

AIR QUALITY PERMIT

Issued To: Portable Incorporated
P.O. Box 1310
Bozeman, MT 59771

Permit #3202-01
Application Complete: 06/13/06
Preliminary Determination Issued: 06/15/06
Department Decision Issued: 07/03/06
Permit Final: 07/19/06
AFS #777-3202

An air quality permit, with conditions, is hereby granted to Portable Incorporated (Portable Inc.), pursuant to Sections 75-2-204 and 211, Montana Code Annotated (MCA), as amended, and the Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

Section I: Permitted Facilities

A. Plant Location

Portable Inc. operates a portable diesel generator set in various locations throughout Montana. Permit #3202-01 applies while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program, those areas considered tribal lands, or those areas in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) nonattainment areas. *A Missoula County air quality permit will be required for locations within Missoula County, Montana.* Portable Inc. will be required to obtain an addendum to this air quality permit to operate at locations in or within 10 km of certain PM₁₀ nonattainment areas. A complete list of the permitted equipment is contained in Section I.A of the permit analysis.

B. Current Permit Action

On May 19, 2006, the Department received a request from Portable Inc. for a modification to Permit #3202-00. The modification requested the operation of a diesel generator up to 750 kilowatts (kW). The 750-kW diesel generator replaces the existing 350-kW diesel generator. The permit was written to include the 750-kW diesel generator and the permit was also updated to reflect the current permit language and rule references used by the Department.

Section II: Limitations and Conditions

A. Operational Limitations and Conditions

1. Portable Inc. shall not operate more than one diesel generator at any given time and the maximum rated design capacity of the diesel generator shall not exceed 750-kW (ARM 17.8.749).
2. The operation of the 750-kW diesel generator shall not exceed 5,067 hours during any rolling 12-month time period (ARM 17.8.1204).
3. All visible emissions from the diesel generator may not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308).

4. Portable Inc. shall not cause or authorize to be discharged into the atmosphere from any street, road, or parking lot any visible fugitive emissions that exhibit an opacity of 20% or greater averaged over six consecutive minutes and must take reasonable precautions to control emissions of airborne particulate matter (ARM 17.8.308 and ARM 17.8.752).
5. Portable Inc. shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.2 (ARM 17.8.749).
6. If the permitted equipment is used in conjunction with any other equipment owned or operated by Portable Inc., at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons of emissions during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).

B. Testing Requirements

1. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
2. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. If the diesel generator is moved to another location, an Intent to Transfer Form must be sent to the Department. In addition, a Public Notice Form for Change of Location must be published in a newspaper of general circulation in the area to which the transfer is to be made, at least 15 days prior to the move. The Intent to Transfer Form and the proof of publication (affidavit) of the Public Notice Form for Change of Location must be submitted to the Department prior to the move. These forms are available from the Department (ARM 17.8.765).
2. Portable Inc. shall maintain on-site records showing daily hours of operation for the last 12-months. All records compiled in accordance with this permit shall be maintained by Portable Inc. as a permanent business record for at least five years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).
3. Portable Inc. shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the most recent emission inventory report and sources identified in Section I.A of the permit analysis.

Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in units as required by the Department. This information may be used for calculating operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).

4. Portable Inc. shall notify the Department of any construction or improvement

project conducted, pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start-up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).

5. Portable Inc. shall document, by month, the hours of operation of the diesel generator. By the 25th day of each month, Portable Inc. shall total the hours of operation of the diesel generator during the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation in Section II.A.5. The information for each of the previous months shall be submitted along with the annual emissions inventory (ARM 17.8.749).
6. Portable Inc. shall annually certify that its emissions are less than those that would require the facility to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The annual certification shall comply with the certification requirements of ARM 17.8.1207. The annual certification shall be submitted along with the annual emissions inventory information (ARM 17.8.749 and ARM 17.8.1204).

Section III: General Conditions

- A. Inspection – Portable Inc. shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver - The permit and all the terms, conditions, and matters stated herein shall be deemed accepted if Portable Inc. fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations - Nothing in this permit shall be construed as relieving Portable Inc. of the responsibility for complying with any applicable federal or Montana statute, rule or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement - Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement as specified in Section 75-2-401 *et seq.*, MCA.
- E. Appeals - Any person or persons jointly or severally adversely affected by the Department's decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department’s decision on the application is final 16 days after the Department’s decision is made.

