Montana
Board of Environmental Review
P. O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • Website: www.deq.state.mt.us

AGENDA

FRIDAY, JANUARY 25, 2013
METCALF BUILDING, ROOM 111
1520 EAST SIXTH AVENUE, HELENA, MONTANA
****

NOTE: *Individual agenda items are not assigned specific times. For public notice purposes, the meeting will begin no earlier than the time specified; however, the Board might not address the specific agenda items in the order they are scheduled. The Board will make reasonable accommodations for persons with disabilities who wish to participate in this meeting. Please contact the Board Secretary by telephone at (406) 444-6701 or by e-mail at jwittenberg@mt.gov no later than 24 hours prior to the meeting to advise her of the nature of the accommodation you need.*

9:00 A.M.

I. ADMINISTRATIVE ITEMS

A. REVIEW AND APPROVE MINUTES

1. December 7, 2012, Board meeting minutes.

II. BRIEFING ITEMS

A. CONTESTED CASE UPDATE

1. Enforcement cases assigned to the Hearing Examiner

   a. **In the matter of violations of the Montana Septage Disposal and Licensure Laws by James Vaughn, d/b/a Any Time Septic & Porta-Potty, Lake County, BER 2011-06 SDL.** On November 26, 2012, the hearing examiner, having determined that the pending motion for summary judgment be resolved in the department's favor, issued *Order Vacating Hearing and Prehearing Conference Dates* and will schedule new dates concerning penalties following issuance of the recommended order concerning summary judgment.

   b. **In the matter of violations of the Public Water Supply laws by the city of Ronan Public Water Supply System, PWSID #MT0000318, Ronan, Lake County, BER 2012-04 PWS.** A hearing is scheduled for January 31, 2013. A *Motion to Stay Hearing* was filed on January 7, 2013.

   c. **In the matter of violations of the Montana Solid Waste Management Act by Valley County Refuse District #1 at the Valley County Landfill, Glasgow, BER 2012-06 SW.** On November 1, 2012, the Board received *DEQ Motion for Summary Judgment and Brief in Support of Motion*, and on December 17, 2012, it received *Valley County Refuse District #1's Brief in Opposition to DEQ's Motion for Summary Judgment*. A contested case hearing is set for January 23, 2013. On December 28, 2012, the Board received *DEQ Reply Brief for Motion [for] Summary Judgment*.

   d. **In the matter of violations of the Public Water Supply Laws by Trailer Terrace Mobile Park, LLC, Dennis Deschamps and Dennis Rasmussen at the Trailer Terrace, PWSID No. MT0000025, Great Falls, Cascade County, BER 2012-11 PWS.** On December 11, 2012, the hearing examiner issued *Order Granting Extension* giving the parties through March 8, 2013, to settle the matter or file a proposed schedule.

e. **In the matter of violations of the Montana Solid Waste Management Act by Asphalt Plus, LLC, a corporation, and Michael C. and Melinda M. Oedekoven, as individuals, at 425 Johnson lane, Billings, Yellowstone County, BER 2012-13 SW.** On December 5, 2012, attorney for DEQ filed *Unopposed Motion for Extension of Time*, and on December 11, the hearing examiner issued *Order Granting Extension of Time* giving the parties through February 22, 2013, to settle the matter or file a proposed scheduling order.

2. Other Cases Assigned to a Hearing Examiner

a. **In the matter of the request for hearing by Hawthorne Springs Property Owners Association; H Lazy Heart, LLC; Patchy, Inc.; and other residents regarding Opencut Mining Permit No. 2258, issued to Farwest Rock Products, Missoula County, BER 2012-09 OC.** A contested case hearing is scheduled for April 16, 2013.

