gas exploration and production companies and several midstream companies.[14] The *ownership, contractual, engineering, and operating realities of the Wattenberg Field* support few, if any, instances of unique and dedicated relationships among oil and gas exploration and production wells and gas gathering compressor stations.[15]

Petitioner also relies on the Valero Transmission Company analysis (Petitioner Exhibit 18), which involved pollutant-emitting activities that were both under common control and located on contiguous property but did not share a common two-digit SIC code. Therefore, the Valero determination focused only on whether the Transmission Company was considered to be a support facility to the Gathering Company, and thus treated as if they were under the same SIC code. It did not address interrelatedness of the activities as it related to the contiguous or adjacent element of the source determination. Moreover, in the support facility analysis, it is not clear which specific pollutant emitting activities were included in the analysis, whether multiple gas streams from other owner/operators were sent to the Transmission Station, and whether there was a unique and dedicated relationship between the Transmission Company and the Gathering Company. Accordingly, the Valero determination is irrelevant to the source decision for this permitting action, since CDPHE is exercising its independent permitting authority with regard to determining whether the Frederick Compressor Station is adjacent to other activities in the Wattenberg Field under common control.

Petitioner cites Exhibit 27 (Utility Trailer letter) as an example of EPA determinations concerning whether two sources are contiguous or adjacent. As Petitioner notes, EPA did not make a final applicability determination in this letter. Instead, EPA maintained that the distance associated with "adjacent" must be considered on a case-by-case basis and suggested a list of questions that the state could consider in making that determination. However, nothing in the letter suggests that these questions are either

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[12] Petitioner also relies on the Walker Hollow Unit (Petitioner Exhibit 16) and EnerVest San Juan Operating Company (Petitioner Exhibit 17) letters, but it is not clear how informative (if at all) these letters are to this action. The letters contain no detailed analysis of the relevant regulatory criteria for the source determination as applied to the specific facts of the emission points under review. Instead the letters simply make conclusory statements regarding groups of emission points that "would be considered a single stationary source" and then discuss information necessary to determine whether they were *major* stationary sources for permitting purposes. Given the lack of detailed analysis of the source determination, these letters cannot serve as an adequate justification for how CHPHE should treat the source determination for the Frederick Compressor Station, nor are the letters a basis for concluding that CDPHE's determination is unsupported and contrary to regulation and EPA guidance.

[13] Petitioner's Exhibit 3, Page 26.

[14] Petitioner's Exhibit 3, Page 29.

[15] Petitioner's Exhibit 3, Page 39.

required or determinative of the source aggregation issue, especially in the context of a different industry. Thus, this letter comports with the McCarthy memo in that source determinations are made on a case-by-case basis, considering the specific facts of the situation.

After review of Petitioner's arguments and CDPHE's response to the petition II Order, it is my determination that Petitioner has not met its burden of demonstrating that the permit "is not in compliance" with the applicable requirements of the Act or the requirements of Part 70. While Petitioner argues that an objection is necessary because the CDPHE determination "fails to appropriately apply EPA guidance in justifying its source determination" for the Frederick Compressor Station, Petitioner's citation of prior agency statements, in which EPA suggested that aggregation of various pollutant-emitting activities may be appropriate for source determinations in different permitting actions, does not demonstrate that CDPHE's determination otherwise in this permitting action is fundamentally flawed or contrary to the relevant regulations, including the Colorado SIP. Therefore, I deny Petitioner's request to object to the permit on this basis.

II. EPA's Prior Statements and Regulations Do Not Require Complete and Exclusive Interdependence Between Sources for Aggregation.

Petitioner's claim: Petitioner argues that CDPHE "rested its determination on an arbitrary assertion that the Frederick Compressor Station is not "exclusively" dependent on the oil and gas wells and other pollutant-emitting activities connected to the compressor station, and vice-a-versa." Petitioner asserts that this type of interdependence analysis is not supported by prior EPA guidance and is counter to the requirements of PSD and title V regulations. Petitioner further claims that EPA guidance, as well as the common sense notion of plant embodied in EPA's regulations, demonstrates that oil and gas sources should be aggregated if they regularly support one another in the production of pipeline quality oil and gas. Petition at 22. Petitioner cites Exhibits 16, 17, 18, 22, and 27 as examples of prior determinations where sources were aggregated without relying on whether oil and gas sources were completely and exclusively interdependent. Petition at 19-20. Petitioner also rejects reliance on complete and exclusive interdependence by claiming that the 1980 preamble noted that a boiler providing process steam for two different sources should be aggregated with whichever source is the primary recipient of the boiler's output. Petition at 19.

EPA's response: Petitioner's claims regarding "support facilities" in the context of determining whether two points are contiguous or adjacent confuses two of the three regulatory criteria for determining whether pollutant emitting activities should be aggregated. As explained in the 1980 preamble to the NSR rules, a support facility analysis is only relevant under the SIC-code determination. EPA explained that when two activities have different SIC codes, a support facility analysis may be conducted to determine whether the activities should be treated as having the same industrial grouping.

The preamble clarifies that "support facilities" that "convey, store, or otherwise assist in the production of the principal product or group of products produced or distributed, or services rendered" should be considered under one source classification, even when the support facility has a different primary two-digit SIC code. Thus one source classification encompasses both primary and support facilities, even when the latter includes units with a different primary two digit SIC code. See 45 FR 52696. In making a determination of whether two activities share the same industrial grouping, the 1980 preamble explains that a boiler that provides process steam for two different sources should be aggregated with whichever source is the primary recipient of the boiler's output. See 45 FR 52695.

While EPA's prior recommendations and determinations involving support facilities are instructive, CDPHE has already determined that the Frederick Compressor Station and the surrounding Wattenberg gas and oil field pollutant-emitting activities share the same primary two-digit SIC code. Therefore, there is no reason to analyze whether there is a support facility relationship between Frederick Compressor Station and the surrounding activities.

Petitioner cites Exhibits 16, 17, 18, 22 and 27 as examples where sources were aggregated without relying on whether they were completely and exclusively *interdependent*.[16] Each of these Exhibits concerned the second regulatory criterion, whether sources are contiguous or adjacent. However, none of these examples demonstrate that CDPHE applied an improper standard. In the Citation Oil and Gas determination cited by Petitioner (Petitioner Exhibit 16), there was no evidence that any of the oil from the wells could flow to tank batteries owned by other companies. With regard to Exhibit 22, EPA's analysis noted the "dependent" nature of one pollutant emitting activity on the other. In addition, as Petitioner notes, EPA did not make a final applicability determination in the letter constituting Exhibit 27. Instead, EPA advised that the State should evaluate whether the facilities could be operated independently of each other, and that the State's source determination must be made on a case-by-case basis.

Moreover, as discussed in Section I of this Order, there are many instances in which EPA applied the relevant regulations and considered pollutant emitting activities to be contiguous or adjacent where a dedicated relationship existed between the two pollutant emitting activities under common control. For example, in the Summit Petroleum determination cited by Petitioner (Petitioner Exhibit 19), it was found that all the sour gas produced from wells in the field flows to the one gas sweetening plant owned by Summit Petroleum through a pipeline collection system. In Summit, there was no evidence that any of the gas from the wells could flow to sweetening plants owned by other companies. Similar findings were made in the aggregation determinations for the Forest Oil/Kustatan Production operations (Petitioner Exhibit 21), the Shell Oil Company

[16] For the reasons we cite in Footnote 12, it is not clear how informative (if at all) the letters in Exhibit 16 or 17 are to this action. For the reasons we discuss in Section I of this Order, the letter in Exhibit 18 is irrelevant to the source decision for this permitting action.

Refinery Complex (Petitioner Exhibit 23), and the General Motors Corporation Fisher Auto Body and Oldsmobile operations (Petitioner Exhibit 25).

Finally, Petitioner references two examples, Shell Offshore, Inc. (OCS Appeal Nos. 07-01 and 07-02, September 14, 2007) and Williams Energy Ventures (at Petitioner's Exhibit 26) that resulted in separate source determinations, asserting that these sources were determined to be separate because there was no pipeline connection and suggesting that the existence of a pipeline connection would have been pivotal. In both of these determinations, the pollutant-emitting activities were in the same primary two-digit SIC code and under common control. Thus, the aggregation determination turned on whether the sources were considered contiguous or adjacent. However, Petitioner's argument regarding the importance of a pipeline connection is flawed, for the following reasons.

First, the Shell Offshore, Inc. determination was never finalized by the Agency, and EPA's source determination was in fact remanded to the Agency in the decision cited by Petitioner. See Petition at 15. Accordingly, it is not clear what (if any) relevance that determination should have on future permitting actions. Moreover, an examination of the permitting record demonstrates that the determination was based on a number of factors, especially the vast area separating the drilling ships and lack of dependence in the operation of the two ships, as well as the lack of a physical connection between them. See 13 E.A.D. 357, 368 (EAB 2007) (describing the factors the EPA region considered in making the source determination). Therefore, the separate source determination in this case did not pivot on the lack of a pipeline connection.

Second, the Williams Energy Ventures Bulk Gasoline Terminals were determined to be separate sources based on consideration of a number of factors, including the recognition that each terminal could be operated independently. Again, this separate source determination did not pivot on the lack of a pipeline connection.

Furthermore, CDPHE addressed the specific facts in this matter and concluded that the activities being evaluated are not adjacent. As noted by CDPHE in its July 14, 2010, response (Petitioner Exhibit 3), the process of producing natural gas in the Wattenberg field is split among the various facilities. Wells produce, separators separate, and compressor stations gather and compress the gas. However, CDPHE also determined that no one compressor station or well in the Wattenberg field receives or provides products or intermediate products exclusively to the other. In other words, they do not have a unique or dedicated relationship to each other. CDPHE concluded that gas production companies have the ability to send, and do send, produced gas to a number of different compressor stations. In addition, the flow dynamics change often, in some cases on a daily basis, which influences how gas is sent. Some of these compressor stations are owned and operated by the same or a related entity, while others are not owned or operated by the same or a related entity. CDPHE determined that specific compressor stations, like the Frederick Compressor Station, are not addressed or identified individually in gathering contracts. This gives the gathering company flexibility to allow

the gas from a particular well to flow to a different compressor station connected to the gathering system as conditions warrant. For instance, if the Frederick Compressor Station is not operating because of maintenance, repair, or new equipment installation, the gas from a well that normally could flow to the Frederick Station would instead flow to another compressor station.[17]

Petitioner also generally claims that CDPHE improperly relied on the fact that oil and gas sources may be located some distance apart from one another in finding they are not adjacent, and instead argues that EPA guidance has noted that "distance between sources is not determinative." Petition at 13. However, the petition acknowledges that EPA guidance has indicated that proximity of sources may be considered in source determinations. *See id.* at 13 (citing McCarthy Memo statements noting that proximity may be considered as part of a "reasoned decision making" which includes other factors relevant to the analysis).

In this case, CDPHE did not use distance as the determinative factor in its source determination, but rather CDPHE considered proximity of emission points as "*another* important factor" in a larger contiguous/adjacent analysis. Petitioner Exhibit 3 at 39 (emphasis added); *compare with* Petitioner Exhibit 3 at 35-39 (discussing the complex legal, engineering, and operational relationships between the various points in the field in finding they were not adjacent). In particular, CDPHE noted that other states have considered emission points within a quarter mile to be adjacent and stated that "[t]his distance is consistent with a practical meaning of the term adjacent." Petitioner Exhibit 3 at 39-40. CDPHE then noted that there are no commonly-controlled pollutant-emitting activities within a quarter mile of the Frederick station. Petitioner Exhibit 3 at 40. Furthermore, CDPHE concluded that the lack of proximity "between the Frederick Station and the wells/pollutant emitting-equipment strains the common sense notion of a plant." *Id.* Petitioner has not demonstrated that CDPHE's analysis was flawed for including proximity as one factor in contiguous or adjacent, nor that the particular consideration of proximity was inappropriate or incomplete. *See* Petition at 13 (discussing the number of wells within a mile of the Frederick Station without any discussion of the quarter mile analysis completed by CDPHE).

After review of Petitioner's arguments and CDPHE's response to the petition II Order, it is my determination that Petitioner has not met its burden of demonstrating that the permit "is not in compliance" with the applicable requirements of the Act or the requirements of Part 70. Petitioner does not demonstrate that the manner in which CDPHE considered and weighed interdependence (as well as proximity) is fundamentally

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[17] Petitioner's Exhibit 3 at 25, 26, 27, 29, 33, 35, 37, 39. See, also, pages 8 through 10 of this document for further detailed reference. We also note that Petitioner asserts (*see* Petition at 19) that CDPHE's analysis is flawed because gas from particular wells may only flow to other compressor stations during specific events (such as maintenance and repair shutdowns). However, that fact is still evidence that the wells and the Frederick Compressor Station do not have an exclusive interdependence with one another and does not negate CDPHE's finding that they are separate stationary sources.

flawed or contrary to the relevant regulations, including the Colorado SIP. Therefore, I deny Petitioner's request to object to the permit on the basis of this issue.

III. The State Inappropriately Cites to Section 112 of the Clean Air Act to Support Its Determination.

Petitioner's claim: Petitioner argues that CDPHE improperly relies on the significance of section 112(n)(4)(A) of the CAA – which addresses hazardous air pollutants (HAPs) and prohibits the aggregation of oil and gas sources to determine whether a source is a major source for HAPs – and says the Administrator "must object to the Frederick Compressor Station Title V Permit and [CDPHE's] Response to Objection to the extent it [*sic*] relies on Section 112 of the Clean Air Act to justify its source determination under PSD and Title V." Petition at 23.

EPA's response: CDPHE only discusses CAA section 112 in the general background on the three-part stationary source regulatory test. See Exhibit 3 at page 23. Petitioner has not identified any discussion of section 112 beyond that contained in CDPHE's general background, *see* Petition at 22-23, and EPA could identify no citation to, or reliance on, section 112 in the CDPHE's application of the source determination requirement to the Frederick Station, *see* Exhibit 3 at 30-42. Accordingly, I deny Petitioner's request to object to the permit on this basis.

IV. Petitioner's comment on reservation of rights.

WEG's Petition for Objection includes a section entitled, "Reservation of Rights" (ROR), in which WEG explains that the petition is filed to preserve WEG's rights in light of EPA's determination that WEG has an opportunity to petition the Administrator to object to the issuance of the Division's July 14, 2010, Response to Objection. *See* Exhibit 5 to WEG's Petition, Letter from Callie A. Videtich, EPA Region 8, to Jeremy Nichols, WildEarth Guardians, In re: Opportunity to Petition on Colorado's Response to EPA's October 8, 2009 Anadarko Frederick Administrative Order (Oct. 18, 2010). WEG's ROR further states:

> In filing this Petition, WildEarth Guardians does not waive its rights to challenge the EPA's failure to issue or deny the Title V Permit for the Frederick Compressor Station, does not waive its rights to argue that the Division failed to submit a permit revised to meet the Administrator's objection, and does not waive its rights to argue that a Title V Petition is not the appropriate avenue under the Clean Air Act to address the deficiencies in the Division's response. WildEarth Guardians is only filing this Title V Petition to preserve its rights in the face of conflicting guidance from EPA.

