

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT #TRD4255-02**

**Permitting and Compliance Division
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NorthWestern Energy
Dave Gates Generating Station at Mill Creek
NW¼ of Section 17 and the SW ¼ of Section 8, Township 4 North, Range 10 West
40 East Broadway Street
Butte, MT 59701

The following table summarizes the air quality programs testing, monitoring, and reporting requirements applicable to this facility.

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	X		Methods 5, 7, and 10, 18/25
Ambient Monitoring Required		X	
Continuous Opacity Monitoring System (COMS) Required		X	
Continuous Emissions Monitoring System (CEMS) Required	X		Oxides of nitrogen (NOx) and carbon monoxide (CO) CEMS
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		As Applicable
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
Applicable Air Quality Programs			
ARM Subchapter 7 Montana Air Quality Permit (MAQP)	X		MAQP #4255-02
New Source Performance Standards (NSPS)	X		40 CFR 60, Subparts A, IIII, KKKK
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	
Maximum Achievable Control Technology (MACT)	X		40 CFR 63, Subpart A, ZZZZ
Major New Source Review (NSR)		X	
Prevention of Significant Deterioration (PSD)		X	
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV	X		40 CFR Part 72 through Part 78
Compliance Assurance Monitoring (CAM)	X		Applicable upon permit renewal
State Implementation Plan (SIP)	X		General SIP

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SECTION I. GENERAL INFORMATION

A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emissions units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the EPA and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by NorthWestern Energy (NWE) on August 22, 2008 with additional information submitted through December 10, 2008; a de minimis request received on July 26, 2010 and a subsequent permit modification application on October 29, 2010 with additional information submitted on October 29, 2010, November 1, 2010 and November 19, 2010; and an administrative amendment request received on August 20, 2010.

B. Facility Location

NWE's facility also known as the Dave Gates Generating Station at Mill Creek (DGGS) is located near the intersection of MT-1 and County Road 273 approximately 3 miles southeast of Anaconda, Montana. The property lies within a 50-acre parcel in the NW¼ of Section 17 and the SW ¼ of Section 8, Township 4 North, Range 10 West in Deer Lodge County, Montana.

C. Facility Background Information

Montana Air Quality Permit History

On January 22, 2009, NWE was issued a final **Montana Air Quality Permit (MAQP) #4255-00**. NWE constructed and operates a facility equipped with up to four simple-cycle, dual fuel-fired generating units. Each generating unit consists of two aeroderivative combustion turbines and one electric generator rated at 49.6 megawatts (MW). The facility will serve as a regulating resource to stabilize the transmission grid due to historical supply and load variations and the integration of non-dispatchable and unpredictable fluctuations from intermittent renewable resources, such as wind power. The facility's combined net output will be approximately 200-MW power for delivery to the existing power grid.

At the time of the original application, NWE proposed phased construction of the simple-cycle turbines along with other miscellaneous equipment, including: a 1,675-brake horsepower (bhp) emergency diesel generator, a 308.4-bhp emergency diesel fire pump, two above-ground 1,000,000-gallon diesel fuel tanks and two 10,000-gallon aqueous ammonia tanks. Emissions from the generating units are controlled utilizing water injection, selective catalytic reduction (SCR) and catalytic oxidation.

Title V Operating Permit History

Operating Permit (OP) #OP4255-00 was issued final and effective on June 3, 2010.

D. Current Permit Action

On July 26, 2010, NWE submitted a de minimis request to the Department of Environmental Quality (Department) for the following equipment changes: 1) replace the 1675 bhp diesel-fired emergency generator with a 1528-bhp diesel-fired blackstart emergency generator; 2) replace the 308 bhp fire

pump engine with a 282-bhp fire pump engine; 3) replace two above ground 1,000,000 gallon diesel fuel tanks with two above ground 125,000 gallon diesel fuel tanks, and 4) replace two 10,000 gallon aqueous ammonia tanks with two 12,000 gallon (working volume) aqueous ammonia tanks. Additionally, NWE submitted information to update the location of the equipment listed from that submitted in the original application #4255-00. The Department was unable to make these changes pursuant to the de minimis rule, and therefore, NWE submitted a permit application for modification on October 29, 2010, with additional information submitted on November 1, 2010; November 8, 2010; and November 19, 2010.