3. Contested Cases not assigned to a Hearing Examiner

a. **In the matter of the request for hearing by William E. Smith, on behalf of Mike Adkins, regarding Park County's denial to validate Adkins Class III Waste Tire Monofill License No. 517, BER 2012-05 SW.** At its July 27, 2012, meeting, the Board voted to hear all matters in this case. On September 11, 2012, the Board granted a motion to stay proceedings until disposition of the Petition for Judicial Review filed in the Sixth Judicial District.

b. **In the matter of the notice of appeal and request for hearing by Western Energy Company (WECO) regarding its MPDES Permit No. MT0023965 issued for WECO's Rosebud Mine in Colstrip, BER 2012-12 WQ.** On November 28, 2012, the Board received *Western Energy Company and DEQ's Proposed Scheduling Order*, and on December 10, the hearing examiner issued *First Prehearing Order* setting a hearing for July 19, 2013. On December 19, the Board received *Motion to Intervene* from counsel for Montana Environmental Information Center and Sierra Club. On December 24, attorney for the Appellant filed *Agreed Motion for Extension to File Response Briefs* and *Reply Briefs Regarding Intervention and Agreed Motion to Vacate First Scheduling Order*. On January 2, 2013, the hearing examiner issued *Order Granting Extension to File Briefs on Motion to Intervene and Order Vacating First Scheduling Order*.

III. ACTION ITEMS

A. REPEAL, AMENDMENT, OR ADOPTION OF FINAL RULES

1. In the matter of final adoption of the proposed amendments to Title 17, Chapter 38, Sub-Chapter 1, Public Water and Sewer Plans, Cross Connections, and Drilling Water Wells, by adding a new rule to address the repair of significant deficiencies and add a new line item and fee to the plan review fee tables, as noticed in MAR, 17-340A.

B. NEW CONTESTED CASES

1. **In the matter of the request for hearing by Montana Environmental Information Center and Sierra Club regarding DEQ's issuance of Montana Air Quality Permit No. OP0513-08 for the Colstrip Steam Electric Station, Colstrip, BER 2013-01 AQ.** The Board received the request on January 3, 2013. The Board may appoint a permanent hearings examiner or decide to hear the matter.

2. **In the matter of the request for hearing by Montana Environmental Information Center and Sierra Club regarding DEQ's issuance of Montana Air Quality Permit No. OP2953-07 for the JE Corette Steam Electric Station, Billings, BER 2013-02 AQ.** The Board received the request on January 3, 2013. The Board may appoint a permanent hearings examiner or decide to hear the matter.

C. OTHER ACTION ON CONTESTED CASES

1. **In the matter of violations of the Opencut Mining Act by Brad Blakeman at the Camas Prairie Gravel Pit, Sanders County, BER 2012-01 OC.** A contested case proceeding took place before the full Board on September 28, 2012, and the Board found in favor of the department. At its December 7 meeting, the Board voted to have the parties confer and develop a reclamation plan for Mr. Blakeman to implement and the department to approve and monitor. The plan is to be brought before the Board for a final decision regarding penalty.

2. **In the matter of violations of the Montana Septage Disposal and Licensure Laws by James Vaughn, d/b/a Any Time Septic & Porta-Potty, Lake County, BER 2011-06 SDL.** On November 26, 2012, the hearing examiner, having determined that the pending motion for summary judgment be resolved in the department's favor, issued *Order Vacating Hearing and Prehearing Conference Dates*, and *Recommended Order for Partial Summary Judgment* in January 2013. An order accepting the recommended order for partial summary judgment will be presented for signature. A new hearing date will be scheduled to take up the issue of penalties.

3. **In the matter of the request for hearing by Earth Justice, Montana Environmental Information Center, Sierra Club, and National Wildlife Federation regarding the Administrative Order on Consent issued to PPL Montana, LLC, BER 2012-10 MFS.** On September 18, 2012, the Board received *Election of PPL Montana, LLC for Proceeding to Occur in District Court Pursuant to Mont. Code Ann. §75-20-223(1).*

IV. GENERAL PUBLIC COMMENT

Under this item, members of the public may comment on any public matter within the jurisdiction of the Board that is not otherwise on the agenda of the meeting. Individual contested case proceedings are not public matters on which the public may comment.

V. ADJOURNMENT

Montana
Board of Environmental Review
P. O. Box 200901 • Helena, MT 59620-0901 • (406) 444-2544 • Website: www.deq.state.mt.us

MEETING MINUTES
DECEMBER 7, 2012

Call to Order

The Board of Environmental Review's regularly scheduled meeting was called to order by Chairman Russell at 9:00 a.m., on Friday, December 7, 2012, in Room 111 of the Metcalf Building, 1520 East Sixth Avenue, Helena, Montana.