The ROR presents the argument that 42 U.S.C. § 7661d(c) requires EPA to issue or deny a title V permit because CDPHE did not "submit a permit revised to meet the

objection" and that CDPHE did not issue a "proposed permit" triggering EPA's 45-day review period and the 60-day petition period.

The ROR also presents WEG's view that because CDPHE did not respond to EPA's petition within 90 days, pursuant to 42 U.S.C. § 7661d(c), the authority and obligation to issue the operating permit for the Kerr-McGee facility has passed to EPA and that CDPHE has lost all authority to administer the current permit. WEG asserts that *CDPHE's late response to EPA's Order is irrelevant because CDPHE no longer has* permitting authority.

Despite the arguments presented in the ROR, the remainder of the petition makes clear that the basis for WEG's request that EPA object to the permit is CDPHE's failure to make an accurate source determination and is unrelated to the issues that are raised in the ROR. (See, e.g., page 9 of the petition, section entitled, "Grounds for Objection: The Title V Permit Still Fails to Ensure Compliance with PSD and Title V Requirements," in which WEG introduces the basis for the petition as follows: "In this case, the Division continues to fail to make an accurate source determination for the Frederick Compressor Station. Notably, the Division continues to fail to appropriately assess whether adjacent pollutant emitting activities, namely the oil and gas wells and associated equipment that feed the Frederick Compressor Station, should be aggregated together as a single source.")

Therefore, this response addresses the source determination issues raised by WEG because these issues, and not the issues raised in the ROR, are the basis for WEG's petition to object. Further, a response to the arguments raised in the ROR is not required because the ROR merely serves to put EPA on notice that certain rights have not been waived. EPA does not agree with the arguments presented in WEG's ROR and reserves its rights to present arguments in opposition if relevant in any proceeding.[18]

CONCLUSION

For the reasons set forth above and pursuant to section 505(b)(2) of the Clean Air Act, I deny Petitioner's requests for an objection to the issuance of Anadarko's Frederick Compressor Station title V permit.

Dated: 2/2/11

Lisa P. Jackson
Administrator

[18] EPA notes that some of the issues raised in the ROR have also been raised in a complaint filed by WEG against EPA in WildEarth Guardians v. Jackson, 1:10-cv-01680 (D. CO.). That case has been stayed until February 2, 2011.

Exhibit 11

CenterPoint Energy

Mississippi River Transmission Corp.
P.O. Box 21734
Shreveport, LA 71151-1734
318 429 2700

December 7, 2010

Via Overnight Delivery

Illinois Environmental Protection Agency
Division of Air Pollution Control – Permit Section
P.O. Box 19276
Springfield, Illinois 62794-99276
Attn: Roston Cooper

Re: St. Jacob Compressor Station
Permit No. 95120153, ID # 119818AAA
Title V Permit – Draft Permit Comment
ID No. 119818AAA

Dear Mr. Cooper:

In response to your recent e-mail which included a copy of the St. Jacob Compressor Station Draft Permit which is in public review from November 11 – December 11.

Attached are MRT's comments to the draft permit. Due to the complexity and volume of the comments, MRT requests the opportunity to be able review the draft again after the requested changes have been made.

If you or your staff have any questions or require additional information, please call me at (318) 429-3297. Thank you for your assistance in this matter.

Sincerely,
CenterPoint Energy Mississippi River Transmission Corp.

Lacey A. Ivey
Environmental Specialist

Enclosures

DRAFT CAAPP PERMIT
November 8, 2010

217/782-2113

"RENEWAL"
CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT

PERMITTEE:

CenterPoint Energy - Mississippi Transmission Corporation
Attn: Laura L Guthrie, ~~Sr. Environmental Specialist~~ Director, Air Program
Post Office Box 21734
Shreveport, Louisiana 71151

I.D. No.: 119818AAA
Application No.: 95120153

Date Received: February 10, 2004
Date Issued: To Be Determined
Expiration Date[1]: To Be Determined

Operation of: CenterPoint Energy - Mississippi Transmission Corporation, Natural Gas Compressor Station
Source Location: Summerfield Road, St. Jacob, Madison County, 62281
Responsible Official: Pete M. Kirsch, Division Senior Vice President, Pipeline Operations and Engineering

This permit is hereby granted to the above-designated Permittee to OPERATE a natural gas compressor station, pursuant to the above referenced permit application. This permit is subject to the conditions contained herein.

If you have any questions concerning this permit, please contact Ross Cooper at 217/782-2113.

Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

ECB:RWC:psj

cc: Illinois EPA, FOS, Region 3
CES
Lotus Notes

1 Except as provided in Condition 8.7 of this permit.

TABLE OF CONTENTS

1.0 INTRODUCTION

1.1 Source Identification

CenterPoint Energy - Mississippi River Transmission Corporation
Summerfield Road
St. Jacob, Illinois 62281
Jeff Giger, 618/644-3741

I.D. No.: 119818AAA
County: Madison
Standard Industrial Classification: 4922, Natural gas transmission

1.2 Owner/Parent Company

CenterPoint Energy - Mississippi River Transmission Corporation
Post Office Box 21734
Shreveport, Louisiana 71151

1.3 Operator

CenterPoint Energy - Mississippi River Transmission Corporation
Post Office Box 21734
Shreveport, Louisiana 71151

Lacey A. Ivey, Environmental Specialist
(318)429-3297

1.4 Source Description

The source compresses natural gas for pipeline transmission and/or underground storage using two natural gas fired reciprocating engines and a natural gas fired gas turbine.

Note: This narrative description is for informational purposes only and is not enforceable.

2.0 LIST OF ABBREVIATIONS AND ACRONYMS COMMONLY USED

ACMA	Alternative Compliance Market Account
Act	Illinois Environmental Protection Act [415 ILCS 5/1 et seq.]
AP-42	Compilation of Air Pollutant Emission Factors, Volume 1, Stationary Point and Other Sources (and Supplements A through F), USEPA, Office of Air Quality Planning and Standards, Research Triangle Park, NC 27711
ATU	Allotment Trading Unit
BACT	Best Available Control Technology
BAT	Best Available Technology
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAAPP	Clean Air Act Permit Program
CAM	Compliance Assurance Monitoring
CEMS	Continuous Emission Monitoring System
CFR	Code of Federal Regulations
CO	Carbon Monoxide
ERMS	Emissions Reduction Market System
HAP	Hazardous Air Pollutant
IAC	Illinois Administrative Code
I.D. No.	Identification Number of Source, assigned by Illinois EPA
ILCS	Illinois Compiled Statutes
Illinois EPA	Illinois Environmental Protection Agency
LAER	Lowest Achievable Emission Rate
MACT	Maximum Achievable Control Technology
MSSCAM	Major Stationary Sources Construction and Modification (35 IAC 203, New Source Review for non-attainment areas)
NESHAP	National Emission Standards for Hazardous Air Pollutants
NO_x	Nitrogen Oxides
NSPS	New Source Performance Standards
PM	Particulate Matter
PM_{10}	Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 microns as measured by applicable test or monitoring methods
$PM_{2.5}$	Particulate matter with an aerodynamic diameter less than or equal to a nominal 2.5 microns as measured by applicable test or monitoring methods
PSD	Prevention of Significant Deterioration (40 CFR 52.21, New Source Review for attainment areas)
RMP	Risk Management Plan
SO_2	Sulfur Dioxide
T1	Title I - identifies Title I conditions that have been carried over from an existing permit
T1N	Title I New - identifies Title I conditions that are being established in this permit
T1R	Title I Revised - identifies Title I conditions that have been carried over from an existing permit and subsequently revised in this permit
USEPA	United States Environmental Protection Agency
VOM	Volatile Organic Material

3.0 CONDITIONS FOR INSIGNIFICANT ACTIVITIES

3.1 Identification of Insignificant Activities

The following activities at the source constitute insignificant activities as specified in 35 IAC 201.210:

3.1.1 Activities determined by the Illinois EPA to be insignificant activities, pursuant to 35 IAC 201.210(a)(1) and 201.211, as follows:

Blowdown Stack

3.1.2 Activities that are insignificant activities based upon maximum emissions, pursuant to 35 IAC 201.210(a)(2) or (a)(3), as follows:

None

3.1.3 Activities that are insignificant activities based upon their type or character, pursuant to 35 IAC 201.210(a)(4) through (18), as follows:

Direct combustion units designed and used for comfort heating purposes and fuel combustion emission units as follows: (A) Units with a rated heat input capacity of less than 2.5 mmBtu/hr that fire only natural gas, propane, or liquefied petroleum gas; (B) Units with a rated heat input capacity of less than 1.0 mmBtu/hr that fire only oil or oil in combination with only natural gas, propane, or liquefied petroleum gas; and (C) Units with a rated heat input capacity of less than 200,000 Btu/hr which never burn refuse, or treated or chemically contaminated wood [35 IAC 201.210(a)(4)].

Storage tanks of any size containing virgin or re-refined distillate oil, hydrocarbon condensate from natural gas pipeline or storage systems, lubricating oil, or residual fuel oils [35 IAC 201.210(a)(11)].

Gas turbines and stationary reciprocating internal combustion engines of between 112 kW and 1,118 kW (150 and 1,500 horsepower) power output that are emergency or standby units [35 IAC 201.210(a)(16)].

3.1.4 Activities that are considered insignificant activities pursuant to 35 IAC 201.210(b). Note: These activities are not required to be individually listed.

3.2 Compliance with Applicable Requirements

Insignificant activities are subject to applicable requirements notwithstanding status as insignificant activities. In particular, in addition to regulations of general applicability, such as 35 IAC

212.301 and 212.123 (Condition 5.3.2), the Permittee shall comply with the following requirements, as applicable:

3.2.1 For each particulate matter process emission unit, the Permittee shall comply with the applicable particulate matter emission limit of 35 IAC 212.321 or 212.322 (see Attachment 2) and 35 IAC Part 266. For example, the particulate matter emissions from a process emission unit shall not exceed 0.55 pounds per hour if the emission unit's process weight rate is 100 pounds per hour or less, pursuant to 35 IAC 266.110.

3.2.2 For each organic material emission unit that uses organic material, e.g., a mixer or printing line, the Permittee shall comply with the applicable VOM emission limit of 35 IAC 215.301, which requires that organic material emissions not exceed 8.0 pounds per hour or, if no odor nuisance exists, do not qualify as photochemically reactive material as defined in 35 IAC 211.4690.

3.2.3 For each open burning activity, the Permittee shall comply with 35 IAC Part 237, including the requirement to obtain a permit for open burning in accordance with 35 IAC 237.201, if necessary.

3.2.4 For each storage tank that has a storage capacity greater than 946 liters (250 gallons) and, if no odor nuisance exists, that stores an organic material with a vapor pressure exceeding 2.5 psia at 70°F, the Permittee shall comply with the applicable requirements of 35 IAC 215.122, which requires use of a permanent submerged loading pipe, submerged fill, or a vapor recovery system.

3.3 Addition of Insignificant Activities

3.3.1 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type that is identified in Condition 3.1, until the renewal application for this permit is submitted, pursuant to 35 IAC 201.212(a).

3.3.2 The Permittee must notify the Illinois EPA of any proposed addition of a new insignificant activity of a type addressed by 35 IAC 201.210(a) and 201.211 other than those identified in Condition 3.1, pursuant to Section 39.5(12)(b) of the Act.

3.3.3 The Permittee is not required to notify the Illinois EPA of additional insignificant activities present at the source of a type identified in 35 IAC 201.210(b).

4.0 SIGNIFICANT EMISSION UNITS AT THIS SOURCE

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-01	Worthington 550 Hp (#58-2)	1965	None
SN-02	White-Superior 500 Hp (#6G825)	1973	None
SN-03	Natural Gas-Fired Turbine, Allison Model 501kB	1975	None
~~Dehy~~	~~Underground Natural Gas Storage and Dehydrator~~	~~1999~~	~~Scrubber and Condenser~~
QTA-150	Natural Gas-Fired Emergency Engine	02/2010	Catalytic Converter

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Comment [LI1]: MRT does not agree that this storage facility should be included in the permit with the compressor station located on a different site. Please see explanation in cover letter and the associated attachments.

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5.0 OVERALL SOURCE CONDITIONS

5.1 Applicability of Clean Air Act Permit Program (CAAPP)

5.1.1 This permit is issued based on the source requiring a CAAPP permit as a major source of NO_x and CO emissions.

5.2 Area Designation

This permit is issued based on the source being located in an area that, as of the date of permit issuance, is designated attainment or unclassifiable for the National Ambient Air Quality Standards for all criteria pollutants (CO, lead, NO_2, ozone, $PM_{2.5}$, PM_{10}, SO_2).

5.3 Source-Wide Applicable Provisions and Regulations

5.3.1 Specific emission units at this source are subject to particular regulations as set forth in Section 7 (Unit-Specific Conditions for Specific Emission Units) of this permit.

5.3.2 In addition, emission units at this source are subject to the following regulations of general applicability:

a. No person shall cause or allow the emission of fugitive particulate matter from any process, including any material handling or storage activity, that is visible by an observer looking generally overhead at a point beyond the property line of the source unless the wind speed is greater than 40.2 kilometers per hour (25 miles per hour), pursuant to 35 IAC 212.301 and 212.314.

b. Pursuant to 35 IAC 212.123(a), no person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit other than those emission units subject to the requirements of 35 IAC 212.122, except as allowed by 35 IAC 212.123(b) and 212.124.

5.3.3 Ozone Depleting Substances

The Permittee shall comply with the standards for recycling and emissions reduction of ozone depleting substances pursuant to 40 CFR Part 82, Subpart F, except as provided for motor vehicle air conditioners in Subpart B of 40 CFR Part 82:

a. Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.

b. Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.

c. Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.

5.3.4 Risk Management Plan (RMP)

Should this stationary source, as defined in 40 CFR 68.3, become subject to the federal regulations for Chemical Accident Prevention in 40 CFR Part 68, then the owner or operator shall submit the items below. This condition is imposed in this permit pursuant to 40 CFR 68.215(a)(2)(i) and (ii).

a. A compliance schedule for meeting the requirements of 40 CFR Part 68 by the date provided in 40 CFR 68.10(a); or

b. A certification statement that the source is in compliance with all requirements of 40 CFR Part 68, including the registration and submission of the RMP, as part of the annual compliance certification required by Condition 9.8.

5.3.5 Future Emission Standards

a. Should this stationary source become subject to a new or revised regulation under 40 CFR Parts 60, 61, 62, or 63, or 35 IAC Subtitle B after the date issued of this permit, then the owner or operator shall, in accordance with the applicable regulation(s), comply with the applicable requirements by the date(s) specified and shall certify compliance with the applicable requirements of such regulation(s) as part of the annual compliance certification, as required by Condition 9.8. This permit may also have to be revised or reopened to address such new or revised regulations (see Condition 9.12.2).

b. This permit and the terms and conditions herein do not affect the Permittee's past and/or continuing obligation with respect to statutory or regulatory requirements governing major source construction or modification under Title I of the CAA. Further, neither the issuance of this permit nor any of the terms or conditions of the permit shall alter or affect the liability of the Permittee for any violation of applicable requirements prior to or at the time of permit issuance.