In addition, on August 20, 2010, NWE submitted a request to administratively amend MAQP #4255-00 and OP#4255-00 to: 1) clarify the intent of the commissioning period; 2) clarify the number of generating units (phased in construction with up to four units); 3) clarify the hourly operational limit (720 hours/year/combustion turbine) while firing liquid fuels; and 4) include revisions to NWE's acid rain permit application. This permit action was assigned MAQP #4255-01 and Title V Operating Permit #OP4255-01; however, the permit was never finalized because the Department combined the administrative amendment with the permit modification.

On April 7, 2011, NWE contacted the Department to notify of a facility name change and a change in responsible official. The facility was previously referred to as Mill Creek Generating Station (MCGS) and has since been named the Dave Gates Generating Station at Mill Creek. The responsible official changed from Dave Gates to William T. Rhoads. In addition to these changes, the Department updated rule references and the emission inventory to include the addition of Hazardous Air Pollutants (HAP) to the emission inventory. MAQP #4255-02 replaced MAQP #4255-00, and Title V Operating Permit #OP4255-02 replaces Title V Operating Permit #OP4255-00.

E. Taking and Damaging Analysis

House Bill (HB) 311, the Montana Private Property Assessment Act, requires analysis of every proposed state agency administrative rule, policy, permit condition or permit denial, pertaining to an environmental matter, to determine whether the state action constitutes a taking or damaging of private real property that requires compensation under the Montana or U.S. Constitution. As part of issuing an operating permit, the Department of Environmental Quality (Department) is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 2-10-105, Montana Code Annotated (MCA), the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?

YES	NO	
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

F. Compliance Designation

As of the date of issuance of the Draft Title V Operating Permit #OP4255-02, NWE notified the Department that Generating Unit #1 initiated startup as August 23, 2010, Generating Unit #2 initiated startup on August 31, 2010, and Generating Unit #3 initiated startup on September 29, 2010. Generating Unit #4 has not been constructed. The Department has not conducted a formal on-site compliance evaluation.

SECTION II. SUMMARY OF EMISSION UNITS

A. Facility Process Description

This facility, also known as DGGS, is located near the intersection of MT-1 and County Road 273 approximately 3 miles southeast of Anaconda, Montana. DGGS serves as NWE's regulating resource to maintain a balance between electrical loads (demand) and resources (supply) within NWE's Balancing Authority (BA) on a moment-to-moment basis. NWE is required to maintain system frequency and minimize inadvertent energy transfers between adjacent BAs which would be critical to the stability of the transmission grid. Keeping the system in balance at all times can be exacerbated by the addition of intermittent renewable resources such as wind generation.

In addition to the four simple-cycle generating units, other miscellaneous equipment would include: a 1528-bhp emergency diesel generator, a 282-bhp emergency diesel fired water pump, two above-ground 125,000-gallon diesel fuel tanks and two 12,000-gallon aqueous ammonia tanks. Emissions from the facility will be controlled utilizing water injection, SCR and catalytic oxidation. NWE proposes phased construction of the facility.

NWE selected the rapid ramping simple-cycle FT8 Swiftpacs™ generating units from Pratt & Whitney. DGGS will utilize up to four generating units whereby each unit consists of a gas turbine flanked on each side of the common generator. NWE selected these units because they are capable of operating at various loads and temperatures with the ability to respond rapidly to fluctuations in wind conditions. The FT8 Swiftpacs™ are ideal for offsetting continuous variation between system generation and system load.

NWE also evaluated startup and shutdowns for the generating units. These are not typical startup and shutdowns as would be seen in other applications. This facility will have various forms of both a cold start and "windmill" startup. As the name implies, a cold start is when a turbine begins operation from non-operational to fuel firing. As such, these units are capable of generating full capacity in less than 10 minutes from a cold start. Windmill operation which is unique to these generating units, is when the one turbine is fully operational while the other spins freely or "windmills" without fuel. The system response to a windmill start, though rapid, is not immediate, and requires several minutes to reach peak control efficiencies. Therefore, no emission estimate distinctions are made in startup and shutdown emissions regarding cold or windmill starts.

DGGS needs to start and stop the turbines on a very routine basis, as much as, every 10 minutes depending on system demand and supply. In fact, normal operation for this facility would consist of approximately 40,000 startups and 40,000 shutdowns in any given year. Because the plant will not be operated at a continuously set load, emission limits were not based on full-load operation but rather represent the worse-case scenario based on the variable turbine loads, ambient temperatures and fuel types.