Attendance

Board Members Present: Chairman Joseph Russell, Marvin Miller, Larry Anderson, Larry Mires, and Robin Shropshire

Board Members Present via Telephone: Joe Whalen

Board Members Absent: Heidi Kaiser

Board Attorney Present: Katherine Orr, Agency Legal Services Bureau

Board Secretary Present: Joyce Wittenberg

Court Reporter Present: Laurie Crutcher, Crutcher Court Reporting

Department Personnel Present: John North, James Madden, David Dennis, Kirsten Bowers, Norman Mullen, and Carol Schmidt – Legal; Steve Kilbreath – Director's Office; Judy Hanson – Permitting & Compliance Division; Jon Dilliard, Barbara Kingery, and Eugene Pizzini – Public Water Supply & Subdivisions Bureau; David Klemp, Debra Wolfe, Charles Homer, Bob Habeck, Whitney Jurenic, and Julie Merkel – Air Resources Management Bureau; Ed Coleman – Industrial & Energy Minerals Bureau; Paul Skubinna and Tom Reid – Water Protection Bureau; John Arrigo and Dan Kenney – Enforcement Division; George Mathieus – Planning, Prevention & Assistance Division; Eric Urban, Eric Regensburger and Mark Bostrom – Water Quality Planning Bureau; Todd Teegarden – Technical & Financial Assistance Bureau

Interested Persons Present: Anne Hedges – Montana Environmental Information Center

I.A.1 Review and approve September 27, 2012, Board meeting minutes.

Chairman Russell called for a motion to approve the minutes as written. Mr. Mires so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

Roll call was taken to confirm attendance.

I.B Set 2013 Meeting Schedule

The Board set the 2013 meeting schedule as proposed: January 25, March 22, May 17, July 19, October 4, and December 6. Board members were advised to contact the Board Secretary if any issues with the schedule should arise.

II.A.1.a In the matter of violations of the Montana Septage Disposal and Licensure Laws by James Vaughn, d/b/a Any Time Septic & Porta Potty, BER 2011-06 SDL.

Ms. Orr said that a prehearing conference took place in November and the parties provided oral argument on the pending motion for summary judgment; that she had notified the parties that she was granting partial summary judgment; and that the matter would be before the Board in January. She noted that the issue of penalties is a fact determination and will have to go to hearing.

II.A.1.b In the matter of violations of the Public Water Supply Laws by the city of Ronan Public Water Supply System, BER 2012-04 PWS. *(No discussion took place regarding this matter.)*

II.A.1.c In the matter of violation of the Montana Solid Waste Management Act by Valley County Refuse District #1 at the Valley County Landfill, BER 2012-06 SW. *(No discussion took place regarding this matter.)*

II.A.2.a In the matter of the request for hearing by Hawthorne Springs Property Owners Association; H Lazy Heart, LLC; Patchy, Inc.; and other residents regarding Opencut Mining Permit No. 2258, issued to Farwest Rock Products, BER 2012-09 OC. *(No discussion took place regarding this matter.)*

II.A.3.a In the matter of the request for hearing by William E. Smith, on behalf of Mike Adkins, regarding Park County's denial to validate Adkins Class III Waste Tire Monofill License No. 517, BER 2012-05 SW.

Ms. Orr reminded the Board that this matter has been suspended pending the decision by the Sixth Judicial District on the petition for judicial review.

II.A.3.b In the matter of the request for hearing by Earth Justice, Montana Environmental Information Center, Sierra Club, and National Wildlife Federation regarding the Administrative Order on Consent issued to PPL Montana, LLC, BER 2012-10 MFS.

Ms. Orr said there had been a document filed to remove this to District Court as a matter of an automatic right, but that no motion had been filed to do so. She indicated that she will be welcoming the parties to do so, and that a dismissal may be coming in January.

II.B.1 DEQ Air Quality Permit Fees Briefing

Mr. Habeck said the department does not intend to request the Board initiate rulemaking to change the air quality fees, so the current fees will remain in place.

III.A.1 In the matter of DEQ's request to initiate rulemaking to amend ARM 17.30, subchapter 13 and to adopt New Rule I pertaining to the Montana Pollutant Discharge Elimination System (MPDES) permit program to maintain compliance with federal regulations governing concentrated animal feeding operations (CAFOs).

Mr. Reid said the primary reason for the proposed changes is to update and maintain consistency with federal regulations and to adopt state standards as required by federal regulations. He described major parts of the rulemaking and said the department worked with agency and industry stakeholders, that copies were provided to EPA and comments were received, and that the rule adopts by reference material from NRCS and MSU Extension Services.