5.3.6 Episode Action Plan

a. Pursuant to 35 IAC 244.141, 244.142, and 244.143, the Permittee shall maintain at the source and have on file with the Illinois EPA a written episode action plan (plan) for reducing the levels of emissions during yellow alerts, red alerts, and emergencies, consistent with safe operating procedures. The plan shall contain the information specified in 35 IAC 244.144 and is incorporated by reference into this permit.

b. The Permittee shall immediately implement the appropriate steps described in this plan should an air pollution alert or emergency be declared by the Director of the Illinois EPA or his or her designated representative.

c. If an operational change occurs at the source which invalidates the plan, a revised plan shall be submitted to the Illinois EPA for review within 30 days of the change, pursuant to 35 IAC 244.143(d). Such plans shall be further revised if disapproved by the Illinois EPA.

5.4 Source-Wide Non-Applicability of Regulations of Concern

Source-wide non-applicability of regulations of concern are not set for this source. However, there may be unit specific non-applicability of regulations of concern set forth in Section 7 of this permit.

5.5 Source-Wide Control Requirements and Work Practices

Source-wide control requirements and work practices are not set for this source. However, there may be requirements for unit specific control requirements and work practices set forth in Section 7 of this permit.

5.6 Source-Wide Production and Emission Limitations

5.6.1 Permitted Emissions for Fees

The annual emissions from the source, not considering insignificant activities as addressed by Section 3.0 of this permit, shall not exceed the following limitations. The overall source emissions shall be determined by adding emissions from all emission units. Compliance with these limits shall be determined on a calendar year basis. These limitations (Condition 5.6.1) are set for the purpose of establishing fees and are not federally enforceable (see Section 39.5(18) of the Act).

Permitted Emissions of Regulated Pollutants

Pollutant	Tons/Year
Volatile Organic Material (VOM)	~~4.75~~3.51 tpy
Sulfur Dioxide (SO_2)	----
Particulate Matter (PM)	1.49
Nitrogen Oxides (NO_x)	216.51
HAP, not included in VOM or PM	----
Total	222.75

Comment [LI3]: The VOM calculations without the storage equipment onsite would be 3.51 tpy and with the storage equipment would only be 3.63 tpy. Not sure where the 4.75 is coming from.

~~and Storage Facilities do not apply to the source.~~

5.6.2 Other Source-Wide Production and Emission Limitations

Other source-wide emission limitations are not set for this source pursuant to the federal rules for PSD, state rules for MSSCAM, or Section 502(b)(10) of the CAA. However, there may be unit specific emission limitations set forth in Section 7 of this permit pursuant to these rules.

5.7 Source-Wide Testing Requirements

5.7.1 Pursuant to 35 IAC 201.282 and Section 4(b) of the Act, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:

a. Testing by Owner or Operator: The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests [35 IAC 201.282(a)].

b. Testing by the Illinois EPA: The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary [35 IAC 201.282(b)].

Comment [LI4]: Any testing must be done pursuant to proper MRT safety requirements while onsite.

c. Any such tests are also subject to the Testing Procedures of Condition 8.5 set forth in the General Permit Conditions of Section 8.

5.8 Source-Wide Monitoring Requirements

Source-wide monitoring requirements are not set for this source. However, there may be provisions for unit specific monitoring set forth in Section 7 of this permit.

5.9 Source-Wide Recordkeeping Requirements

5.9.1 Annual Emission Records

The Permittee shall maintain records of total annual emissions on a calendar year basis for the emission units covered by Section 7 (Unit Specific Conditions for Specific Emission Units) of this permit to demonstrate compliance with Condition 5.6.1, pursuant to Section 39.5(7)(b) of the Act.

5.9.2 Retention and Availability of Records

a. All records and logs required by this permit shall be retained for at least five years from the date of entry (unless a longer retention period is specified by the particular recordkeeping provision herein), shall be kept at a location at the source that is readily accessible to the Illinois EPA or USEPA, and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request.

b. The Permittee shall retrieve and print, on paper during normal source office hours, any records retained in an electronic format (e.g., computer) in response to an Illinois EPA or USEPA request for records during the course of a source inspection.

5.10 Source-Wide Reporting Requirements

5.10.1 General Source-Wide Reporting Requirements

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the source with the permit requirements within 30 days, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken. There are also reporting requirements for unit specific emission units set forth in Section 7 of this permit.

5.10.2 Annual Emissions Report

The annual emissions report required pursuant to Condition 9.7 shall contain emissions information, including HAP emissions, for the previous calendar year.

5.11 Source-Wide Operational Flexibility/Anticipated Operating Scenarios

Source-wide operational flexibility is not set for this source. However, there may be provisions for unit specific operational flexibility set forth in Section 7 of this permit.

5.12 Source-Wide Compliance Procedures

5.12.1 Procedures for Calculating Emissions

Except as provided in Condition 9.1.3, compliance with the source-wide emission limits specified in Condition 5.6 shall be addressed by the recordkeeping and reporting requirements of Conditions 5.9 and 5.10, and compliance procedures in Section 7 (Unit Specific Conditions for Specific Emission Units) of this permit.

6.0 CONDITIONS FOR EMISSIONS CONTROL PROGRAMS

This section is reserved for emissions control programs. As of the date of issuance of this permit, there are no such programs applicable to this source.

Comment [LG5]: What about the IL NOX rule? Unit 1 and Unit 2 are subject to this rule, but meet the exemption requirements. Records are kept to prove this.

7.0 UNIT SPECIFIC CONDITIONS FOR SPECIFIC EMISSION UNITS

7.1 Natural Gas Fired Engines

7.1.1 Description

Natural gas fired engines used for running compressors for pipeline transmission and/or underground storage.

Note: This narrative description is for informational purposes only and is not enforceable.

7.1.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-01	Worthington 550 Hp (#58-2)	1965	None
SN-02	White-Superior 500 Hp (#6G825)	1973	None

7.1.3 Applicable Provisions and Regulations

a. The "affected engines" for the purpose of these unit-specific conditions, are engines described in Conditions 7.1.1 and 7.1.2.

b. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

c. No person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm [35 IAC 214.301].

d. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located in the Chicago

or St. Louis (Illinois) major metropolitan areas shall comply with applicable sections of 35 IAC 214 Subparts B through F.

Note: There are no applicable standards for gaseous fuel burning in 35 IAC 214 Subparts B through F.

e. Startup Provisions

Comment [LG6]: MRT would like to request that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date.

Subject to the following terms and conditions, the Permittee is authorized to operate an affected engine in violation of the applicable standards in Condition 7.1.3(b) during startup. This authorization is provided pursuant to 35 IAC 201.149, 201.161 and 201.262, as the Permittee has applied for such authorization in its application, generally describing the efforts that will be used "...to minimize startup emissions, duration of individual starts, and frequency of startups."

i. This authorization does not relieve the Permittee from the continuing obligation to demonstrate that all reasonable efforts are made to minimize startup emissions, duration of individual startups and frequency of startups.

ii. The Permittee shall conduct startup of the engines in accordance with written procedures prepared by the Permittee and maintained at the facility, in the control room for the engines, that are specifically developed to minimize emissions from startups and that include, at a minimum, the following measures:

A. The Permittee shall conduct startup of an affected engine in accordance with the manufacturer's written instructions or other written instructions prepared by the Permittee and maintained on site.

B. The Permittee shall follow normal work practices and proper operation of compressors to minimize the number of shutdowns and in turn minimize the number of startups.

iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Condition 7.1.9(b) and 7.1.10(c).

iv. As provided by 35 IAC 201.265, an authorization in a permit for excess emissions during startup does not shield a Permittee from enforcement for any violation of applicable emission standard(s) that occurs during startup and only constitutes a prima facie defense to such an enforcement action provided that the

Permittee has fully complied with all terms and conditions connected with such authorization.

7.1.4 Non-Applicability of Regulations of Concern

a. The affected engines are not subject to the New Source Performance Standards (NSPS) for Compression Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart IIII, because the affected engines are by definition, 40 CFR 60.4219, spark ignition engines rather than compression ignition engines.

Comment [LG7]: There are no units onsite subject to 40 CFR 60 NSPS IIII. We're also not subject to 40 CFR 60 Subpart JJJJ.

b. i. The affected engines are not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities, because the affected engines are not dehydration units pursuant to 40 CFR 63.1270(b).

ii. The affected engines are excluded from certain requirements of the National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines 40 CFR Part 63, Subpart ZZZZ, because the affected engines are subject pursuant to 40 CFR 63.6590(a)(1)(iii).

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Comment [LI8]: MRT requests that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements be added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date.

c. The affected engines are not subject to 35 IAC 212.321 or 212.322, due to the nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

d. The affected engines are not subject to 35 IAC 216.121 because the affected landfill gas engines are not fuel combustion units, as defined by 35 IAC 211.2470.

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Comment [LG9]: These are not landfill gas engines.

e. i. The affected engines are not subject to 35 IAC Part 217, Subpart Q: Stationary Reciprocating Internal Combustion Engines and Turbines, because the affected engines are not stationary reciprocating internal combustion engines listed in Appendix G of that Part, pursuant to 35 IAC 217.386.

ii. The affected engines are not subject to 35 IAC 217.141 because the affected engines are not fuel combustion units, as defined by 35 IAC 211.2470.

f. Each affected engine is not subject to the requirements of 35 IAC 219.143 because the blowdown emissions associated with engines are not considered to be vapor blowdown pursuant to 35 IAC 219.143.

g. The affected engines are not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected engines do not use an add-on

control device to achieve compliance with an emission limitation or standard.

7.1.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected engine, including periodic inspection, routine maintenance and prompt repair of defects.

b. Natural gas shall be the only fuel fired in the affected engines.

7.1.6 Production and Emission Limitations

Production and emission limitations are not set for the affected engines. However, there are source-wide production and emission limitations set forth in Condition 5.6.

7.1.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the Permittee shall have the opacity of the exhaust from the affected engine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. Such testing shall be conducted for specific engine(s) within 70 calendar days of the request, or on the date affected engine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

v. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The Permittee shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of engine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

7.1.8 Monitoring Requirements Formatted: Highlight

a. i. If an affected engine is routinely operated or exercised to confirm that the affected engine will operate when needed, the operation and opacity of the affected engine shall be formally observed by operating personnel for the affected engine or a member of Permittee's environmental staff on a regular basis to assure that the affected engine is operating properly, which observations shall be made at least every six months.

ii. If an affected engine is not routinely operated or exercised, i.e., the time interval between operation of an affected engine is typically greater than six months, the operation and opacity of the affected engine shall be formally observed as provided above each time the Permittee carries out a scheduled exercise of the affected diesel engine.

iii. The Permittee shall also conduct formal observations of operation and opacity of an affected engine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the Permittee may schedule these observations to take place during periods when it would otherwise be operating the affected engine.

Note: The "formally observation" required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected engines who would be able to make a determination based from the Formatted: Highlight

affected diesel engines who would be able to make a determination based from the observed opacity as to whether of not the affected diesel engine was running properly, and subsequently initiate a corrective action if necessary.

Comment [LG10]: These are not diesel engines and thus we recommend removing this requirement. MRT shows compliance with opacity limits by using only pipeline quality natural gas as fuel.

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7.1.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected engines to demonstrate compliance with Conditions 5.6.1 and 7.1.3, pursuant to Section 39.5(7)(b) of the Act:

a. i. The Permittee shall keep onsite records of the results of periodic inspections, routine maintenance, and repair of defects. Upon request, these documents shall be made available for inspection and copying by the Illinois EPA.

ii. An operating log for each affected engine, which shall include the following information:

A. Information for the observations conducted pursuant to Condition 7.1.8(a) or 7.1.7(a), with date, time, personnel, and findings.

I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected diesel engine that it conducts or that are conducted on its behalf by individuals who are qualified to make such observations for Condition 7.1.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.

II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.1.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected diesel engine was running properly, and whether or not corrective action is necessary and was subsequently initiated.

b. The Permittee shall keep monthly records of the following items for the affected engine:

i. Natural gas usage rates per affected engine, mmscf/mo and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.1.12(b).

Comment [LI11]: Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed.

c. Records for Startup

The Permittee shall maintain the following records, pursuant to Section 39.5(7)(b) of the Act, for each affected engines subject to Condition 7.1.3(f), which at a minimum shall include:

Comment [LG12]: MRT requests that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements be added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date.

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i. The following information for each startup of the affected engines:

A. Date and duration of the startup, i.e., start time and time normal operation achieved.

B. If normal operation was not achieved within 10 minutes, an explanation why startup could not be achieved within this time.

C. A detailed description of the startup, including reason for operation and whether normal work practices and proper operation was performed.

D. An explanation why normal work practices and proper operation and other established startup procedures could not be performed, if not performed.

E. Whether exceedance of Condition 5.3.2 and 7.1.3(b) may have occurred during startup. If an exceedance may have occurred, an explanation of the nature of opacity, i.e., severity and duration, during the startup and the nature of opacity at the conclusion of startup.

ii. A maintenance and repair log for each affected engine, listing each activity performed with date.

7.1.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected engines with

the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions from the affected engines in excess of the limits specified in Condition 7.1.3 within 30 days of such occurrence.

ii. Operation of the affected engines in excess of the limits specified in Condition 7.1.5 within 30 days of such occurrence.

b. i. Natural gas usage rates per affected engine, mmscf/month and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.1.12(b).

c. Reporting of Startups

In accordance with the due dates in Condition 8.6.1, the Permittee shall submit semi-annual startup reports to the Illinois EPA pursuant to Sections 39.5(7)(a) and (f) of the Act. These reports may be submitted along with other semi-annual reports and shall include the following information for startups of the affected engines during the reporting period:

i. A list of the startups of the affected engines, including the date, duration and description of each startup, accompanied by a copy of the records pursuant to Condition 7.1.9(b) for each startup for which such records were required.

ii. If there have been no startups of an affected engines during the reporting period, this shall be stated in the report.

Comment [LG13]: This is more stringent that any federal regulation and since we will be complying with RICE MACT, this requirement should be removed.

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7.1.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected engines.

Comment [LG14]: Please add the following language to this section, "Replacement equipment and emissions are limited to equipment and emissions which are not a modification under NSPS, NESHAPS, or a significant modification under PSD. For existing PSD facilities, the permittee shall calculate the PTE or the net emissions increase resulting from the replacement to document that it does not exceed significance levels. Engines installed are allowed under the replacement allowances that are subject to 40 CFR Part 63 Subpart ZZZZ and/or CFR Part 60, Subpart JJJJ shall comply with all applicable requirements."

7.1.12 Compliance Procedures

a. Compliance with the PM emission limitations of Conditions 7.1.3(b) is addressed by the requirements of Condition 7.1.5(a), the testing requirements in Condition 7.1.7(a), the monitoring requirements of Condition 7.1.8(a), the records required in Condition 7.1.9(a), and the reports required in Condition 7.1.10(a).

b. i. Compliance with the SO_2 emission limitation of Condition 7.1.3(c) is addressed by the requirements of Condition 7.1.5, and the records and reports required in Conditions 7.1.9 and 7.1.10.