In general, a gas turbine is an internal combustion engine that operates with rotary rather than reciprocating motion. Within each combustion turbine unit, a mixture of compressed air and natural gas is fired in the combustor to produce compressed hot combustion gases. Expansion of these gases in the turbine rotates the turbine shaft that turns a generator to produce electricity.

For stationary applications, the hot combustion gases are directed through one or more fan-like turbine wheels to generate shaft horsepower. A simple cycle turbine is the most basic operating cycle of a gas turbine.

Generally, the compressor draws in ambient air and compresses it to a pressure of up to 30 times the ambient pressure. The compressed air is then directed to the combustor section where fuel is introduced, ignited, and burned. The hot combustion gases are then diluted with additional cool air

from the compressor section and directed to the turbine section. Energy is recovered in the turbine section in the form of shaft horsepower; typically greater than 50 percent of the horsepower is required to drive the internal compressor section. The balance of the recovered shaft energy is available to drive the external load unit. The compressor and turbine sections can be a single fan-like wheel assembly, but are usually made up of a series of stages. The compressor and turbine sections may be associated with one or several connecting shafts. In a single shaft gas turbine, all compressor and turbine stages are fixed to a single continuous shaft and operate at the same speed.

B. Emission Units and Pollution Control Device Identification

The emission units regulated by this permit are the following (Administrative Rules of Montana (ARM) 17.8.1211):

Emissions Unit ID	Description	Pollution Control Device/Practice
EU001	Pratt & Whitney Power Systems FT8 Swiftpac – Four, simple cycle, dual-fuel powered generating units (each generating unit consist of two combustion turbines and a common generator rated at 49.6 MW)	Water injection, selective catalytic reduction (SCR) and catalytic oxidation
EU002	1528-bhp diesel-fired emergency generator	Operation limited to 500 hours per rolling 12-month period
EU003	282-bhp water pump	Operation limited to 500 hours per rolling 12-month period

C. Categorically Insignificant Sources/Activities

As defined in ARM 17.8.1201, “insignificant emissions unit” means (i) any activity or emissions unit located within a source that has a potential to emit less than 5 tons per year of any regulated pollutant; (ii) has a potential to emit less than 500 pounds per year of lead; (iii) has a potential to emit less than 500 pounds per year of hazardous air pollutants listed pursuant to Section 112(b) of the FCAA; and (iv) is not regulated by any applicable requirement, other than a generally applicable requirement that applies to all emission units subject to this subchapter. The following units constitute insignificant emitting units (IEU).

The following table of insignificant sources and/or activities that were provided by NWE.

Emissions Unit ID	Description
IEU01	Two above-ground 125000 gallon diesel fuel tanks
IEU02	Two 12000 gallon aqueous ammonia tanks
IEU03	1528bhp emergency diesel generator
IEU04	282bhp emergency diesel fired fire pump
IEU05	Haul roads/Vehicle Traffic

The Department determined that IEU03 and IEU04 are significant emitting units. NWE requested that the hours of operation for these units be restricted to 500 hours per year (per unit) making it a federally enforceable permit condition.

SECTION III. PERMIT CONDITIONS

A. Emission Limits and Standards

The Department determined that the following emission limits and conditions apply to EU001 – up to four simple cycle, dual fuel powered generating units each rated at 49.6 MW (each generating units consist of two combustion turbines and a common generator). Each simple cycle generating unit is required to have a minimum stack exhaust height of at least 90-feet from final grade. Emissions from EU001 are controlled by utilizing water injection, SCR, and catalytic oxidation on each generating unit to control NO_x, CO and volatile organic compounds (VOCs).