- F. Permit Inspection - As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by Department personnel at the location of the permitted source.
- G. Permit Fees - Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay of the annual operation fee by Portable Inc. may be grounds for revocation of this permit, as required by that Section and rules adopted thereunder by the Board.
- H. Construction Commencement - Construction must begin within three years of permit issuance and proceed with due diligence until the project is complete or the permit shall be revoked.
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. Portable Inc. shall comply with the conditions contained in this permit while operating at any location in Montana, except within those areas having a Department-approved permitting program.

PERMIT ANALYSIS
Portable Incorporated
Permit Number #3202-01

I. Introduction/Process Description

A. Permitted Equipment

Portable Incorporated (Portable Inc.) owns and operates one diesel generator up to 750 Kilowatts (kW).

B. Process Description

Portable Inc. operates a portable diesel generator set at various locations throughout Montana. Typically, the diesel generator provides power for other Portable Inc. equipment (i.e. screens, crushers, etc.) which is currently permitted separately from the diesel generator.

C. Permit History

On May 28, 2002, Portable Inc. submitted a complete permit application for the operation of a 350-kW diesel generator. The proposed original location for the facility was in the SW ¼ of Section 23, Township 1 South, Range 4 East, in Gallatin County, Montana. Permit #3202-00 applied to the source while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program, those areas considered tribal lands, or those areas in or within 10 kilometers (km) of certain particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) nonattainment areas. *A Missoula County air quality permit was required for locations within Missoula County, Montana.* Portable Inc. was required to obtain an addendum to this air quality permit to operate at locations in or within 10 km of certain PM₁₀ nonattainment areas. **Permit #3202-00** was issued final on August 3, 2002.

D. Current Permit Action

On May 19, 2006, the Department received a request from Portable Inc. for a modification to Permit #3202-00. The modification requested the operation of a diesel generator up to 750 kW. The 750-kW diesel generator replaces the existing 350-kW diesel generator. The permit was written to include the 750-kW diesel generator and the permit was also updated to reflect the current permit language and rule references used by the Department. **Permit #3202-01** replaces Permit #3202-00.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for locations of complete copies of all applicable rules and regulations or copies where appropriate.

A. ARM 17.8, Subchapter 1 - General Provisions, including, but not limited to:

1. ARM 17.8.101 Definitions. This rule is a list of applicable definitions used in this subchapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source, or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

Portable Inc. shall comply with all requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than four hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means which, without resulting in reduction in the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

B. ARM 17.8, Subchapter 2 - Ambient Air Quality, including, but not limited to:

1. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
2. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
3. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
4. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
5. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

Portable Inc. must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 - Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over six consecutive minutes.

2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, Portable Inc. shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause or authorize to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this section.
4. ARM 17.8.310 Particulate Matter, Industrial Processes. This rule requires that no person shall cause or allow to be discharged into the atmosphere particulate matter in excess of the amount set forth in this section.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this section.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank truck or trailer is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standards of Performance for New Stationary Sources. This rule incorporates, by reference, 40 CFR 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS affected source because it does not meet the definition of any NSPS affected facility under 40 CFR 60.

D. ARM 17.8, Subchapter 5 - Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that Portable Inc. submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. Portable Inc. submitted the appropriate permit application fee for the current permit action.
2. ARM 17.8.505 Air Quality Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit, excluding an open burning permit, issued by the Department. This air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that pro-rate the required fee amount.

E. ARM 17.8, Subchapter 7 - Permit, Construction and Operation of Air Contaminant

Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. Portable Inc. has a PTE greater than 25 tons per year of NO_x; therefore, an air quality permit is required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit Program.
4. ARM 17.8.745 Montana Air Quality Permits—Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. Portable Inc. submitted the required permit application for the current permit action. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. Portable Inc. submitted an affidavit of publication of public notice for the May 16, 2006, issue of the *Bozeman Daily Chronicle*, a newspaper of general circulation in the city of Bozeman in Gallatin County, as proof of compliance with the public notice requirements.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this permit analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Portable Inc. of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the

Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an environmental impact statement.