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.2.3(c), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 is addressed by the records required in Condition 7.1.9(a) and the emission factors and formulas listed below:

i. Emission factors for the affected engines:

Pollutant	Emission Factors Engine Worthington (SN-01) (lb/mmBtu)	White Superior (SN-02) (lb/mmBtu)
VOM	2.96E-02	2.96E-02
PM	9.50E-03	9.50E-03
SO_2	5.88E-04	5.88E-04
CO	3.72	3.72
	(lb/hr)	(lb/hr)
NO_x*	13.52	24.00

The emission factors for VOM, PM, SO_2, and CO are from AP-42 Section 3.2 (dated July 2000). The emission factor for NO_x is based from source test data, multiplied by engineering safety factor (1.5 for SN-01 and 1.2 for SN-02) for operational and test variations.

7.2 Natural Gas Fired Turbine

7.2.1 Description

Natural gas fired turbine used to provide power to for running a compressor for pipeline transmission and/or underground storage.

Note: This narrative description is for informational purposes only and is not enforceable.

7.2.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
SN-03	Natural Gas-Fired Turbine, Allison Model 501kB	1975	None

7.2.3 Applicable Provisions and Regulations

a. The "affected turbine" for the purpose of these unit-specific conditions, is a turbine described in Conditions 7.2.1 and 7.2.2.

b. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

c. No person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm [35 IAC 214.301].

d. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located in the Chicago or St. Louis (Illinois) major metropolitan areas shall comply with applicable sections of 35 IAC 214 Subparts B through F.

Note: There are no applicable standards for gaseous fuel burning in 35 IAC 214 Subparts B through F.

e. Startup Provisions

Subject to the following terms and conditions, the Permittee is authorized to operate an affected turbine in violation of the applicable standards in Condition 7.1.3(b) during startup. This authorization is provided pursuant to 35 IAC 201.149, 201.161 and 201.262, as the Permittee has applied for such authorization in its application, generally describing the efforts that will be used "...to minimize startup emissions, duration of individual starts, and frequency of startups."

i. This authorization does not relieve the Permittee from the continuing obligation to demonstrate that all reasonable efforts are made to minimize startup emissions, duration of individual startups and frequency of startups.

ii. The Permittee shall conduct startup of the affected turbine (SN-03) in accordance with written procedures prepared by the Permittee and maintained at the facility, in the control room for the affected turbine (SN-03), that are specifically developed to minimize emissions from startups and that include, at a minimum, the following measures:

A. The Permittee shall conduct startup of an affected turbine in accordance with the manufacturer's written instructions or other written instructions prepared by the Permittee and maintained on site.

B. The Permittee shall follow normal work practices and proper operation of compressors to minimize the number of shutdowns and in turn minimize the number of startups.

iii. The Permittee shall fulfill applicable recordkeeping and reporting requirements of Condition 7.2.9(b) and 7.2.10(c).

iv. As provided by 35 IAC 201.265, an authorization in a permit for excess emissions during startup does not shield a Permittee from enforcement for any violation of applicable emission standard(s) that occurs during startup and only constitutes a prima facie defense to such an enforcement action provided that the Permittee has fully complied with all terms and conditions connected with such authorization.

7.2.4 Non-Applicability of Regulations of Concern

a. i. The affected turbines ~~is~~are not subject to the New Source Performance Standards (NSPS) for Stationary Combustion Turbines, 40 CFR Part 60, Subpart GG, because the affected turbine did not commence construction, modification, or reconstruction after February 18, 2005 pursuant to 40 CFR 60.4305(a).

Comment [LI15]: The turbine is not subject to 40 CFR 60 Subpart GG or KKKK because it was constructed in 1975.

ii. The affected turbines ~~is~~are not subject to the New Source Performance Standards (NSPS) for Stationary Combustion Turbines, 40 CFR Part 60, Subpart KKKK, because the affected turbines did not commence construction, modification, or reconstruction after February 18, 2005 pursuant to 40 CFR 60.4305(a)~~, and are therefore subject to 40 CFR Part 60, Subpart GG for Stationary Gas Turbines.~~.

Note: To qualify for this non-applicability, the Permittee has certified that the turbines have not been modified or reconstructed after February 18, 2005.

b. i. The affected turbine is not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities , because the affected turbine is not a dehydration unit pursuant to 40 CFR 63.1270(b).

ii. The affected turbine is not subject to the National Emissions Standards for Hazardous Air Pollutants for Stationary Combustion Turbines, 40 CFR Part 63, Subpart YYYY, because the affected turbines is not located at a major source of HAP emissions, pursuant to 40 CFR 63.6085.

c. The affected turbine is not subject to 35 IAC 212.321 or 212.322, due to the unique nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

d. The affected turbine ~~is~~ are not subject to 35 IAC 216.121 because the affected turbines are not fuel combustion units, as defined by 35 IAC 211.2470.

e. i. The affected turbines ~~is~~ are not subject to 35 IAC Part 217, Subpart Q: Stationary Reciprocating Internal Combustion Engines and Turbines, because the affected turbines are not stationary turbines listed in Appendix G of that Part, pursuant to 35 IAC 217.386.

ii. The affected turbines ~~is~~ are not subject to 35 IAC Part 217, Subpart V: Electric Power Generation,

because the affected turbines neither serve a generator that has a nameplate capacity greater than 25 MWe and produces electricity for sale nor have any unit with a maximum design heat input that is greater than 250 mmBtu/hr that commenced operation on or after January 1, 1999, serving at any time a generator that has a nameplate capacity of 25 MWe or less and has the potential to use more than 50% of the potential electrical output capacity of the unit, pursuant to 35 IAC 217.704.

iii. The affected turbine ~~iss~~ are not subject to 35 IAC 217.141 because the affected turbines are not fuel combustion units, as defined by 35 IAC 211.2470.

f. Each affected ~~engine~~ turbine is not subject to the requirements of 35 IAC 219.143 because the blowdown emissions associated with ~~engines~~ turbine are not considered to be vapor blowdown pursuant to 35 IAC 219.143.

g. The affected turbine is not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected turbine does not use an add-on control device to achieve compliance with an emission limitation or standard.

7.2.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected turbine, including periodic inspection, routine maintenance and prompt repair of defects.

b. Natural gas shall be the only fuel fired in the affected turbine.

7.2.6 Production and Emission Limitations

Production and emission limitations are not set for the affected turbine. However, there are source-wide production and emission limitations set forth in Condition 5.6.

7.2.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the source owner or operator shall have the opacity of the exhaust from the affected turbine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. ~~Such testing shall be conducted for specific turbine(s) within 90 calendar days of the request, or~~

Comment [LI16]: MRT shows compliance with opacity by using pipeline quality natural gas as fuel. Please rewrite to allow MRT to show compliance with opacity by keeping a copy of the FERC gas tariff.

on the date turbine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The source owner or operator shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

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v. The source owner or operator shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The source owner or operator shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The source owner or operator shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

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B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of turbine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

7.2.8 Monitoring Requirements

a. i. If an affected turbine is routinely operated or exercised to confirm that the turbine will operate when needed, the operation and opacity of the affected turbine shall be formally observed by operating personnel for the affected turbine or a member of source owner or operator's environmental staff on a regular basis to assure that the affected

Comment [LG17]: Since this is not a subpart GG turbine, as mentioned above, these requirements should be removed.

turbine is operating properly, which observations shall be made at least every six months.

ii. If an affected turbine is not routinely operated or exercised, i.e., the time interval between operation of an affected turbine is typically greater than six months, the operation and opacity of the affected turbine shall be formally observed as provided above each time the source owner or operator carries out a scheduled exercise of the affected turbine.

iii. The source owner or operator shall also conduct formal observations of operation and opacity of an affected turbine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the source owner or operator may schedule these observations to take place during periods when it would otherwise be operating the affected turbine.

Note: The formal observation required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected turbine who would be able to make a determination based from the observed opacity as to whether or not the affected turbine was running properly, and subsequently initiate a corrective action if necessary.

7.2.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected turbine to demonstrate compliance with Conditions 5.6.1 and 7.2.3, pursuant to Section 39.5(7)(b) of the Act:

a. i. The Permittee shall keep onsite records of the results of periodic inspections, routine maintenance, and repair of defects. Upon request, these documents shall be made available for inspection and copying by the Illinois EPA.

ii. An operating log for each affected engineturbine, which shall include the following information:

A. Information for the observations conducted pursuant to Condition 7.1.8(a) or 7.1.7(a), with date, time, personnel, and findings.

I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected diesel engine [that] it conducts or that are conducted on its behalf by

Comment [LI18]: This is a turbine, not a diesel engine. Therefore, these requirement should be removed from the permit.

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~~individuals who are qualified to make such observations for Condition 7.1.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.~~

~~II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.1.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected diesel engine was running properly, and whether or not corrective action is necessary and was subsequently initiated.~~

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b. The Permittee shall keep monthly records of the following items for the affected turbine:

~~i. Natural gas usage rates per affected turbine, mmscf/mo and mmscf/year.~~

Comment [LI19]: Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.2.12(b).

c. ~~Records for Startup~~

Comment [LG20]: If this is not subject to NSPS GG or KKKK why do we have to do startup records?

~~The Permittee shall maintain the following records, pursuant to Section 39.5(7)(b) of the Act, for each affected turbine subject to Condition 7.2.3(b), which at a minimum shall include:~~

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~~i. The following information for each startup of the affected turbine:~~

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~~A. Date and duration of the startup, i.e., start time and time normal operation achieved.~~

~~B. If normal operation was not achieved within 10 minutes, an explanation why startup could not be achieved within this time.~~

Comment [LG21]: Since this is not a subpart GG turbine, as mentioned above, these requirements should be removed.

~~C. A detailed description of the startup, including reason for operation and whether normal work practices and proper operation was performed.~~

~~D. An explanation why normal work practices and proper operation and other established startup procedures could not be performed, if not performed.~~

~~E. Whether exceedance of Condition 5.3.2 and 7.2.3(b) may have occurred during startup. If an exceedance may have occurred, an explanation of the nature of opacity, i.e., severity and duration, during the startup and the nature of opacity at the conclusion of startup.~~

~~ii. A maintenance and repair log for the affected turbine, listing each activity performed with date.~~

7.2.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected turbine with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions from the affected turbine in excess of the limits specified in Condition 7.2.3 within 30 days of such occurrence.

ii. Operation of the affected turbines in excess of the limits specified in Condition 7.2.5 within 30 days of such occurrence.

b. i. Natural gas usage rates per affected turbine, mmscf/mo and mmscf/year.

ii. Pollutant emissions with supporting calculations based from the record keeping as required by this condition and the emissions factors required in Condition 7.2.12(b).

~~c. Reporting of Startups~~

~~In accordance with the due dates in Condition 8.6.1, the Permittee shall submit semi-annual startup reports to the Illinois EPA pursuant to Sections 39.5(7)(a) and (f) of the Act. These reports may be submitted along with other semi-annual reports and shall include the following information for startups of the affected turbine during the reporting period.~~

~~i. A list of the startups of the affected turbine, including the date, duration and description of each startup, accompanied by a copy of the records~~

Comment [LG22]: Since 7.2.9 (c) does not apply then neither should 7.2.10 (c). MRT requests that this be removed from the permit.

~~pursuant to Condition 7.2.9(b) for each startup for which such records were required.~~

~~ii. If there have been no startups of an affected turbine during the reporting period, this shall be stated in the report.~~

7.2.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected turbine. However, there may be provisions for source-wide operational flexibility set forth in Condition 5.11 of this permit.

7.2.12 Compliance Procedures

a. Compliance with the PM emission limitations of Conditions 7.2.3(b) is addressed by the requirements of Condition 7.2.5(a), the testing requirements in Condition 7.2.7(a), the monitoring requirements of Condition 7.2.8(a), the records required in Condition 7.2.9(a), and the reports required in Condition 7.2.10(a).

b. i. Compliance with the SO_2 emission limitation of Condition 7.2.3(c) is addressed by the requirements of Condition 7.2.5, and the records and reports required in Conditions 7.2.9 and 7.2.10.

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.2.3(c), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 and 7.2.3(c) and (e) are addressed by the records required in Condition 7.1.9(a) and the emission factors and formulas listed below:

i. Emission factors for the affected turbine:

	Emission Factors Engine Worthington (SN-01)
Pollutant	(lb/mmBtu)

VOM	2.1E-03
PM	6.6E-03
SO_2	3.4E-03
CO	8.2E-02
	(lb/hr)
NO_x*	19.18

The emission factors for VOM, PM, SO_2, and CO are from AP-42 Section 3.1 (dated April 2000). The emission factor for NO_x is based from source test data, multiplied by engineering safety factor (1.2 for SN-03) for operational and test variations.

7.3 Intentionally Left Blank

7.4 Underground Natural Gas Storage and Dehydrator

Comment [LI23]: MRT does not agree that this storage facility should be included in the permit with the compressor station located on a different site. Please see explanation in cover letter and the associated attachments.

7.4.1 Description

Underground natural gas storage dehydration process prior to being sent out on the pipeline. The process uses triethyleneglycol (TEG) and a natural gas fired reboiler (0.75 mmBtu/hr) to drive off the vapor.

Note: This narrative description is for informational purposes only and is not enforceable.

7.4.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
Dehy	Natural Gas Dehydrator	1999	Scrubber and Condenser

7.4.3 Applicable Provisions and Regulations

a. The "affected dehydrator" for the purpose of these unit-specific conditions, is a dehydrator described in Conditions 7.4.1 and 7.4.2.

b. Pursuant to 35 IAC 219.301, no person shall cause or allow the discharge of more than 8 lbs/hr of organic material into the atmosphere from any emission unit, except as provided in 35 IAC 219.302, 219.303, 219.304 and the following exception: If no odor nuisance exists the limitation of this Subpart shall apply only to photochemically reactive material.

7.4.4 Non-Applicability of Regulations of Concern

a. The affected dehydrator is not subject to 40 CFR Part 63, Subpart HHH, National Emission Standards for Hazardous Air Pollutants (NESHAP), Natural Gas Transmission and Storage Facilities , because the affected turbine does not transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user (if there are no local distribution company) at a major sources of hazardous air pollutants (HAP) emissions as defined in 40 CFR 63.1271, pursuant to 40 CFR 63.1270(a).

b. The affected dehydrator is not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected dehydrator does not have potential pre-control device emissions of the applicable regulated air pollutant that equals or exceeds major source threshold levels.

7.4.5 Control Requirements and Work Practices

a. The Permittee shall follow good operating practices for the affected dehydrator, including periodic inspection, routine maintenance and prompt repair of defects.

7.4.6 Production and Emission Limitations

In addition to Condition 5.3.2 and the source-wide emission limitations in Condition 5.6, the affected dehydrator is subject to the following:

a. The affected dehydrator shall not exceed ~~7,050 gal/year of~~ methanol and 3,680,000 gallons/year for triethylene glycol usage. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total). This limit was established in Permit 96020085 [T1].