1. The opacity limit was established in accordance with the provisions of ARM 17.8.304. The applicable opacity limit is less than or equal to 20% opacity.
2. NWE is required to control particulate matter (PM), PM with an aerodynamic diameter of 10 microns or less (PM₁₀), PM with an aerodynamic diameter of 2.5 microns or less (PM_{2.5}) and sulfur dioxide (SO₂) emissions from each of the generating units by utilizing good combustion practices and only combusting low sulfur fuels.
3. NWE is required to control emissions of PM/PM₁₀/PM_{2.5} from each generating unit not to exceed 7.30 pounds per hour (lb/hr) using natural gas and 19.30 lb/hr using ultra low sulfur fuel oil (#2) based on a 30-day rolling average, effective during all periods of operation, including startup and shutdown. These emission limits are based on ARM 17.8.752 determinations established by the Department.
4. NWE is required to control emissions of NO_x from each generating unit not to exceed 11.07 lb/hr using natural gas and 10.09 lb/hr using ultra low sulfur fuel oil (#2) based on a 30-day rolling average, effective during all periods of operation, including startup and shutdown. These emission limits are based on ARM 17.8.752 determinations established by the Department.
5. NWE is required to control emissions of CO from each generating unit not to exceed 10.78 lb/hr using natural gas and 9.83 lb/hr using ultra low sulfur fuel oil (#2) based on a 30-day rolling average, effective during all periods of operation, including startup and shutdown. These emission limits are based on ARM 17.8.752 determinations established by the Department.
6. NWE is required to control emissions of VOCs from each generating unit not to exceed 2.47 lb/hr using natural gas and 18.98 lb/hr using ultra low sulfur fuel oil (#2) based on a 30-day rolling average, effective during all periods of operation, including startup and shutdown. These emission limits are based on ARM 17.8.752 determinations established by the Department.
7. NWE is required to control emissions of SO_x from each generating unit not to exceed 0.83 lb/hr using natural gas and 0.80 lb/hr using ultra low sulfur fuel oil (#2) based on a 30-day rolling average, effective during all periods of operation, including startup and shutdown. These emission limits are based on ARM 17.8.752 determinations established by the Department.

In addition to the above emission limits and conditions, the facility also has conditions and limitations that apply during the commissioning period. The commissioning period and the associated conditions and limitations only apply for a period of 16 weeks from initial startup of the generating unit, or when a new or refurbished combustion turbine is installed or re-installed at the facility. During the

commissioning period, NWE is required to only combust pipeline quality natural gas or ultra-low sulfur (#2) fuel oil in the generating units, and to maintain and operate all equipment including associated air pollution control equipment in a manner consistent with air pollution control practices for minimizing emissions. The conditions and limitations that apply during the commissioning period are summarized, as follows:

1. NWE shall control PM/PM₁₀/PM_{2.5} and SO_x emissions from each of the 49.6 MW dual fuel powered generating units by utilizing good combustion practices and only combusting low sulfur fuels.
2. During the commissioning period, NO_x emissions from the generating units shall not exceed 78.17 lb/hr based on a 1-hour average using natural gas and 84.64 lb/hr using ultra low sulfur fuel oil (#2) based on a 1-hour average. These emission limits were established in accordance with the provisions of ARM 17.8.749.
3. During the commissioning period, CO emissions from the generating units shall not exceed 58.98 lb/hr based on a 1-hour average using natural gas and 52.29 lb/hr using ultra low sulfur fuel oil (#2) based on a 1-hour average. These emission limits were established in accordance with the provisions of ARM 17.8.749.
4. During the commissioning period, VOC emissions from the generating units shall not exceed 2.47 lb/hr based on a 1-hour average using natural gas and 27.62 lb/hr using ultra low sulfur fuel oil (#2) based on a 1-hour average. These emission limits were established in accordance with the provisions of ARM 17.8.749.
5. During the commissioning period, PM/PM₁₀/PM_{2.5} emissions from the generating units shall not exceed 7.30 lb/hr based on a 1-hour average using natural gas and 19.30 lb/hr using ultra low sulfur fuel oil (#2) based on a 1-hour average. These emission limits were established in accordance with the provisions of ARM 17.8.749.
6. During the commissioning period, SO₂ emissions from the generating units shall not exceed 0.83 lb/hr based on a 1-hour average using natural gas and 0.80 lb/hr using ultra low sulfur fuel oil (#2) based on a 1-hour average. These emission limits were established in accordance with the provisions of ARM 17.8.749.

B. Monitoring Requirements

ARM 17.8.1212(1) requires that all monitoring and analysis procedures or test methods required under applicable requirements are contained in operating permits. In addition, when the applicable requirement does not require periodic testing or monitoring, periodic monitoring must be prescribed that is sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit.

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emissions units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for a insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or monitoring is not otherwise required by the applicable requirement, the status quo (**i.e., no monitoring**) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emission units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards.

C. Test Methods and Procedures

This operating permit along with MAQP #4255-02 requires NWE to test each generating unit for NO_x and CO concurrently, within 180 days of initial start-up to demonstrate compliance with the emission limitations in the permits. After the initial source test, additional testing shall be conducted annually. Compliance with the opacity limitations in this permit may be demonstrated by burning pipeline quality natural gas or ultra low sulfur fuel oil only.