11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of Portable Inc., or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
14. ARM 17.8.765 Transfer of Permit. (1) This rule states that an air quality permit may be transferred from one location to another if the Department receives a complete notice of Intent to Transfer location, the facility will operate in the new location for less than 1 year, the facility will comply with the FCAA and the Clean Air Act of Montana, and the facility complies with other applicable rules. (2) This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.

F. ARM 17.8, Subchapter 8 - Prevention of Significant Deterioration of Air Quality, including, but not limited to:

1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications-- Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

This facility is not a major stationary source since it is not a listed source and the facility's PTE is less than 250 tons per year of any pollutant (excluding fugitive emissions).

G. ARM 17.8, Subchapter 12 - Operating Permit Program Applicability, including, but not

limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any stationary source having:
 - a. PTE > 100 tons/year of any pollutant.
 - b. PTE > 10 tons/year of any one Hazardous Air Pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule, or
 - c. PTE > 70 tons/year of PM₁₀ in a serious PM₁₀ nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program Applicability. (1) Title V of the FCAA Amendments of 1990 requires that all sources, as defined in ARM 17.8.1204 (1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #3202-01 for the Portable Inc. facility, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 ton/year of all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NESHAP standards.
 - e. This facility is not subject to any current NSPS standard.
 - f. This source is not a Title IV affected source nor a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.
 - h. ARM 17.8.1204(3). The Department may exempt a source from the requirement to obtain an air quality operating permit by establishing federally enforceable limitations that limit that source's potential to emit.
 - i. In applying for an exemption under this rule, the owner or operator of the source shall certify to the Department that the source's potential to emit does not require the source to obtain an air quality operating permit.
 - ii. Any source that obtains a federally enforceable limit on potential to emit shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit.

Portable Inc.'s facility is not subject to Title V Operating Permit requirements because federally enforceable limitations have been established that limit the source's PTE below the major source threshold. Based on these facts, the Department determined that this facility would be a minor source of emissions, as defined under the Title V Operating

Permit Program. The Department determined that the annual reporting requirements contained in the permit are sufficient to satisfy this requirement.

3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness. The compliance certification submittal required by ARM 17.8.1204(3) shall contain a certification of truth, accuracy, and completeness by a responsible official. This certification and information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

III. BACT Analysis

A BACT determination is required for any new or altered source. Portable Inc. shall install on the new or altered source the maximum air pollution control capability that is technologically practicable and economically feasible, except that BACT shall be used.

Portable Inc. must take reasonable precautions to limit the fugitive emissions of airborne particulate matter on haul roads, access roads, parking areas, and the general plant property. Portable Inc. shall use water spray bars and/or chemical dust suppressant, as necessary, to maintain compliance with the opacity and reasonable precautions limitations. The Department determined that using water spray bars and/or chemical dust suppressant to maintain compliance with the opacity requirements and reasonable precaution limitations constitutes BACT for these sources.

Because of the limited amount of emissions produced by the diesel generator and the lack of readily available/cost effective add-on controls, add-on controls would be cost prohibitive. Therefore, the Department determined that proper operation and maintenance with no additional controls would constitute BACT for the diesel generator.

The control options required for this facility are similar to other recently permitted similar sources and are capable of achieving the appropriate emission standards.

IV. Emission Inventory

Source	Tons/Year					
	PM	PM ₁₀	NO _x	VOC	CO	SO _x
Diesel Generator (up to 750 kW)	1.78	1.78	78.99	1.80	17.02	8.25
Total	1.78	1.78	78.99	1.80	17.02	8.25

Note: A complete emission inventory for Permit #3202-01 is on file with the Department. A limitation of 5,067 annual hours of operation per rolling 12-month time period was placed on the diesel generator in order to keep emissions below the 100 tons per year threshold established for NO_x.