Comment [LG24]: The dehy doesn't use methanol. However, there is methanol used onsite.

b. ~~VOM emissions from the affected natural gas storage and transmission operations shall not exceed nominal emission rates of 1.3 lb/hour and 2.3 tons/year. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total). These limits were established in Permit 96020085 [T1].~~

Comment [LI25]: The dehy emissions are based on the max the unit is capable of running so these records should not be required. The only way for the facility to exceed this would be to change the equipment which would require additional permitting.

7.4.7 Testing Requirements

Testing requirements are not set for the affected dehydrator.

7.4.8 Monitoring Requirements

Monitoring requirements are not set for the affected dehydrator.

7.4.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for the affected dehydrator to demonstrate compliance with Conditions 5.6.1, 7.4.3, and 7.4.6, pursuant to Section 39.5(7)(b) of the Act:

a. Amount of natural gas dehydrated, mmscf/mo and mmscf/year.

b. Usage of methanol and triethylene glycol (gallon or lb/month).

c. Emissions of VOM and HAPs (ton/mo and ton/yr).

7.4.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of the affected dehydrator with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions of VOM from the affected dehydrator in excess of the limits specified in Conditions 7.4.3 or 7.4.6 within 30 days of such occurrence.

ii. Operation of the affected dehydrator in excess of the limits specified in Condition 7.4.6 within 30 days of such occurrence.

7.4.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected dehydrator.

7.4.12 Compliance Procedures

a. Compliance with Condition 7.4.3(b) is addressed by the requirements of Condition 7.4.5(a), and the records required in Condition 7.4.9.

b. Compliance with the VOM emission limitation of Condition 7.4.6(b) is addressed by the records required in Condition 7.4.9.

7.5 Natural Gas-Fired Emergency Engine(s) (Subject to NESHAP - 40 CFR 63 Subpart ZZZZ and NSPS -40 CFR 60 Subpart JJJJ)

7.5.1 Description

The engine(s) are process emission units used for driving a generator for onsite or backup electrical needs. The engine(s) fire natural gas.

Note: This narrative description is for informational purposes only and is not enforceable.

7.5.2 List of Emission Units and Air Pollution Control Equipment

Emission Unit	Description	Date Constructed	Emission Control Equipment
QTA-150[1]	Backup/Onsite Electric Generation	02/2010	Catalytic Converter

[1] ~~Please see section 3.1.3 as this emission unit is also considered an insignificant activity.~~

Comment [LI26]: Since this has specific condition requirements and is subject to 40 CFR 60 NSPS JJJJ it cannot be considered an insignificant activity.

7.5.3 Applicable Provisions and Regulations

a. The "affected natural gas engine(s) ~~natural gas engine(s)~~" for the purpose of these unit-specific conditions, are natural gas engine(s) described in Conditions 7.5.1 and 7.5.2.

b. Pursuant to 40 CFR 60.4230(a)(4), the affected natural gas engine(s) are subject to the NSPS for Spark Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart JJJJ, because the Permittee is an owner or operator of a stationary SI ICE that commenced 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 25 HP, pursuant to 40 CFR 60.4230(a)(4)(iv).

Pursuant to 40 CFR 60.4233(e), owners and operators of stationary SI ICE with a maximum engine power greater than or equal to 75 KW (100 HP) (except gasoline and rich burn engines that use LPG) must comply with the emission standards in Table 1, below, to this subpart for their stationary SI ICE. For owners and operators of stationary SI ICE with a maximum engine power greater than or equal to 100 HP (except gasoline and rich burn engines that use LPG) manufactured prior to January 1, 2011 that were certified to the certification emission standards in 40 CFR part 1048 applicable to engines that are not severe duty engines, if such stationary SI ICE was certified to a carbon monoxide (CO) standard above the standard in Table 1

to this subpart, then the owners and operators may meet the CO certification (not field testing) standard for which the engine was certified.

Table 1 to Subpart JJJJ of Part 60—NO_x, CO, and VOC Emission Standards for Stationary Non-Emergency SI Engines ≥ 100 HP (Except Gasoline and Rich Burn LPG), Stationary SI Landfill/Digester Gas Engines, and Stationary Emergency Engines >25 HP

Engine Type And Fuel	Maximum Engine Power	Manufacture Date	Emission Standards[a]					
			g/HP-hr			ppmvd at 15% O_2		
			NO_x	CO	VOC[d]	NO_x	CO	VOC[d]
Emergency	HP ≥ 130	1/1/2009	2.0	4.0	1.0	160	540	86

[a] Owners and operators of stationary non-certified SI engines may choose to comply with the emission standards in units of either g/HP-hr or ppmvd at 15 percent O_2.

[d] For purposes of this subpart, when calculating emissions of volatile organic compounds, emissions of formaldehyde should not be included.

c. Pursuant to 35 IAC 212.123,

i. No person shall cause or allow the emission of smoke or other particulate matter, with an opacity greater than 30 percent, into the atmosphere from any emission unit.

ii. The emission of smoke or other particulate matter from any such emission unit may have an opacity greater than 30 percent but not greater than 60 percent for a period or periods aggregating 8 minutes in any 60 minute period provided that such opaque emissions permitted during any 60 minute period shall occur from only one such emission unit located within a 1000 ft radius from the center point of any other such emission unit owned or operated by such person, and provided further that such opaque emissions permitted from each such emission unit shall be limited to 3 times in any 24 hour period.

d. i. Pursuant to 35 IAC 214.301, no person shall cause or allow the emission of sulfur dioxide into the atmosphere from any process emission source to excess 2000 ppm.

ii. Pursuant to 35 IAC 214.304, the emissions from the burning of fuel at process emission sources located

in the Chicago or St. Louis (Illinois) major metropolitan areas shall comply with applicable Subparts B through F, in this case 35 IAC 214.161(b). Pursuant to 35 IAC 214.161(b), no person shall cause or allow the emission of sulfur dioxide into the atmosphere in any one hour period from any existing fuel combustion emission source, burning liquid fuel exclusively to exceed 0.3 lbs/mmBtu of sulfur dioxide per MW-hr of actual heat input when distillate fuel oil is burned.

7.5.4 Non-Applicability of Regulations of Concern

a. The affected natural gas engine(s) are not subject to the New Source Performance Standards (NSPS) for Compression Ignition Internal Combustion Engines, 40 CFR Part 60, Subpart IIII, because the affected natural gas engine(s) are by definition, 40 CFR 60.4219, spark ignition engines rather than compression ignition engines.

b. The affected natural gas engine(s) are excluded from certain requirements of the National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines 40 CFR Part 63, Subpart ZZZZ, because the affected natural gas engine(s) are new or reconstructed spark ignition engines at an area or major source less than or equal to 500 BHP pursuant to 40 CFR 63.6590(c). Requirements necessary to maintain the exclusion, and therefore compliance with that Part, are found within this Section. Specifically, those requirements are not becoming an affected source pursuant to 40 CFR 63.6590.

c. The affected natural gas engine(s) are not subject to the Acid Rain Program, 40 CFR 72, because each of the affected natural gas engine(s) serves one or more generators with the total nameplate capacity of 25 MWe or less, pursuant to 40 CFR 72.7(a)(1).

d. The affected natural gas engine(s) are not subject to 35 IAC 212.321 or 212.322, due to the unique nature of such units, a process weight rate cannot be set so that such rules cannot reasonably be applied, pursuant to 35 IAC 212.323.

e. The affected natural gas engine(s) are not subject to 35 IAC 216.121 because the affected natural gas engine(s) are not fuel combustion units, as defined by 35 IAC 211.2470.

f. i. The affected natural gas engine(s) are not subject to 35 IAC Part 217, Subpart Q: Stationary Reciprocating Internal Combustion Engines and Turbines, because the affected natural gas engine(s) are not stationary

reciprocating internal combustion engines listed in Appendix G of that Part, pursuant to 35 IAC 217.386.

ii. The affected natural gas engine(s) are not subject to 35 IAC 217.141 because the affected ~~diesel~~ engines are not fuel combustion units, as defined by 35 IAC 211.2470.

g. The affected natural gas engine(s) are not subject to 40 CFR Part 64, Compliance Assurance Monitoring (CAM) for Major Stationary Sources, because the affected natural gas engine(s) are subject to a NSPS proposed after November 15, 1990, pursuant to 40 CFR 64.2(b)(1)(i).

7.5.5 Control Requirements and Work Practices

a. At all times, including periods of startup, shutdown, and malfunction, the source owner or operator shall, to the extent practicable, maintain and operate any affected natural gas engine(s) in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Illinois EPA or the USEPA which may include, but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source [40 CFR 60.11(d)].

b. Natural gas shall be the only fuel fired in the affected natural gas engine(s).

c. ~~The Illinois EPA shall be allowed to sample all fuels stored at the source.~~

Comment [LG27]: MRT requests that this be removed. MRT only uses pipeline quality natural gas as fuel for the engines and turbine.

d. For purposes of being considered an emergency or standby unit(s) pursuant to 35 IAC 201.210(a)(16) and 35 IAC 211.1920, the affected natural gas engine(s) shall not exceed 500 hours of operation per year.

e. Pursuant to 40 CFR 60.4243(d), emergency stationary ICE may be operated for the purpose of maintenance checks and readiness testing, provided that the tests are recommended by Federal, State or local government, the manufacturer, the vendor, or the insurance company associated with the engine. Maintenance checks and readiness testing of such units is limited to 100 hours per year. There is no time limit on the use of emergency stationary ICE in emergency situations. The owner or operator may petition the Administrator for approval of additional hours to be used for maintenance checks and readiness testing, but a petition is not required if the owner or operator maintains records indicating that Federal, State, or local standards require maintenance and testing of emergency ICE beyond 100

hours per year. Emergency stationary ICE may operate up to 50 hours per year in non-emergency situations, but those 50 hours are counted towards the 100 hours per year provided for maintenance and testing. The 50 hours per year for non-emergency situations cannot be used for peak shaving or to generate income for a facility to supply power to an electric grid or otherwise supply power as part of a financial arrangement with another entity. For owners and operators of emergency engines, any operation other than emergency operation, maintenance and testing, and operation in non-emergency situations for 50 hours per year, as permitted in this section, is prohibited.

f. Pursuant to 40 CFR 60.4243(g), it is expected that air-to-fuel ratio (AFR) controllers will be used with the operation of three-way catalysts/non-selective catalytic reduction. The AFR controller must be maintained and operated appropriately in order to ensure proper operation of the engine and control device to minimize emissions at all times.

g. Compliance with annual limits shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total) [T1].

7.5.6 Production and Emission Limitations

Production and emission limitations are not set for the affected natural gas engine(s).

7.5.7 Testing Requirements

a. i. Upon written request by the Illinois EPA, the Permittee shall have the opacity of the exhaust from the affected natural gas engine(s) tested during representative operating conditions as determined by a qualified observer in accordance with USEPA Test Method 9, as further specified below, pursuant to Section 39.5(7)(d) of the Act.

ii. Such testing shall be conducted for specific affected natural gas engine(s) (s) within 60 calendar days of the request, or on the date the affected natural gas engine(s) next operates, or on the date agreed upon by the Illinois EPA, whichever is later.

iii. The duration of opacity observations for each test shall be at least 30 minutes (five 6-minute averages) unless the average opacities for the first 12 minutes of observations (two six-minute averages) are both less than 10.0 percent.

iv. The Permittee shall notify the Illinois EPA at least 7 days in advance of the date and time of these tests, in order to allow the Illinois EPA to witness testing. This notification shall include the name and employer of the qualified observer(s).

v. The Permittee shall promptly notify the Illinois EPA of any changes in the time or date for testing.

vi. The Permittee shall provide a copy of its observer's readings to the Illinois EPA at the time of testing, if Illinois EPA personnel are present.

vii. The Permittee shall submit a written report for this testing within 15 days of the date of testing. This report shall include:

A. Date and time of testing.

B. Name and employer of qualified observer.

C. Copy of current certification.

D. Description of observation conditions.

E. Description of engine operating conditions.

F. Raw data.

G. Opacity determinations.

H. Conclusions.

b. Pursuant to 40 CFR 60.4243(f), if you are an owner or operator of a stationary SI internal combustion engine that is less than or equal to 500 HP and you purchase a non-certified engine or you do not operate and maintain your certified stationary SI internal combustion engine and control device according to the manufacturer's written emission-related instructions, you are required to perform initial performance testing as indicated, but you are not required to conduct subsequent performance testing unless the stationary engine is rebuilt or undergoes major repair or maintenance. A rebuilt stationary SI ICE means an engine that has been rebuilt as that term is defined in 40 CFR 94.11(a).

c. Pursuant to 40 CFR 60.4244, owners and operators of stationary SI ICE who conduct performance tests must follow the procedures below:

i. Each performance test must be conducted within 10 percent of 100 percent peak (or the highest achievable) load and according to the requirements in

40 CFR 60.8 and under the specific conditions that are specified by Table 2 of 40 CFR 60 Subpart JJJJ, pursuant to 40 CFR 60.4244(a).

Note: Table 2 of 40 CFR 60 Subpart JJJJ, Requirements for Performance Tests, is found in Section 7.5.13

ii. You may not conduct performance tests during periods of startup, shutdown, or malfunction, as specified in 40 CFR 60.8(c). If your stationary SI internal combustion engine is non-operational, you do not need to startup the engine solely to conduct a performance test; however, you must conduct the performance test immediately upon startup of the engine, pursuant to 40 CFR 60.4244(b).

iii. You must conduct three separate test runs for each performance test required in this section, as specified in 40 CFR 60.8(f). Each test run must be conducted within 10 percent of 100 percent peak (or the highest achievable) load and last at least 1 hour, pursuant to 40 CFR 60.4244(c).

iv. Pursuant to 40 CFR 60.4244(d), to determine compliance with the NO_x mass per unit output emission limitation, convert the concentration of NO_x in the engine exhaust using Equation 1 of this section:

$$ER = \frac{C_d \times 1.912 \times 10^{-3} \times Q \times T}{HP - hr} \qquad \text{(Eq. 1.)}$$

Where:

ER = Emission rate of NO_x in g/HP-hr.

Cd = Measured NO_x concentration in parts per million by volume (ppmv).

1.912×10^{-3} = Conversion constant for ppm NO_x to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meter per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, horsepower-hour (HP-hr).

v. Pursuant to 40 CFR 60.4244(e), to determine compliance with the CO mass per unit output emission

limitation, convert the concentration of CO in the engine exhaust using Equation 2 of this section:

$$ER = \frac{C_d \times 1.164 \times 10^{-3} \times Q \times T}{HP - hr}$$

(Eq. 2)

Where:

ER = Emission rate of CO in g/HP-hr.

Cd = Measured CO concentration in ppmv.

1.164×10^{-3} = Conversion constant for ppm CO to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meters per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, in HP- hr.

vi. A. Pursuant to 40 CFR 60.4244(f), for purposes of this subpart, when calculating emissions of VOC, emissions of formaldehyde should not be included. To determine compliance with the VOC mass per unit output emission limitation, convert the concentration of VOC in the engine exhaust using Equation 3 of this section:

$$ER = \frac{C_d \times 1.833 \times 10^{-3} \times Q \times T}{HP - hr}$$

(Eq. 3)

Where:

ER = Emission rate of VOC in g/HP-hr.