The operating permit may not require testing for all sources if routine monitoring is used to determine compliance, but the Department has the authority to require testing if deemed necessary to determine compliance with an emission limit or standard. In addition, the permittee may elect to voluntarily conduct compliance testing to confirm its compliance status.

D. Recordkeeping Requirements

The permittee is required to keep all records listed in the operating permit as a permanent business record for at least 5 years following the date of the generation of the record.

E. Reporting Requirements

Reporting requirements are included in the permit for each emissions unit and Section V of the operating permit "General Conditions" explains the reporting requirements. However, the permittee is required to submit semiannual and annual monitoring reports to the Department and to annually certify compliance with the applicable requirements contained in the permit. The reports must include a list of all emission limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

F. Public Notice

In accordance with ARM 17.8.1232, a public notice was published in the Montana Standard newspaper on or before April 11, 2011. The Department provided a 30-day public comment period on the draft operating permit from April 11, 2011 to May 11, 2011. ARM 17.8.1232 requires the Department to keep a record of both comments and issues raised during the public participation process. The comments and issues received by May 11, 2011, will be summarized, along with the Department's responses, in the following table. All comments received during the public comment period will be promptly forwarded to NWE so they may have an opportunity to respond to these comments as well.

Summary of Public Comments

Person/Group Commenting	Comment	Department Response
NWE	NWE requested that the Department correct the telephone number of the responsible official.	The Department made this correction.
NWE	NWE requested that the Department update several sections in the OP and TRD to add language for clarification on the use of "up to" four simple-cycle, dual fuel-fired generating units.	The Department made this correction throughout both documents.

NWE	NWE commented that they would like the Department to clarify the use of either electronic or paper logs whenever a “log” would be required: III.B.I.16, III.B.I.24, III.B.I.27, III.B.I.30, III.C.I.5, and III.C.I.7.	The Department believes this condition, as written, does not preclude NWE-DGGS from submitting electronic or paper copies to meet the requirements of a “log”. Therefore, the condition was not changed
NWE	NWE requested that the Department correct Condition III.B.I.20 as the sentence is incomplete.	The Department made this correction.
NWE	NWE commented that one of the conditions was not labeled. The condition was listed in the appropriate section, but was missing a condition number. It should have been condition III.B.II.25.	The Department made this correction.
NWE	NWE offered the following comment on Condition III.B.II.25 (now III.B.II.26): the NOx CEMS and fuel flowmeters are also subject to the quality assurance/quality control requirements of 40 CFR Part 75 including Appendix A and B and the requirement to develop, implement and maintain a quality assurance plan per Part 75, Appendix B.	The Department clarified condition III.B.II.26 to include the Quality Assurance requirements of 40 CFR Part 75.
NWE	NWE requested that reference to the Mill Creek Generating Station be removed and replaced with Dave Gates Generating Station.	The Department made this correction.
NWE	NWE commented that a Table in Section II.C erroneously listed the aqueous ammonia tank as 1200 gallons but should be 12,000 gallons.	The Department made this correction.

G. Draft Permit Comments

Summary of EPA Comments

Permit Reference	EPA Comment	Department Response
	No comments were received.	

SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Section IV of the operating permit “Non-applicable Requirements” contains the requirements that the Department determined were non-applicable. The following table summarizes the requirements that NWE identified as non-applicable and contains the reasons that the Department did not include these requirements as non-applicable in the permit.

The following table outlines those requirements that NWE had identified as non-applicable but, after Department review, will not be included in the operating permit as non-applicable. The table includes both the applicable requirement and reason that the Department did not identify this requirement as non-applicable.

Requirements not Identified in the Operating Permit

Rule Citation		Reason
State	Federal	
ARM 17.8.324 ARM 17.8.501 ARM 17.8.506 ARM 17.8.510 ARM 17.8.511 ARM 17.8.514		These regulations may not be applicable to the source at this time; however, these regulations may become applicable during the life of the permit.

SECTION V. FUTURE PERMIT CONSIDERATIONS

A. MACT Standards

MACTs standards generally apply to a facility that is major for hazardous air pollutants (HAPs) and is defined as a stationary source that has the potential to emit more than 10 tons per year (tpy) of any individual listed HAPs or 25 tpy of the total combination of HAPs. The DGGs facility is not major for HAPs, and no area source MACT standards currently apply to the DGGs facility. The Department is unaware of any pending or future MACT standards that may apply to the DGGs facility. Therefore, MACT standards do not currently apply.