V. Existing Air Quality

Permit #3202-01 is issued for the operation of a diesel generator to operate at various locations throughout Montana. This facility would be allowed to operate at any area designated as attainment or unclassified for all National Ambient Air Quality Standards (NAAQS); excluding those counties that have a Department-approved permitting program, those areas considered tribal lands, or those areas in or within 10 km of certain PM₁₀ nonattainment areas. *A Missoula County air quality permit would be required for locations within Missoula County, Montana.* Portable Inc. is required to obtain an addendum to this air quality permit to operate at locations in or within 10 km of certain PM₁₀ nonattainment areas.

VI. Air Quality Impacts

Based on the information provided and the conditions established in Permit #3202-01, the amount of controlled emissions generated by this facility will not exceed any set ambient air quality standards. The conditions in Permit #3202-01 will be protective of air quality while Portable Inc. is operating at locations not located in or within 10 km of certain PM₁₀ nonattainment areas. Also, this facility is a portable source that would operate on an intermittent and temporary basis, so any effects to air quality will be minor and short-lived.

VII. Taking or Damaging Implication Analysis

As required by 2-10-101 through 105, Montana Code Annotated (MCA), the Department conducted a private property taking and damaging assessment and determined there are no taking or damaging implications.

VIII. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act (MEPA), was completed for this project. A copy is attached.

Analysis Prepared By: Eric Thunstrom
Date: May 26, 2006

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
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FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued For: Portable Incorporated

Permit Number: #3202-01

Preliminary Determination Issued: 06/15/06

Department Decision Issued: 07/03/06

Permit Final: 07/19/06

1. *Legal Description of Site:* Portable Inc. would operate the portable diesel generator at various locations throughout Montana. The diesel generator was originally located in the SW ¼ of Section 23, Township 1 South, Range 4 East, in Gallatin County, Montana. Permit #3202-00 applied to the source while operating at any location in Montana, except within those areas having a Department-approved permitting program, those areas considered tribal lands, or those areas in or within 10 km of certain PM₁₀ nonattainment areas. *A Missoula County air quality permit is required for locations within Missoula County, Montana.* Portable Inc. is required to obtain an addendum to this air quality permit to operate at locations in or within 10 km of certain PM₁₀ nonattainment areas.
2. *Description of Project:* On May 19, 2006, the Department received a request from Portable Inc. for a modification to Permit #3202-00. The modification requested the operation of a diesel generator up to 750 kW. The 750-kW diesel generator replaces the existing 350-kW diesel generator.
3. *Objectives of Project:* The diesel generator would be used to provide power to other Portable Inc. equipment (i.e. screens, crushers, etc.) which is permitted separately from the diesel generator. Having separate air quality permits for the equipment would allow Portable Inc. the operational flexibility to operate the equipment in different locations at the same time.
4. *Alternatives Considered:* In addition to the proposed action, the Department considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Portable Inc. demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.
5. *A Listing of Mitigation, Stipulations, and Other Controls:* A listing of the enforceable permit conditions and a permit analysis, including a BACT analysis, would be contained in Permit #3202-01.
6. *Regulatory Effects on Private Property Rights:* The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined the permit conditions would be reasonably necessary to ensure compliance with applicable requirements and to demonstrate compliance with those requirements and would not unduly restrict private property rights.

7. The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The “no action alternative” was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A.	Terrestrial and Aquatic Life and Habitats			X			yes
B.	Water Quality, Quantity, and Distribution			X			yes
C.	Geology and Soil Quality, Stability, and Moisture			X			yes
D.	Vegetation Cover, Quantity, and Quality			X			yes
E.	Aesthetics			X			yes
F.	Air Quality			X			yes
G.	Unique Endangered, Fragile, or Limited Environmental Resource			X			yes
H.	Demands on Environmental Resource of Water, Air, and Energy			X			yes
I.	Historical and Archaeological Sites			X			yes
J.	Cumulative and Secondary Impacts			X			yes

Summary of Comments on Potential Physical and Biological Effects: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats

Additional emissions from the proposed 750-kW diesel generator would have only minor impacts upon the terrestrial and aquatic life and habitats in areas where the generator may operate. Although air pollutant deposition would occur in the areas where the generator operates, the size and temporary nature of the operation, dispersion characteristics of pollutants, and conditions included in Permit #3202-01 would result in minor impacts. Also, the additional emissions as a result of this project would be relatively small and the generator would likely be located at previously disturbed sites. Therefore, the operation of the generator would present only minor impacts to the terrestrial and aquatic life and habitats in areas of potential operation.