Cd = VOC concentration measured as propane in ppmv.

1.833×10^{-3} = Conversion constant for ppm VOC measured as propane, to grams per standard cubic meter at 20 degrees Celsius.

Q = Stack gas volumetric flow rate, in standard cubic meters per hour, dry basis.

T = Time of test run, in hours.

HP-hr = Brake work of the engine, in HP-hr.

B. Pursuant to 40 CFR 60.4244(g), if the owner/operator chooses to measure VOC emissions using either Method 18 of 40 CFR Part 60, Appendix A, or Method 320 of 40 CFR Part 63, Appendix A, then it has the option of correcting the measured VOC emissions to account for the potential differences in measured values between these methods and Method 25A. The results from Method 18 and Method 320 can be corrected for response factor differences using Equations 4 and 5 of this section. The corrected VOC concentration can then be placed on a propane basis using Equation 6 of this section.

$$RF_i = \frac{C_{Mi}}{C_{Ai}}$$ Type equation here.

(Eq. 4)

Where:

RF_i = Response factor of compound i when measured with EPA Method 25A.

C_{Mi} = Measured concentration of compound i in ppmv as carbon.

C_{Ai} = True concentration of compound i in ppmv as carbon.

$$C_{icorr} = RF_i \times C_{imeas}$$

(Eq. 5)

Where:

C_{icorr} = Concentration of compound i corrected to the value that would have been measured by EPA Method 25A, ppmv as carbon.

C_{imeas} = Concentration of compound i measured by EPA Method 320, ppmv as carbon.

$$C_{peq} = 0.6090 \times C_{icorr}$$

(Eq. 6)

Where:

C_{peq} = Concentration of compound i in mg of propane equivalent per DSCM.

~~7.5.8 Monitoring Requirements~~

Comment [LI28]: This requirement should be removed. MRT demonstrates compliance with opacity limits by using only pipeline quality natural gas as fuel.

~~a. i. If an affected natural gas engine is routinely operated or exercised to confirm that the affected natural gas engine will operate when needed, the operation and opacity of the affected natural gas engine shall be formally observed by operating personnel for the affected natural gas engine or a member of Permittee's environmental staff on a regular basis to assure that the affected natural gas engine is operating properly, which observations shall be made at least every six months.~~

~~ii. If an affected natural gas engine is not routinely operated or exercised, i.e., the time interval between operation of an affected natural gas engine is typically greater than six months, the operation and opacity of the affected natural gas engine shall be formally observed as provided above each time the Permittee carries out a scheduled exercise of the affected natural gas engine.~~

~~iii. The Permittee shall also conduct formal observations of operation and opacity of an affected natural gas engine upon written request by the Illinois EPA. With the agreement of the Illinois EPA, the Permittee may schedule these observations to take place during periods when it would otherwise be operating the affected natural gas engine.~~

~~Note: The "formally observation" required above is not intended to be a USEPA Test Method 9 opacity test, nor does the observation require a USEPA Test Method 9 certified observer. It is intended to be performed by personnel familiar with the operation of the affected natural gas engine who would be able to make a determination based from the observed opacity as to whether of not the affected natural gas engine was running properly, and subsequently initiate a corrective action if necessary.~~

7.5.9 Recordkeeping Requirements

In addition to the records required by Condition 5.9, the Permittee shall maintain records of the following items for each affected natural gas engine to demonstrate compliance with Conditions 5.6.1 and 7.5.3, pursuant to Section 39.5(7)(b) of the Act:

~~a. i. An operating log for each affected natural gas engine, which shall include the following information:~~

~~A. Information for each time the affected natural gas engine is operated, with date, time, duration, and purpose (i.e., exercise or power service). Monthly and annual records of hours of operation of each affected natural gas engine and total hours of operation.~~

~~B. Information for the observations conducted pursuant to Condition 7.5.8(a) or 7.5.7(a), with date, time, personnel, and findings.~~

~~I. The Permittee shall keep records for all opacity measurements made in accordance with USEPA Method 9 for an affected natural gas engine that it conducts or that are conducted on its behalf by individuals who are qualified to make such observations for Condition 7.5.7(a). For each occasion on which such observations are made, these records shall include the identity of the observer, a description of the various observations that were made, the observed opacity, and copies of the raw data sheets for the observations.~~

~~II. The Permittee shall keep records for all formal observations of opacity conducted pursuant to Condition 7.5.8(a). For each occasion on which observations are made, these records shall include the date, time, identity of the observer, a description of the various observations that were made, whether or not the affected natural gas engine was running properly, and whether or not corrective action is necessary and was subsequently initiated.~~

C. Information identifying any deviation from Condition 7.5.5(b).

ii. A maintenance and repair log for each affected natural gas engine and associated equipment, listing activities performed with date.

iii. The Permittee shall keep records of good operating practices for each affected natural gas, as defined in Condition 7.5.5(a).

b. Fuel usage for the affected natural gas engine(s):

i. ~~Total usage of natural gas, scf/month and scf/year~~.

Comment [LI29]: This requirement should be removed. MRT demonstrates compliance with opacity limits by using only pipeline quality natural gas as fuel.

Comment [LI30]: Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed.

ii. ~~Total usage of propane, scf/month and scf/year.~~

Comment [LI31]: This is a natural gas engine, no propane will be used or kept onsite.

c. i. Pursuant to 40 CFR 60.4245(a), owners and operators of all stationary SI ICE must keep records of the information below:

A. All notifications submitted to comply with 40 CFR 60 Subpart JJJJ and all documentation supporting any notification, pursuant to 40 CFR 60.4245(a)(1).

B. Maintenance conducted on the engine, pursuant to 40 CFR 60.4245(a)(2).

C. If the stationary SI internal combustion engine is a certified engine, documentation from the manufacturer that the engine is certified to meet the emission standards and information as required in 40 CFR Parts 90, 1048, 1054, and 1060, as applicable, pursuant to 40 CFR 60.4245(a)(3).

D. If the stationary SI internal combustion engine is not a certified engine or is a certified engine operating in a non-certified manner and subject to 40 CFR.4243(a)(2), documentation that the engine meets the emission standards, pursuant to 40 CFR 60.4245(a)(4).

ii. Pursuant to 40 CFR 60.4245(b), for all stationary SI emergency ICE greater than or equal to 500 HP manufactured on or after July 1, 2010, that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. For all stationary SI emergency ICE greater than or equal to 130 HP and less than 500 HP manufactured on or after July 1, 2011 that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. For all stationary SI emergency ICE greater than 25 HP and less than 130 HP manufactured on or after July 1, 2008, that do not meet the standards applicable to non-emergency engines, the owner or operator of must keep records of the hours of operation of the engine that is recorded through the non-resettable hour meter. The owner or operator must document how many hours are spent for emergency operation, including what classified the operation as emergency and how many hours are spent for non-emergency operation.

d. Emissions from each affected natural gas engine (i.e., NO_x, CO, SO_2, VOM, and PM) in tons/month and tons/year with supporting calculations and data as required by Condition 7.5.9.

7.5.10 Reporting Requirements

a. Reporting of Deviations

The Permittee shall promptly notify the Illinois EPA, Air Compliance Unit, of deviations of an affected natural gas engine(s) with the permit requirements as follows, pursuant to Section 39.5(7)(f)(ii) of the Act. Reports shall describe the probable cause of such deviations, and any corrective actions or preventive measures taken:

i. Emissions of opacity, SO_2, NO_x, CO, or VOC, from the affected natural gas engine(s) in excess of the limits specified in Conditions 7.5.3 within 30 days of such occurrence.

ii. Operation of the affected natural gas engine(s) in noncompliance with the requirements specified in Condition 7.5.5 within 30 days of such occurrence.

b. ~~Pursuant to 40 CFR 60.4245(c), owners and operators of stationary SI ICE greater than or equal to 500 HP that have not been certified by an engine manufacturer to meet the emission standards in 40 CFR 60.4231 must submit an initial notification as required in 40 CFR 60.7(a)(1). The notification must include the information:~~

~~i. Name and address of the owner or operator, pursuant to 40 CFR 60.4245(c)(1).~~

~~ii. The address of the affected source, pursuant to 40 CFR 60.4245(c)(2).~~

~~iii. Engine information including make, model, engine family, serial number, model year, maximum engine power, and engine displacement, pursuant to 40 CFR 60.4245(c)(3).~~

~~iv. Emission control equipment, pursuant to 40 CFR 60.4245(c)(4).~~

~~v. Fuel used, pursuant to 40 CFR 60.4245(c)(5).~~

b.d. Pursuant to 40 CFR 60.4245(d), owners and operators of stationary SI ICE that are subject to performance testing must submit a copy of each performance test as conducted in 40 CFR 60.4244 within 60 days after the test has been completed.

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Comment [LI32]: This should be removed as this does not apply to this emergency generator.

7.5.11 Operational Flexibility/Anticipated Operating Scenarios

Operational flexibility is not set for the affected natural gas engine(s).

7.5.12 Compliance Procedures

a. Compliance with the emission limitations of Conditions 7.5.3(b) is addressed by the requirements of Condition 7.5.5, the testing requirements in Condition 7.5.7(b)-(d), the monitoring requirements of Condition 7.5.8, the records required in Condition 7.5.9(c)(ii) and (iii), and the reports required in Condition 7.5.10, and the below:

i. Pursuant to 40 CFR 60.4243(a)(1), if you operate and maintain the certified stationary SI internal combustion engine and control device according to the manufacturer's emission-related written instructions, you must keep records of conducted maintenance to demonstrate compliance, but no performance testing is required if you are an owner or operator.

ii. Pursuant to 40 CFR 60.4243(a)(2), if you do not operate and maintain the certified stationary SI internal combustion engine and control device according to the manufacturer's emission-related written instructions, your engine will be considered a non-certified engine, and you must demonstrate compliance according as follows:

A. Pursuant to 40 CFR 60.4243(a)(2)(i), if you are an owner or operator of a stationary SI internal combustion engine less than 100 HP, you must keep a maintenance plan and records of conducted maintenance to demonstrate compliance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions, but no performance testing is required if you are an owner or operator.

B. Pursuant to 40 CFR 60.4243(a)(2)(ii), if you are an owner or operator of a stationary SI internal combustion engine greater than or equal to 100 HP and less than or equal to 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test within 1 year of engine startup to demonstrate compliance.

C. Pursuant to 40 CFR 60.4243(a)(2)(iii), if you are an owner or operator of a stationary SI internal combustion engine greater than 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test within 1 year of engine startup and conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first, thereafter to demonstrate compliance.

iii. Pursuant to 40 CFR 60.4243(c), if you are an owner or operator of a stationary SI internal combustion engine that must comply with the emission standards specified in 40 CFR 40 CFR 60.4233(f), you must demonstrate compliance according to 40 CFR 60.4243(b)(2)(i) or (ii), below, except that if you comply according to 40 CFR 60.4243(b)(2)(i), you demonstrate that your non-certified engine complies with the emission standards specified in 40 CFR 60.4233(f).

A. Non-certified engine: Purchasing a non-certified engine according to the requirements specified in 40 CFR 60.4244, as applicable, and according to 40 CFR 60.4243(b)(2)(i) and (ii), below:

I. If you are an owner or operator of a stationary SI internal combustion engine greater than 25 HP and less than or equal to 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for minimizing emissions. In addition, you must conduct an initial performance test to demonstrate compliance, pursuant to 40 CFR 60.4243(b)(2)(i).

II. If you are an owner or operator of a stationary SI internal combustion engine greater than 500 HP, you must keep a maintenance plan and records of conducted maintenance and must, to the extent practicable, maintain and operate the engine in a manner consistent with good air pollution control practice for

minimizing emissions. In addition, you must conduct an initial performance test and conduct subsequent performance testing every 8,760 hours or 3 years, whichever comes first, thereafter to demonstrate compliance, pursuant to 40 CFR 60.4243(b)(2)(ii).

b. Compliance with the PM emission limitations of Conditions 7.5.3(c) is addressed by the requirements of Condition 7.5.5(a), the testing requirements in Condition 7.5.7(a), the monitoring requirements of Condition 7.5.8(a), the records required in Condition 7.5.9(a), and the reports required in Condition 7.5.10(a).

c. i. Compliance with the SO_2 emission limitation of Condition 7.5.3(d)(i) is addressed by the requirements of Condition 7.5.5, the testing requirements in Condition 7.5.7(b), and the records and reports required in Conditions 7.5.9(b) and (c) and 7.5.10(a).

ii. For this purpose, complete conversion of sulfur into SO_2 shall be assumed, e.g., SO_2 emissions in lb/mmBtu are twice the sulfur content of the fuel supply, in lb/mmBtu, using the following equation:

$$SO_2 \text{ ppm} = \frac{\text{Fuel sulfur content (lb/mmBtu)} \times 2 \times 1/64 \times 385.2 \times 1{,}000{,}000}{\text{Engine exhaust rate factor (scf/mmBtu)}}$$

Note: Stoichiometric combustion of natural gas with the maximum available sulfur content, i.e., 1.0 grain per 100 scf (1.36E-3 lb/mmBtu), would result in an SO_2 concentration in the exhaust that is well below the 2000 ppm limit in Condition 7.5.3(d), i.e., only about 2 ppm, based on 8,710 scf/mmBtu, the F-factor for natural gas in USEPA's Reference Method 19.

c. Compliance with the emission limits in Conditions 5.6 are addressed by the records and reports required in Conditions 7.5.9 and 7.5.10 and the emission factors and formulas listed below if suitable manufacture's emission rate data is not available:

i. Emission factors for the affected natural gas engine(s):

Pollutant	Emission Factors (lb/mmBtu) Fuel Input	(g/hp-hr)[1] Power Output
VOM	3.58E-01	0.156
PM	9.91E-03	-
SO_2	5.88E-04	-
NO_x	2.21	0.132

CO	3.72	2.592

1 Manufacturer's emission rate data at the time of permit processing.

Emissions from fuel input = Natural Gas Usage x Heat Content of Natural Gas x Emission Factor

OR

Emissions from power output = Natural Gas Usage x BSFC x Emission Factor

The heat content of natural gas shall be assumed to be 1020 Btu/scf per AP-42.

The emission factors are for Natural Gas-fired Reciprocating Engines from Table 3.2-3 of AP-42 Section 3.2 (dated 7/00).

7.5.13 Table 2 to Subpart JJJJ of Part 60—Requirements for Performance Tests

Table 2 to Subpart JJJJ of Part 60—Requirements for Performance Tests
[As stated in 40 CFR 60.4244, you must comply with the following requirements for performance tests within 10 percent of 100 percent peak (or the highest achievable) load]

For each	Complying with the requirement to	You must	Using	According to the following requirements
1. Stationary SI internal combustion engine demonstrating compliance according to 40 CFR 60.4244.	a. limit the concentration of NO_x in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(a) If using a control device, the sampling site must be located at the outlet of the control device.
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3B[b] of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for NO_x concentration.	

For each	Complying with the requirement to	You must	Using	According to the following requirements
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for NO_x concentration.	
	v. Measure NO_x at the exhaust of the stationary internal combustion engine.	(5) Method 7E of 40 CFR Part 60, Appendix A, Method D6522-00(2005)[a], Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	
	b. limit the concentration of CO in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A.	(a) If using a control device, the sampling site must be located at the outlet of the control device.