Mr. Reid responded to questions from the Board.

Chairman Russell asked if any member of the public was present and would like to comment on the rulemaking. There was no response.

Chairman Russell called for a motion to initiate the rulemaking. Ms. Miller so MOVED. Ms. Shropshire SECONDED the motion. The motion CARRIED with a unanimous vote.

III.A.2 In the matter of DEQ's request to initiate rulemaking to revise Circular DEQ-4, Montana Standards for Subsurface Wastewater Treatment Systems.

Ms. Kingery described the changes and provided background information regarding DEQ-4. She said it was updated substantially in 2004 and another chapter was added in 2009. She identified the many groups that the department worked with in developing the version before the Board at present.

Ms. Shropshire confirmed she had spent some time with Ms. Kingery going over some of her own comments and that she was pleased with the document.

Chairman Russell commented regarding some formatting inconsistencies.

Chairman Russell asked if any member of the public was present and would like to comment on the rulemaking. There was no response.

Chairman Russell called for a motion to initiate the rulemaking and appoint Ms. Orr as the presiding officer. Ms. Shropshire so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

III.B.1 In the matter of DEQ's request for final adoption of amended rule ARM 17.8.102 Air Quality rules incorporation by reference.

Ms. Wolfe said a hearing was held on September 7, no comments were received, and that the department recommends adoption of the proposed amendments.

Chairman Russell asked if any member of the public would like to comment on the rulemaking. There was no response.

Chairman Russell called for a motion to adopt the rule as proposed, the Presiding Officer's Report, and the 521 and 311 Analysis. Mr. Anderson so MOVED. Mr. Mires SECONDED the motion. The motion CARRIED with a unanimous vote.

III.B.2 In the matter of DEQ's request for final adoption of New Rule, which incorporates by reference department Circular DEQ-13.

Mr. Teegarden said a public meeting was held on November 13 regarding the Nutrient Trading Policy, and that some minor changes were implemented based on comments received. He reminded the Board that the trading policy is strictly voluntary. He said the department requests the Board adopt the rule incorporating the policy.

Mr. Teegarden responded to questions from the Board.

Chairman Russell asked if anyone in the audience wanted to comment regarding the rulemaking. No one responded.

Chairman Russell called for a motion to adopt the rule, the 521 and 311 Analysis, the department's responses to comment, and the Presiding Officer's Report. Mr. Whalen so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

III.B.3 In the matter of DEQ's request for final adoption of amendments to ARM 17.30, subchapter 13, regarding permit exclusions and application requirements for discharge permits issued under the Montana Pollutant Discharge Elimination System (MPDES) program.

Mr. Reid said the Board voted to initiate the rulemaking on July 27, a hearing was held September 5, the public comment period closed September 12, and no comments were received. He said the department requests the Board adopt the amendments as proposed.

Chairman Russell asked if anyone in the audience would like to comment on the rulemaking. There was no response.

Chairman Russell called for a motion to adopt the rule as proposed, the Presiding Officer's Report, and the 521 and 311 Analysis. Mr. Miller so MOVED. Mr. Anderson SECONDED the motion. The motion CARRIED with a unanimous vote.

III.B.4 In the matter of final action regarding amended rule 17.30.617 to designate a portion of the mainstem Gallatin River as an Outstanding Resource Water.

Mr. North provided background information for the rulemaking and said it had been a continuing matter before the Board since 2001. He said a pilot test proved snow making to be a viable alternative for protecting the river and implementing it could take two to three years. Mr. North said the department recommends the Board take no action, effectively ending the rulemaking, and that all the stakeholders had expressed approval for this course of action. He noted that the Board could reinstitute rulemaking for adoption of the ORW status at a future date.

Mr. North, Mr. Teegarden, and Mr. Regensburger responded to questions from the Board.

Chairman Russell asked if anyone wanted to make a motion to keep the rulemaking alive. No one responded and no action was taken on this matter.

III.C.1 In the matter of violations of the Montana Strip and Underground Mine Reclamation Act by Signal Peak Energy, LLC at the Bull Mountain Mine #1, BER 2012-08 SM.

Ms. Orr provided background information for this matter and said a Rule 41(a) dismissal has been requested.