B. Water Quality, Quantity, and Distribution

Although there would be an increase in air emissions from the proposed diesel generator, there would only be minor impacts on water quality, quantity, and distribution because of the temporary nature, size, operational requirements, and conditions included in Permit #3202-01 for the facility. Further, as described in Section 7.F of this EA, the Department determined that any impacts from deposition of pollutants would be minor. In addition, any accidental spills or leaks from equipment would be required to be handled according to the appropriate environmental regulations in an effort to minimize any potential adverse impacts on the immediate and surrounding area. Overall, the proposed project would have minor impacts to water quality, quantity, and distribution in the area of operations.

C. Geology and Soil Quality, Stability, and Moisture

As a result of the proposed project, there would be minor impacts to the geology and soil quality, stability, and moisture near the equipment’s operational area because of the deposition of pollutants from portable generator operations. As explained in Section 7.F of this EA, the facility’s size, operational requirements, temporary nature of the operation, and conditions

contained in Permit #3202-01, would minimize the impacts from deposition. Also, the additional emissions from the proposed generator would be relatively small and the generator would likely be located at previously disturbed sites, which would also reduce the potential impact to the local geology and soil quality, stability, and moisture. Therefore, any effects upon geology and soil quality, stability, and moisture at this proposed operational site would be minor.

D. Vegetation Cover, Quantity, and Quality

The operation of the facility would result in minor impacts to the vegetative cover, quantity, and quality, because small amounts of vegetation would likely be disturbed as a result of operating the diesel generator. In addition, pollutant deposition would occur on the surrounding vegetation. However, as explained in Section 7.F of this EA, the Department determined that, due to the relatively small size and temporary nature of the operation, conditions contained in Permit #3202-01, and dispersion characteristics of the emissions, any impacts from deposition would be minor. Lastly, because the water usage would be minor and the associated soil disturbance would be minor, corresponding vegetative impacts from water and soil disturbances would also be minor.

E. Aesthetics

The proposed generator would be visible and would create additional noise in the areas where it would operate. Permit #3202-01 would include conditions to control emissions (including visible emissions) from the generator and the surrounding work area. The additional emissions from the proposed generator would be relatively small and the generator would be used to power permitted portable equipment owned by Portable Inc. at previously disturbed sites. Therefore, any aesthetic impact to a given area would be minor and temporary.

F. Air Quality

Air quality impacts from the proposed project would be minor because this is an existing facility that would operate on an intermittent and temporary basis and would be located at previously disturbed sites. Further, there would only be a small increase in emissions associated with the 750 kW generator as opposed to the 350 kW generator currently permitted. Permit #3202-01 would include conditions limiting the opacity from the diesel generator and would require that reasonable precautions be taken to control emissions from haul roads, access roads, parking lots, or the general work area. Pollutant deposition from the facility would be minimal because the pollutants emitted would be widely dispersed (from factors such as wind speed and wind direction) and would have minimal deposition on the surrounding area (due to site topography of the area and minimal vegetative cover in the area). In addition, Permit #3202-01 would also limit total emissions from the facility and any additional Portable Inc. equipment operated at the site to 250 tons/year or less, excluding fugitive emissions. Further, the Department determined that this existing facility would be a minor source of emissions as defined under the Title V Operating Permit Program because the source's PTE was limited below the major source threshold level of 100 tons per year for any regulated pollutant.

G. Unique Endangered, Fragile, or Limited Environmental Resources

The Department, in an effort to assess any potential impacts to any unique endangered, fragile, or limited environmental resources previously contacted the Montana Natural Heritage Program (MNHP). Search results concluded there were no known environmental resources of special concern within the area. Issuance of this permit would increase emissions to the atmosphere near the location proposed for the operation of the diesel generator. However, as explained in Section 7.F of this EA, because of the relatively small increase in emissions and temporary nature of the diesel generator, operating in previously disturbed areas, and conditions contained in Permit #3202-01, any impacts to unique endangered, fragile, or limited environmental resources from the deposition of pollutants would be minor.