For each	Complying with the requirement to	You must	Using	According to the following requirements
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3Bb of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for CO concentration.	
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for CO concentration.	
	v. Measure CO at the exhaust of the stationary internal combustion engine.	(5) Method 10 of 40 CFR Part 60, Appendix A, ASTM Method D6522-00(2005)[a], Method 320 of 40 CFR Part 63, Appendix A, or ASTM D 6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	

For each	Complying with the requirement to	You must	Using	According to the following requirements
	c. Limit the concentration of VOC in the stationary SI internal combustion engine exhaust.	i. Select the sampling port location and the number of traverse points;	(1) Method 1 or 1A of 40 CFR Part 60, Appendix A.	(a) If using a control device, the sampling site must be located at the outlet of the control device.
	ii. Determine the O_2 concentration of the stationary internal combustion engine exhaust at the sampling port location;	(2) Method 3, 3A, or 3B[b] of 40 CFR Part 60, Appendix A or ASTM Method D6522-00(2005)[a].	(b) Measurements to determine O_2 concentration must be made at the same time as the measurements for VOC concentration.	
	iii. Determine the exhaust flowrate of the stationary internal combustion engine exhaust;	(3) Method 2 or 19 of 40 CFR Part 60.		
	iv. If necessary, measure moisture content of the stationary internal combustion engine exhaust at the sampling port location; and	(4) Method 4 of 40 CFR Part 60, Appendix A, Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(c) Measurements to determine moisture must be made at the same time as the measurement for VOC concentration.	

For each	Complying with the requirement to	You must	Using	According to the following requirements
	v. Measure VOC at the exhaust of the stationary internal combustion engine.	(5) Methods 25A and 18 of 40 CFR Part 60, Appendix A, Method 25A with the use of a methane cutter as described in 40 CFR 1065.265, Method 18 or 40 CFR Part 60, Appendix A,[cd] Method 320 of 40 CFR Part 63, Appendix A, or ASTM D6348-03 (incorporated by reference, see 40 CFR 60.17).	(d) Results of this test consist of the average of the three 1-hour or longer runs.	

[a] ASTM D6522-00 is incorporated by reference; see 40 CFR 60.17. Also, you may petition the Administrator for approval to use alternative methods for portable analyzer.

[b] You may use ASME PTC 19.10-1981, Flue and Exhaust Gas Analyses, for measuring the O_2 content of the exhaust gas as an alternative to EPA Method 3B.

[c] You may use EPA Method 18 of 40 CFR Part 60, Appendix A, provided that you conduct an adequate presurvey test prior to the emissions test, such as the one described in OTM 11 on EPA's Web site (*http://www.epa.gov/ttn/emc/prelim/otm11.pdf*).

[d] You may use ASTM D6420-99 (2004), Test Method for Determination of Gaseous Organic Compounds by Direct Interface Gas Chromatography/Mass Spectrometry as an alternative to EPA Method 18 for measuring total nonmethane organic.

8.0 GENERAL PERMIT CONDITIONS

8.1 Permit Shield

Pursuant to Section 39.5(7)(j) of the Act, the Permittee has requested and has been granted a permit shield. This permit shield provides that compliance with the conditions of this permit shall be deemed compliance with applicable requirements which were applicable as of the date the proposed permit for this source was issued, provided that either the applicable requirements are specifically identified within this permit, or the Illinois EPA, in acting on this permit application, has determined that other requirements specifically identified are not applicable to this source and this determination (or a concise summary thereof) is included in this permit.

This permit shield does not extend to applicable requirements which are promulgated after _____ (the date of issuance of the proposed permit) unless this permit has been modified to reflect such new requirements.

8.2 Applicability of Title IV Requirements (Acid Deposition Control)

This source is not an affected source under Title IV of the CAA and is not subject to requirements pursuant to Title IV of the CAA.

8.3 Emissions Trading Programs

No permit revision shall be required for increases in emissions allowed under any USEPA approved economic incentives, marketable permits, emissions trading, and other similar programs or processes for changes that are provided for elsewhere in this permit and that are authorized by the applicable requirement [Section 39.5(7)(o)(vii) of the Act].

8.4 Operational Flexibility/Anticipated Operating Scenarios

8.4.1 Changes Specifically Addressed by Permit

Physical or operational changes specifically addressed by the Conditions of this permit that have been identified as not requiring Illinois EPA notification may be implemented without prior notice to the Illinois EPA.

8.4.2 Changes Requiring Prior Notification

The Permittee is authorized to make physical or operational changes that contravene express permit terms without applying for or obtaining an amendment to this permit, provided that [Section 39.5(12)(a)(i) of the Act]:

a. The changes do not violate applicable requirements;

b. The changes do not contravene federally enforceable permit terms or conditions that are monitoring (including test

methods), recordkeeping, reporting, or compliance certification requirements;

c. The changes do not constitute a modification under Title I of the CAA;

d. Emissions will not exceed the emissions allowed under this permit following implementation of the physical or operational change; and

e. The Permittee provides written notice to the Illinois EPA, Division of Air Pollution Control, Permit Section, at least 7 days before commencement of the change. This notice shall:

i. Describe the physical or operational change;

ii. Identify the schedule for implementing the physical or operational change;

iii. Provide a statement of whether or not any New Source Performance Standard (NSPS) is applicable to the physical or operational change and the reason why the NSPS does or does not apply;

iv. Provide emission calculations which demonstrate that the physical or operational change will not result in a modification; and

v. Provide a certification that the physical or operational change will not result in emissions greater than authorized under the Conditions of this permit.

8.5 Testing Procedures

Tests conducted to measure composition of materials, efficiency of pollution control devices, emissions from process or control equipment, or other parameters shall be conducted using standard test methods if applicable test methods are not specified by the applicable regulations or otherwise identified in the conditions of this permit. Documentation of the test date, conditions, methodologies, calculations, and test results shall be retained pursuant to the recordkeeping procedures of this permit. Reports of any tests conducted as required by this permit or as the result of a request by the Illinois EPA shall be submitted as specified in Conditions 8.6.3 and 8.6.4.

8.6 Reporting Requirements

8.6.1 Monitoring Reports

Reports summarizing required monitoring as specified in the conditions of this permit shall be submitted to the Illinois EPA

every six months as follows, unless more frequent submittal of such reports is required in Sections 5 or 7 of this permit [Section 39.5(7)(f) of the Act]:

Monitoring Period	Report Due Date
January - June	September 1
July - December	March 1

All instances of deviations from permit requirements must be clearly identified in such reports. All such reports shall be certified in accordance with Condition 9.9.

8.6.2 Test Notifications

Unless otherwise specified elsewhere in this permit, a written test plan for any test required by this permit shall be submitted to the Illinois EPA for review at least 60 days prior to the testing pursuant to Section 39.5(7)(a) of the Act. The notification shall include at a minimum:

a. The name and identification of the affected unit(s);

b. The person(s) who will be performing sampling and analysis and their experience with similar tests;

c. The specific conditions under which testing will be performed, including a discussion of why these conditions will be representative of maximum emissions and the means by which the operating parameters for the source and any control equipment will be determined;

d. The specific determinations of emissions and operation that are intended to be made, including sampling and monitoring locations;

e. The test method(s) that will be used, with the specific analysis method, if the method can be used with different analysis methods;

f. Any minor changes in standard methodology proposed to accommodate the specific circumstances of testing, with justification; and

g. Any proposed use of an alternative test method, with detailed justification.

8.6.3 Test Reports

Unless otherwise specified elsewhere in this permit, the results of any test required by this permit shall be submitted to the Illinois EPA within 60 days of completion of the testing. The

test report shall include at a minimum [Section 39.5(7)(e)(i) of the Act]:

a. The name and identification of the affected unit(s);

b. The date and time of the sampling or measurements;

c. The date any analyses were performed;

d. The name of the company that performed the tests and/or analyses;

e. The test and analytical methodologies used;

f. The results of the tests including raw data, and/or analyses including sample calculations;

g. The operating conditions at the time of the sampling or measurements; and

h. The name of any relevant observers present including the testing company's representatives, any Illinois EPA or USEPA representatives, and the representatives of the source.

8.6.4 Reporting Addresses

a. Unless otherwise specified in the particular provision of this permit or in the written instructions distributed by the Illinois EPA for particular reports, reports and notifications shall be sent to the Illinois EPA - Air Compliance Unit with a copy sent to the Illinois EPA - Air Regional Field Office.

b. As of the date of issuance of this permit, the addresses of the offices that should generally be utilized for the submittal of reports and notifications are as follows:

i. Illinois EPA - Air Compliance Unit

Illinois Environmental Protection Agency
Bureau of Air
Compliance & Enforcement Section (MC 40)
P.O. Box 19276
Springfield, Illinois 62794-9276

ii. Illinois EPA - Air Quality Planning Section

Illinois Environmental Protection Agency
Bureau of Air
Air Quality Planning Section (MC 39)
P.O. Box 19276
Springfield, Illinois 62794-9276

iii. Illinois EPA - Air Regional Field Office

Illinois Environmental Protection Agency
Division of Air Pollution Control
2009 Mall Street
Collinsville, Illinois 62234

iv. USEPA Region 5 - Air Branch

USEPA (AR - 17J)
Air & Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604

c. Permit applications should be addressed to the Air Permit Section. As of the date of issuance of this permit, the address of the Air Permit Section is as follows:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Permit Section (MC 11)
P.O. Box 19506
Springfield, Illinois 62794-9506

8.7 Title I Conditions

Notwithstanding the expiration date on the first page of this CAAPP permit, any Title I conditions that would be included in this permit in the future, which would be identified by a T1, T1N, or T1R designation, would remain in effect until such time as the Illinois EPA takes action to revise or terminate them in accordance with applicable procedures for action on Title I conditions. This is because these conditions would either: (a) incorporate conditions of earlier permits that were issued by the Illinois EPA pursuant to authority that includes authority found in Title I of the CAA (T1 conditions), (b) be newly established in this CAAPP permit pursuant to authority that includes such Title I authority (T1N conditions), or (c) reflect a revision or combination of conditions established in this CAAPP permit (T1R conditions). (See also Condition 1.5.)

9.0 STANDARD PERMIT CONDITIONS

9.1 Effect of Permit

9.1.1 The issuance of this permit does not release the Permittee from compliance with State and Federal regulations which are part of the Illinois State Implementation Plan, as well as with other applicable statutes and regulations of the United States or the State of Illinois or applicable ordinances, except as specifically stated in this permit and as allowed by law and rule.

9.1.2 In particular, this permit does not alter or affect the following [Section 39.5(7)(j)(iv) of the Act]:

a. The provisions of Section 303 (emergency powers) of the CAA, including USEPA's authority under that Section;

b. The liability of an owner or operator of a source for any violation of applicable requirements prior to or at the time of permit issuance;

c. The applicable requirements of the acid rain program consistent with Section 408(a) of the CAA; and

d. The ability of USEPA to obtain information from a source pursuant to Section 114 (inspections, monitoring, and entry) of the CAA.

9.1.3 Notwithstanding the conditions of this permit specifying compliance practices for applicable requirements, pursuant to Section 39.5(7)(j) and (p) of the Act, any person (including the Permittee) may also use other credible evidence to establish compliance or noncompliance with applicable requirements.

9.2 General Obligations of Permittee

9.2.1 Duty to Comply

The Permittee must comply with all terms and conditions of this permit. Any permit noncompliance constitutes a violation of the CAA and the Act, and is grounds for any or all of the following: enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application [Section 39.5(7)(o)(i) of the Act].

The Permittee shall meet applicable requirements that become effective during the permit term in a timely manner unless an alternate schedule for compliance with the applicable requirement is established.

9.2.2 Duty to Maintain Equipment

The Permittee shall maintain all equipment covered under this permit in such a manner that the performance or operation of such equipment shall not cause a violation of applicable requirements.

9.2.3 Duty to Cease Operation

No person shall cause, threaten or allow the continued operation of any emission unit during malfunction or breakdown of the emission unit or related air pollution control equipment if such operation would cause a violation of an applicable emission standard, regulatory requirement, ambient air quality standard or permit limitation unless this permit provides for such continued operation consistent with the Act and applicable Illinois Pollution Control Board regulations [Section 39.5(6)(c) of the Act].

9.2.4 Disposal Operations

The source shall be operated in such a manner that the disposal of air contaminants collected by the equipment operations, or activities shall not cause a violation of the Act or regulations promulgated there under.

9.2.5 Duty to Pay Fees

The Permittee must pay fees to the Illinois EPA consistent with the fee schedule approved pursuant to Section 39.5(18) of the Act, and submit any information relevant thereto [Section 39.5(7)(o)(vi) of the Act]. The check should be payable to "Treasurer, State of Illinois" and sent to: Fiscal Services Section, Illinois Environmental Protection Agency, P.O. Box 19276, Springfield, Illinois 62794-9276.

9.3 Obligation to Allow Illinois EPA Surveillance

Upon presentation of proper credentials and other documents as may be required by law and in accordance with constitutional limitations, the Permittee shall allow the Illinois EPA, or an authorized representative to perform the following [Sections 4 and 39.5(7)(a) and (p)(ii) of the Act]:

a. Enter upon the Permittee's premises where an actual or potential emission unit is located; where any regulated equipment, operation, or activity is located or where records must be kept under the conditions of this permit;

b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

c. Inspect during hours of operation any sources, equipment (including monitoring and air pollution control equipment),

practices, or operations regulated or required under this permit;

d. Sample or monitor any substances or parameters at any location:

i. At reasonable times, for the purposes of assuring permit compliance or applicable requirements; or

ii. As otherwise authorized by the CAA, or the Act.

e. Obtain and remove samples of any discharge or emission of pollutants authorized by this permit; and

f. Enter and utilize any photographic, recording, testing, monitoring, or other equipment for the purposes of preserving, testing, monitoring, or recording any regulated activity, discharge or emission at the source authorized by this permit.

9.4 Obligation to Comply with Other Requirements

The issuance of this permit does not release the Permittee from applicable State and Federal laws and regulations, and applicable local ordinances addressing subjects other than air pollution control.

9.5 Liability

9.5.1 Title

This permit shall not be considered as in any manner affecting the title of the premises upon which the permitted source is located.

9.5.2 Liability of Permittee

This permit does not release the Permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the sources.

9.5.3 Structural Stability

This permit does not take into consideration or attest to the structural stability of any unit or part of the source.

9.5.4 Illinois EPA Liability

This permit in no manner implies or suggests that the Illinois EPA (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the source.

9.5.5 Property Rights

This permit does not convey any property rights of any sort, or any exclusive privilege [Section 39.5(7)(o)(iv) of the Act].

9.6 Recordkeeping

9.6.1 Control Equipment Maintenance Records

A maintenance record shall be kept on the premises for each item of air pollution control equipment. At a minimum, this record shall show the dates of performance and nature of preventative maintenance activities.

9.6.2 Records of Changes in Operation

A record shall be kept describing changes made at the source that result in emissions of a regulated air pollutant subject to an applicable requirement, but not otherwise regulated under this permit, and the emissions resulting from those changes [Section 39.5(12)(b)(iv) of the Act].