B. NESHAP Standards

The DGGs facility is not major for HAPs. Therefore, the Department is unaware of any NESHAPs that would apply to this facility.

C. NSPS Standards

NWE's generating units are considered NSPS affected facilities under 40 CFR Part 60 and are subject to the requirements of the following subparts: Subpart A – General Provisions and Subpart KKKK - Standards of Performance for Stationary Combustion Turbines. In addition, Subpart IIII - Standards of Performance for Stationary Compression Ignition (CI) Combustion Engines (ICE) may apply to the proposed emergency generator/engine and the fire pump depending upon the manufacture date. Beyond those listed, the Department is unaware of any pending or future NSPS standards that may apply to this facility.

D. CAM Requirements

In accordance with the ARM Title 17, Chapter 8, Subchapter 15, a Compliance Assurance Monitoring (CAM) Plan applies to each pollutant-specific emitting unit at a major stationary source (Title V) if the affected unit is subject to a pollutant specific emission limitation or standard; the unit uses a control device to achieve compliance with the applicable limitation or standard; and the unit has a pre-control PTE of the regulated pollutant in an amount that exceeds 100% of the Title V major source threshold.

NWE is required to use catalytic oxidation for the control of both CO and VOC emissions. Since uncontrolled VOC emissions from the generating units are less than 100 tpy, the CAM rules are not applicable to VOC emissions. However, uncontrolled CO emissions from the generating units do exceed the applicable CAM threshold of 100 tpy. Therefore, NWE is subject to CAM for CO emissions. Additionally, NWE is required to control NOx emissions from the generating units using water injection and SCR, and the uncontrolled NOx emissions from the generating units exceed the applicable CAM threshold of 100 tpy. Pursuant to ARM 17.8.1509(1)(c), NWE shall submit the required CAM plan with the Title V operating permit renewal. As such, NWE will be subject to CAM requirements for CO and NOx. In the interim, prior to Title V renewal or any significant permit revision, and the institution of CAM requirements, the Department suggests that NWE establish the appropriate monitoring information in accordance with ARM 17.8.1504 through ARM 17.8.1508.

E. Risk Management Plan

As of the date of this draft operating permit, this facility does not exceed the minimum threshold quantities for any regulated substance listed in 40 CFR Part 68.115 for any facility process. Consequently, this facility is not required to submit a Risk Management Plan.

If a facility has more than a threshold quantity of a regulated substance in a process, the facility must comply with 40 CFR 68 requirements no later than June 21, 1999; 3 years after the date on which a regulated substance is first listed under 40 CFR Part 68.130; or the date on which a regulated substance is first present in more than a threshold quantity in a process, whichever is later.

F. Prevention of Significant Deterioration (PSD) and Title V Greenhouse Gas Tailoring Rule

On May 7, 2010, EPA published the “light duty vehicle rule” (Docket # EPA-HQ-OAR- 2009-0472, 75 FR 25324) controlling greenhouse gas (GHG) emissions from mobile sources, whereby GHG became a pollutant subject to regulation under the Federal and Montana Clean Air Act(s). On June 3, 2010, EPA promulgated the GHG “Tailoring Rule” (Docket # EPA-HQ-OAR-2009-0517, 75 FR 31514) which modified 40 CFR Parts 51, 52, 70, and 71 to specify which facilities are subject to GHG permitting requirements and when such facilities become subject to regulation for GHG under the PSD and Title V programs.

Under the Tailoring Rule, any PSD action (either a new major stationary source or a major modification at a major stationary source) taken for a pollutant or pollutants other than GHG that was not final prior to January 2, 2011, would be subject to PSD permitting requirements for GHG if the GHG increases associated with that action were at or above 75,000 tpy of carbon dioxide equivalent (CO₂e). Similarly, if such action were taken, any resulting requirements would be subject to inclusion in the Title V Operating Permit. Starting on July 1, 2011, PSD permitting requirements would be triggered for modifications that were determined to be major under PSD based on GHG emissions alone, even if no other pollutant triggered a major modification. In addition, sources that exceed the 100,000 tpy CO₂e threshold under Title V would be required to obtain a Title V Operating Permit if they were not already subject.

Based on information provided and calculations performed by the Department, NWE’s potential emissions associated with this permit action are less than 75,000 tpy of CO₂e. Therefore, NWE is not currently subject to GHG permitting requirements at this time. NWE may be subject to GHG permitting in the future.