H. Demands on Environmental Resources of Water, Air, and Energy

The diesel generator would be used to provide power to other Portable Inc. equipment (i.e. screens, crushers, etc.) that is permitted separately from the diesel generator. Water would be used on haul roads, access roads, parking lots, or the general plant property to control dust resulting from indirect use of the diesel generator. Also, minor amounts of air would be used in diesel generator operations and air quality would be impacted by pollutant emissions. The generator would consume energy from diesel fuel, a non-renewable resource. Generally, the operations are seasonal and would result in smaller demands on environmental resources. Therefore, any impacts on the demands of the environmental resources of water, air, and energy would be minor.

I. Historical and Archaeological Sites

The Department previously contacted the Montana Historical Society - State Historical Preservation Office (SHPO) in an effort to identify any historical and/or archaeological sites that may be present in the proposed area of construction/operation. Search results concluded that there are no previously recorded historical or archaeological resources of concern within the area proposed for initial operations. According to past correspondence from the Montana State Historic Preservation Office, there would be a low likelihood of adverse disturbance to any known archaeological or historic site given previous industrial disturbance to an area. Therefore, at most, minor impacts upon historical or archaeological sites would be expected as a result of the proposed facility.

J. Cumulative and Secondary Impacts

The proposed increase in generator size would cause minor cumulative and secondary impacts to the physical and biological aspects of the human environment, but the facility would be limited in the amount of PM, PM₁₀, NO_x, VOC, CO, and SO_x emissions generated. Emissions and noise generated from the diesel generator would, at most, result in only minor impacts to the area of operations because the proposed project would be seasonal and temporary in nature. The proposed project would be short-term in nature, and have minor cumulative effects upon resource within the area. These resources include water, terrestrial and aquatic life, soils, and vegetation. However, while the short-term effects may decrease the presence or quality to these resources, effecting terrestrial and aquatic (life and habitats), water (quality, quantity, and distribution), soil (quality, stability, and moisture), vegetation (cover, quantity, and quality), long-term increases in the overall presence or quality to these resources would occur. Overall, cumulative and secondary impacts to the physical and biological aspects of the human environment would be minor.

8. The following table summarizes the potential economic and social effects of the proposed project on the human environment. The “no action alternative” was discussed previously.

		Major	Moderate	Minor	None	Unknown	Comments Included
A.	Social Structures and Mores				X		yes
B.	Cultural Uniqueness and Diversity				X		yes
C.	Local and State Tax Base and Tax Revenue			X			yes
D.	Agricultural or Industrial Production			X			yes
E.	Human Health			X			yes
F.	Access to and Quality of Recreational and Wilderness Activities			X			yes
G.	Quantity and Distribution of Employment				X		yes
H.	Distribution of Population				X		yes
I.	Demands for Government Services			X			yes
J.	Industrial and Commercial Activity			X			yes
K.	Locally Adopted Environmental Plans and Goals			X			yes
L.	Cumulative and Secondary Impacts			X			yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores

The operation of the diesel generator would cause no disruption to the social structures and mores in the area because the source is an existing minor industrial source of emissions and would only have temporary and intermittent operations. Further, the facility would be required to operate according to the conditions that would be placed in Permit #3202-01, which would limit the effects to social structures and mores. Therefore, the existing social structures and mores would not be affected as a result of this permitting action.

B. Cultural Uniqueness and Diversity

The cultural uniqueness and diversity of this area would not be impacted by the proposed operation because the facility is an existing portable source, with seasonal and intermittent operations, and would likely operate with additional permitted equipment at a previously disturbed site. Therefore, the cultural uniqueness and diversity of the area would not be affected.

C. Local and State Tax Base and Tax Revenue

The proposed operation of the diesel generator would have little, if any, impact on the local and state tax base and tax revenue because the facility would be a minor industrial source of emissions and would have seasonal and intermittent operations. The facility would require the use of only a few existing employees. Thus, only minor impacts to the local and state tax base and revenue could be expected from the employees and facility production. Furthermore, the impacts to local tax base and revenue would be minor because the source would be portable and the money generated for taxes would be widespread.