Chairman Russell called for a motion to authorize him to sign the order dismissing this matter. Mr. Mires so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

III.C.2 In the matter of violations of the Montana Underground Storage Tank Act by Jeanny Hlavka, individually and d/b/a J.R. Enterprise, LLC, at the Fort Peck Station, BER 2010-08 UST.

Ms. Orr said the Board had granted a motion for summary judgment in this matter in 2011, but that it was appealed to District Court, which remanded it back to the Board for further proceedings. She said the issues have been addressed and she recommends the Board sign the order granting summary judgment.

Chairman Russell called for a motion to authorize him to sign the order granting the second motion for summary judgment. Mr. Anderson so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

III.D.1 In the matter of violations of the Public Water Supply Laws by Trailer Terrace Mobile Park, LLC, Dennis Deschamps, and Dennis Rasmussen at the Trailer Terrace, BER 2012-11 PWS.

Ms. Orr provided information regarding the matter.

Chairman Russell called for a motion to appoint Ms. Orr as the permanent hearings examiner for this matter. Ms. Shropshire so MOVED. Mr. Mires SECONDED the motion. The motion CARRIED with a unanimous vote.

III.D.2 In the matter of the notice of appeal and request for heating by Western Energy Company (WECO) regarding its MPDES Permit No. MT0023965 issued for WECO's Rosebud Mine in Colstrip, BER 2012-12 WQ.

Ms. Orr provided detailed information regarding the matter.

Chairman Russell called for a motion to appoint Ms. Orr as the permanent hearings examiner for this matter. Mr. Miller so MOVED. Mr. Mires SECONDED the motion. Mr. Whalen and Mr. Anderson expressed interest in the Board hearing the matter. The motion FAILED 4-2.

III.D.3 In the matter of violations of the Montana Solid Waste Management Act by Asphalt Plus, LLC, a corporation, and Michael C. and Melinda M. Oedekoven, as individuals, at 425 Johnson Lane, Billings, BER 2012-13 SW.

Ms. Orr briefed the Board on the matter.

Chairman Russell called for a motion to appoint Ms. Orr as the permanent hearings examiner for this matter. Mr. Mires so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

III.E.1 In the matter of violations of the Opencut Mining Act by Brad Blakeman at the Camas Prairie Gravel Pit, BER 2012-01 OC.

Ms. Orr reminded that the Board had held a contested case proceeding in September and had decided there was liability on the part of the appellant. She said the Board had tasked her with determining if the Board could alter the requested penalty amount, and that she had determined the Board could.

After further discussion, Mr. Anderson MOVED to have the parties confer among themselves to develop a reclamation plan for Mr. Blakeman to implement, that the department would approve and monitor, then bring the plan to the Board for a final decision on the penalty. Mr. Miller SECONDED the motion. The motion CARRIED 5-1.

IV. General Public Comment

Chairman Russell asked if anyone in the audience would like to address the Board on any matters that pertain to the Board. There was no response.

Chairman Russell requested a briefing from Mr. Kilbreath at the next Board meeting regarding the impacts in eastern Montana relating to the development in the Bakken.

V. Adjournment

Chairman Russell called for a motion to adjourn. Mr. Mires so MOVED. Mr. Miller SECONDED the motion. The motion CARRIED with a unanimous vote.

The meeting adjourned at 11:28 a.m.

Board of Environmental Review December 7, 2012, minutes approved:

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JOSEPH W. RUSSELL, M.P.H.
CHAIRMAN
BOARD OF ENVIRONMENTAL REVIEW

_____

DATE

BOARD OF ENVIRONMENTAL REVIEW
AGENDA ITEM
EXECUTIVE SUMMARY FOR RULE ADOPTION

AGENDA # III.A.1.

AGENDA ITEM SUMMARY - The department requests approval of amendments to the public water supply rules to:

1. Amend existing public water supply engineering fee rules to adopt an new line item and associated fee for water and wastewater sliplining of existing piping; and
2. Adopt a New Rule to require the repair of significant deficiencies.

LIST OF AFFECTED RULES - ARM 17.38.106 and New Rule I

AFFECTED PARTIES SUMMARY - Owners or operators of public water or wastewater systems replacing existing piping with a sliplining process and those systems that may have a significant deficiency, as determined by the department.