9.6.3 Retention of Records

a. Records of all monitoring data and support information shall be retained for a period of at least 5 years from the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records, original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit [Section 39.5(7)(e)(ii) of the Act].

b. Other records required by this permit including any logs, plans, procedures, or instructions required to be kept by this permit shall be retained for a period of at least 5 years from the date of entry unless a longer period is specified by a particular permit provision.

9.7 Annual Emissions Report

The Permittee shall submit an annual emissions report to the Illinois EPA, Air Quality Planning Section no later than May 1 of the following year, as required by 35 IAC Part 254.

9.8 Requirements for Compliance Certification

Pursuant to Section 39.5(7)(p)(v) of the Act, the Permittee shall submit annual compliance certifications. The compliance certifications shall be submitted no later than May 1 or more frequently as specified in the applicable requirements or by permit condition. The compliance certifications shall be submitted to the Air Compliance Unit, Air Regional Field Office, and USEPA Region 5 - Air Branch. The addresses for the submittal of the compliance certifications are provided in Condition 8.6.4 of this permit.

a. The certification shall include the identification of each term or condition of this permit that is the basis of the

certification; the compliance status; whether compliance was continuous or intermittent; the method(s) used for determining the compliance status of the source, both currently and over the reporting period consistent with the conditions of this permit.

b. All compliance certifications shall be submitted to USEPA Region 5 in Chicago as well as to the Illinois EPA.

c. All compliance reports required to be submitted shall include a certification in accordance with Condition 9.9.

9.9 Certification

Any document (including reports) required to be submitted by this permit shall contain a certification by a responsible official of the Permittee that meets the requirements of Section 39.5(5) of the Act and applicable regulations [Section 39.5(7)(p)(i) of the Act]. An example Certification by a Responsible Official is included as Attachment 1 to this permit.

9.10 Defense to Enforcement Actions

9.10.1 Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit [Section 39.5(7)(o)(ii) of the Act].

9.10.2 Emergency Provision

a. An emergency shall be an affirmative defense to an action brought for noncompliance with the technology-based emission limitations under this permit if the following conditions are met through properly signed, contemporaneous operating logs, or other relevant evidence [Section 39.5(7)(k) of the Act]:

i. An emergency occurred as provided in Section 39.5(7)(k) of the Act and the Permittee can identify the cause(s) of the emergency.

Note: For this purpose, emergency means a situation arising from sudden and reasonably unforeseeable events beyond the control of the source, as further defined by Section 39.5(7)(k)(iv) of the Act.

ii. The permitted source was at the time being properly operated;

iii. The Permittee submitted notice of the emergency to the Illinois EPA within two working days of the time when emission limitations were exceeded due to the emergency. This notice must contain a detailed

description of the emergency, any steps taken to mitigate emissions, and corrective actions taken; and

iv. During the period of the emergency the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission limitations, standards, or regulations in this permit.

b. This provision is in addition to any emergency or upset provision contained in any applicable requirement. This provision does not relieve a Permittee of any reporting obligations under existing federal or state laws or regulations [Section 39.5(7)(k)(iv) of the Act].

9.11 Permanent Shutdown

This permit only covers emission units and control equipment while physically present at the indicated source location(s). Unless this permit specifically provides for equipment relocation, this permit is void for the operation or activity of any item of equipment on the date it is removed from the permitted location(s) or permanently shut down. This permit expires if all equipment is removed from the permitted location(s), notwithstanding the expiration date specified on this permit.

9.12 Reopening and Reissuing Permit for Cause

9.12.1 Permit Actions

This permit may be modified, revoked, reopened and reissued, or terminated for cause in accordance with applicable provisions of Section 39.5 of the Act. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition [Section 39.5(7)(o)(iii) of the Act].

9.12.2 Reopening and Revision

This permit must be reopened and revised if any of the following occur [Section 39.5(15)(a) of the Act]:

a. Additional requirements become applicable to the equipment covered by this permit and three or more years remain before expiration of this permit.

b. Additional requirements become applicable to an affected source for acid deposition under the acid rain program.

c. The Illinois EPA or USEPA determines that this permit contains a material mistake or that inaccurate statement were made in establishing the emission standards or limitations, or other terms or conditions of this permit.

d. The Illinois EPA or USEPA determines that this permit must be revised or revoked to ensure compliance with the applicable requirements.

9.12.3 Inaccurate Application

The Illinois EPA has issued this permit based upon the information submitted by the Permittee in the permit application. Any misinformation, false statement or misrepresentation in the application shall be grounds for revocation and reissuance under Section 39.5(15) of the Act, pursuant to Sections 39.5(5)(e) and (i) of the Act.

9.12.4 Duty to Provide Information

The Permittee shall furnish to the Illinois EPA, within a reasonable time specified by the Illinois EPA any information that the Illinois EPA may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. Upon request, the Permittee shall also furnish to the Illinois EPA copies of records required to be kept by this permit, or for information claimed to be confidential, the Permittee may furnish such records directly to USEPA along with a claim of confidentiality [Section 39.5(7)(o)(v) of the Act].

9.13 Severability Clause

The provisions of this permit are severable. In the event of a challenge to any portion of the permit, other portions of the permit may continue to be in effect. Should any portion of this permit be determined to be illegal or unenforceable, the validity of the other provisions shall not be affected and the rights and obligations of the Permittee shall be construed and enforced as if this permit did not contain the particular provisions held to be invalid and the applicable requirements underlying these provisions shall remain in force [Section 39.5(7)(i) of the Act].

9.14 Permit Expiration and Renewal

Upon the expiration of this permit, if the source is operated, it shall be deemed to be operating without a permit unless a timely and complete CAAPP application has been submitted for renewal of this permit. However, if a timely and complete application to renew this CAAPP permit has been submitted, the terms and all conditions of this CAAPP permit will remain in effect until the issuance of a renewal permit [Section 39.5(5)(l) and (o) of the Act].

Note: Pursuant to Sections 39.5(5)(h) and (n) of the Act, upon submittal of a timely and complete renewal application, the permitted source may continue to operate until final action is taken by the Illinois EPA on the renewal application, provided, however, that this protection shall cease if the applicant fails to submit any additional information necessary to evaluate or take final action on the renewal

application as requested by the Illinois EPA in writing. For a renewal application to be timely, it must be submitted no later than 9 months prior to the date of permit expiration.

9.15 General Authority for the Terms and Conditions of this Permit

The authority for terms and conditions of this permit that do not include a citation for their authority is Section 39.5(7)(a) of the Act, which provides that the Illinois EPA shall include such provisions in a CAAPP permit as are necessary to accomplish the purposes of the Act and to assure compliance with all applicable requirements. Section 39.5(7)(a) of the Act is also another basis of authority for terms and conditions of this permit that do include a specific citation for their authority.

Note: This condition is included in this permit pursuant to Section 39.5(7)(n) of the Act.

10.0 ATTACHMENTS

Attachment 1 Example Certification by a Responsible Official

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature: _____

Name: _____

Official Title: _____

Telephone No.: _____

Date Signed: _____

Attachment 2 Emissions of Particulate Matter from Process Emission Units

a. New Process Emission Units for Which Construction or Modification Commenced On or After April 14, 1972 [35 IAC 212.321].

i. No person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission unit which, either alone or in combination with the emission of particulate matter from all other similar process emission units for which construction or modification commenced on or after April 14, 1972, at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 IAC 212.321 [35 IAC 212.321(a)].

ii. Interpolated and extrapolated values of the data in subsection (c) of 35 IAC 212.321 shall be determined by using the equation [35 IAC 212.321(b)]:

$$E = A(P)^B$$

where:

P = Process weight rate; and
E = Allowable emission rate; and,

A. Up to process weight rates of 408 Mg/hr (450 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	1.214	2.54
B	0.534	0.534

B. For process weight rate greater than or equal to 408 Mg/hr (450 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	11.42	24.8
B	0.16	0.16

iii. Limits for Process Emission Units For Which Construction or Modification Commenced On or After April 19, 1972 [35 IAC 212.321(c)]:

Metric		English	
P	E	P	E
Mg/hr	kg/hr	T/hr	lb/hr
0.05	0.25	0.05	0.55
0.1	0.29	0.10	0.77
0.2	0.42	0.2	1.10
0.3	0.64	0.30	1.35
0.4	0.74	0.40	1.58
0.5	0.84	0.50	1.75
0.7	1.00	0.75	2.40
0.9	1.15	1.00	2.60
1.8	1.66	2.00	3.70
2.7	2.1	3.00	4.60
3.6	2.4	4.00	5.35
4.5	2.7	5.00	6.00
9.0	3.9	10.00	8.70
13.0	4.8	15.00	10.80
18.0	5.7	20.00	12.50
23.0	6.5	25.00	14.00
27.0	7.1	30.00	15.60
32.0	7.7	35.00	17.00
36.0	8.2	40.00	18.20
41.0	8.8	45.00	19.20
45.0	9.3	50.00	20.50
90.0	13.4	100.00	29.50
140.0	17.0	150.00	37.00
180.0	19.4	200.00	43.00
230.0	22.0	250.00	48.50
270.0	24.0	300.00	53.00
320.0	26.0	350.00	58.00
360.0	28.0	400.00	62.00
408.0	30.1	450.00	66.00
454.0	30.4	500.00	67.00

b. Existing Process Emission Units for Which Construction or Modification Prior to April 14, 1972 [35 IAC 212.322].

i. No person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any process emission unit for which construction or modification commenced prior to April 14, 1972, which, either alone or in combination with the emission of particulate matter from all other similar process emission units at a source or premises, exceeds the allowable emission rates specified in subsection (c) of 35 IAC 212.322 [35 IAC 212.322(a)].

ii. Interpolated and extrapolated values of the data in subsection (c) of 35 IAC 212.321 shall be determined by using the equation [35 IAC 212.322(b)]:

$$E = C + A(P)^B$$

where:

P = Process weight rate; and
E = Allowable emission rate; and,

A. Up to process weight rates up to 27.2 Mg/hr (30 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	1.985	4.10
B	0.67	0.67
C	0	0

B. For process weight rate in excess of 27.2 Mg/hr (30 T/hr):

	Metric	English
P	Mg/hr	T/hr
E	kg/hr	lb/hr
A	25.21	55.0
B	0.11	0.11
C	- 18.4	- 40.0

iii. Limits for Process Emission Units For Which Construction or Modification Commenced Prior to April 14, 1972 [35 IAC 212.322(c)]:

Metric		English	
P	E	P	E
Mg/hr	kg/hr	T/hr	lb/hr
0.05	0.27	0.05	0.55
0.1	0.42	0.10	0.87
0.2	0.68	0.2	1.40
0.3	0.89	0.30	1.83
0.4	1.07	0.40	2.22
0.5	1.25	0.50	2.58
0.7	1.56	0.75	3.38
0.9	1.85	1.00	4.10
1.8	2.9	2.00	6.52
2.7	3.9	3.00	8.56
3.6	4.7	4.00	10.40
4.5	5.4	5.00	12.00
9.0	8.7	10.00	19.20
13.0	11.1	15.00	25.20
18.0	13.8	20.00	30.50
23.0	16.2	25.00	35.40
27.2	18.15	30.00	40.00
32.0	18.8	35.00	41.30
36.0	19.3	40.00	42.50
41.0	19.8	45.00	43.60
45.0	20.2	50.00	44.60
90.0	23.2	100.00	51.20
140.0	25.3	150.00	55.40
180.0	26.5	200.00	58.60
230.0	27.7	250.00	61.00
270.0	28.5	300.00	63.10
320.0	29.4	350.00	64.90
360.0	30.0	400.00	66.20
400.0	30.6	450.00	67.70
454.0	31.3	500.00	69.00

Attachment 3 Compliance Assurance Monitoring (CAM) Plan

There are no specific emission units that require a CAM plan as identified in the Monitoring Requirements of Subsection 8 for each Section 7, Unit Specific Conditions for Specific Emission Units.

Attachment 4 Guidance

The Illinois has prepared guidance for sources on the Clean Air Act Permit Program (CAAPP) that is available on the Internet site maintained by the Illinois EPA, www.epa.state.il.us. This guidance includes instructions on applying for a revision or renewal of the CAAPP permit.

Guidance On Revising A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-revising.pdf

Guidance On Renewing A CAAPP Permit:

www.epa.state.il.us/air/caapp/caapp-renewing.pdf

The application forms prepared by the Illinois EPA for the CAAPP are also available from the Illinois EPA's Internet site:

www.epa.state.il.us/air/caapp/index.html

These CAAPP application forms should also be used by a CAAPP source when it applies for a construction permit. For this purpose, the appropriate CAAPP application forms and other supporting information, should be accompanied by a completed Application For A Construction Permit form (199-CAAPP) and Fee Determination for Construction Permit Application form (197-FEE):

www.epa.state.il.us/air/caapp/199-caapp.pdf
www.epa.state.il.us/air/permits/197-fee.pdf

RWC:psj

Exhibit 12

GENERAL TERMS AND CONDITIONS
(Continued)

4. QUALITY (Continued)

(h) Hydrogen Sulphide. The gas shall not contain more than one-quarter (1/4) grain of hydrogen sulphide per one hundred (100) cubic feet.

(i) Total Sulphur. The gas shall not contain more than five (5) grains of total sulphur per one hundred (100) cubic feet.

(j) Heating Value. The gas shall have a gross heating value of not less than nine hundred fifty (950) and not greater than eleven hundred (1,100) Btu per cubic foot of gas.

(k) Temperature. The gas shall not be delivered or redelivered at a temperature of less than forty degrees Fahrenheit (40°F) nor in excess of one hundred twenty degrees Fahrenheit (120oF).

(l) Hydrocarbon Dew Point. The gas shall not have a hydrocarbon dew point (HDP) in excess of twenty degree Fahrenheit. The HDP can usually be obtained when the pentanes and heavier content (C5+) of the gas is not in excess of two-tenths (0.2) gallons per Mcf at any operating pressure, as determined by a chromatographic analysis using standard equipment performed in accordance with standard industry practices and procedures.

4.3 Hazardous Substances. The gas received or delivered under the terms of the Service Agreement shall contain no "hazardous substance" as that term is defined in Section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. §9601(14), except as otherwise permitted by the terms of this tariff or Customer's Service Agreement.

4.4 Commingling. MRT shall have the unqualified right to commingle Gas received for service hereunder with Gas from other sources. Accordingly, Gas received by MRT shall be subject to such changes as may result from such commingling and MRT shall, notwithstanding any other provisions herein, be under no obligation to deliver for Shipper's account Gas identical to that received by MRT. Subject to other terms and provisions of this Tariff, MRT will transport and tender for delivery for the account of Shipper such thermally equivalent quantities of Gas, less Fuel Use and LUFG retained, as it receives for such Customer's account.

4.5 If the gas offered for delivery to MRT by Customer shall fail at any time to conform to any of the specifications set forth herein, then MRT thereupon may, at its option, refuse to accept delivery of such gas. If MRT does accept delivery of such gas, Customer shall be liable for all damages and additional expenses caused by such nonconforming gas.