D. Agricultural or Industrial Production

Under normal circumstances, the operation of the diesel generator would take place in a previously disturbed industrial area. Therefore, the Department does not expect that the operation of the diesel generator would affect or displace any agricultural land. Further, the diesel generator operation is small by industrial standards and would have only a minor impact on any local industrial production.

E. Human Health

Permit #3202-01 would incorporate conditions to ensure that the diesel generator would be operated in compliance with all applicable air quality rules and standards. These rules and standards are designed to be protective of human health. As described in Section 7.F. of this EA, the Department determined that any impacts from deposition would be minor due to dispersion characteristics and conditions contained in Permit #3202-01. The air emissions from this facility would be minimized by opacity limitations on the diesel generator and the surrounding area of operation. Therefore, only minor impacts would be expected on human health from the proposed facility.

F. Access to and Quality of Recreational and Wilderness Activities

Noise from the facility would be minor because the facility would be small and would operate on a seasonal and intermittent basis. As a result, the amount of noise generated from the diesel generator would be minimal. Also, the facility would be a relatively minor industrial source of emissions. Therefore, any changes in the quality of recreational and wilderness activities created by operating the equipment would be expected to be minor and intermittent.

G. Quantity and Distribution of Employment

The operation of the diesel generator would only require a few existing employees to operate and would have seasonal and intermittent operations. No individuals would be expected to permanently relocate to this area of operation as a result of operating the facility. Therefore, no effects upon the quantity and distribution of employment in this area would be expected.

H. Distribution of Population

The diesel generator operation is a portable industrial facility that would require only a few existing employees to operate. No individuals would be expected to permanently relocate to this area of operation as a result of operating the facility. Therefore, the current permitting action would not impact the normal population distribution in the area of operation or any future operating site.

I. Demands of Government Services

Government services would be required for acquiring the appropriate permits for the proposed project and to verify compliance with the permits that would be issued. However, the government services required would be minor.

J. Industrial and Commercial Activity

The operation of the diesel generator would represent only a minor increase in the industrial activity in any given area. No additional industrial or commercial activity would result from the operation of the diesel generator because no secondary activities are expected to move to any area

as a result of the current project.

K. Locally Adopted Environmental Plans and Goals

Portable Inc. would be allowed, by Permit #3202-01 to operate in areas designated by EPA as attainment or unclassified for ambient air quality. Permit #3342-01 would contain limits for protecting air quality and to keep facility emissions in compliance with any applicable ambient air quality standards, as a locally adopted environmental plan or goal for operating at this proposed site. Because this is an existing portable facility and would have intermittent and seasonal operations, any impacts from the facility would be minor and short-lived.

L. Cumulative and Secondary Impacts

The portable generator would cause minor cumulative and secondary impacts to the social and economic aspects of the human environment in the immediate area of operation because the source would be a portable and temporary source. Further, no other industrial operations are expected to result from the permitting of this facility. Minor increases in traffic would have minor effects on local traffic in the immediate area. Because the source is relatively small and temporary, only minor economic impacts to the local economy would be expected from operating the facility. Further, this facility may be operated in conjunction with other equipment owned and operated by Portable Inc., but any cumulative impacts upon the social and economic aspects of the human environment would be minor and short-lived. Thus, only minor and temporary cumulative effects would result to the local economy.

Recommendation: An EIS is not required.

If an EIS is not required, explain why the EA is an appropriate level of analysis: All potential effects resulting from construction and operation of the proposed facility are minor; therefore, an EIS is not required.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Department of Environmental Quality - Permitting and Compliance Division (Industrial and Energy Minerals Bureau); Montana Natural Heritage Program; and the State Historic Preservation Office (Montana Historical Society).

Individuals or groups contributing to this EA: Montana Department of Environmental Quality (Air Resources Management Bureau and Industrial and Energy Minerals Bureau), Montana State Historic Preservation Office (Montana Historical Society).

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