SCOPE OF PROPOSED PROCEEDING - The Board is considering final action on adoption of amendments to the above-referenced rules as proposed in the Montana Administrative Register.

BACKGROUND – The Legislature requires the department to collect fees commensurate with the cost of reviewing plans and specifications. MCA, 75-6-108(3), states, "The board shall by rule prescribe fees to be assessed by the department on persons who submit plans and specifications for construction, alteration, or extension of a public water supply system or public sewage system. The fees must be commensurate with the cost to the department for reviewing the plans and specifications." Past legislative audits identified that the department was not recovering its costs for conducting engineering review. Based on those findings the BER adopted increased engineering fees. During testimony the department stated that if a fee rate was found to be excessive it would return to the BER with a request to correct that issue. The proposed engineering review change acts upon that pledge.

The remaining proposed changes are intended to implement new authority authorized in the 2009 Legislature. The Legislature authorized the BER to adopt rules requiring the identification and repair of significant deficiencies that have the potential to contaminate drinking water.

HEARING INFORMATION - Katherine Orr conducted a public hearing on November 28, 2012, on the proposed amendments. The Presiding Officer's Report and the draft Notice of Amendment are attached to this executive summary. No comments were received.

BOARD OPTIONS - The Board may:

1. Adopt the proposed amendments as set forth in the attached Notice of Public Hearing on Proposed Amendment;
2. Adopt the proposed amendments with revisions that the Board finds are appropriate

and that are consistent with the scope of the Notice of Public Hearing on Proposed Amendment and the record in this proceeding; or

3. Decide not to adopt the amendments.

DEQ RECOMMENDATION - The department recommends adoption of the proposed amendments as set forth in the attached Notice of Public Hearing on Proposed Amendment.

ENCLOSURES -

1. Notice of Public Hearing on Proposed Amendment
2. Presiding Officer's Report
3. HB521 and 311 Analysis
4. Draft Notice of Amendment

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

In the matter of the amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency	))))))	AMENDED NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT AND ADOPTION (PUBLIC WATER AND SEWAGE SYSTEM REQUIREMENTS)

TO: All Concerned Persons

1. On October 11, 2012, the Board of Environmental Review published MAR Notice No. 17-340 regarding a notice of public hearing on the proposed amendment and adoption of the above-stated rules at page 1906, 2012 Montana Administrative Register, issue number 19. The board is publishing this amended notice to set a new public hearing date to allow for notice to interested persons as required by 2-4-302(2)(a), MCA. On November 28, 2012, at 1:30 p.m., the Board of Environmental Review will hold a public hearing in Room 35, Metcalf Building, 1520 East Sixth Avenue, Helena, Montana, to consider the proposed amendment and adoption of the above-stated rules. The rules remain as proposed in the original notice of public hearing.

2. The board will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact Elois Johnson, Paralegal, no later than 5:00 p.m., November 19, 2012, to advise us of the nature of the accommodation that you need. Please contact Elois Johnson at Department of Environmental Quality, P.O. Box 200901, Helena, Montana 59620-0901; phone (406) 444-2630; fax (406) 444-4386; or e-mail ejohnson@mt.gov.

3. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to Elois Johnson, Paralegal, Department of Environmental Quality, 1520 E. Sixth Avenue, P.O. Box 200901, Helena, Montana 59620-0901; faxed to (406) 444-4386; or e-mailed to ejohnson@mt.gov, no later than 5:00 p.m., December 6, 2012. To be guaranteed consideration, mailed comments must be postmarked on or before that date.

4. Katherine Orr, attorney for the board, or another attorney for the Agency Legal Services Bureau, has been designated to preside over and conduct the hearing.

5. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the

person wishes to receive notices regarding: air quality; hazardous waste/waste oil; asbestos control; water/wastewater treatment plant operator certification; solid waste; junk vehicles; infectious waste; public water supply; public sewage systems regulation; hard rock (metal) mine reclamation; major facility siting; opencut mine reclamation; strip mine reclamation; subdivisions; renewable energy grants/loans; wastewater treatment or safe drinking water revolving grants and loans; water quality; CECRA; underground/above ground storage tanks; MEPA; or general procedural rules other than MEPA. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Elois Johnson, Paralegal, Department of Environmental Quality, 1520 E. Sixth Ave., P.O. Box 200901, Helena, Montana 59620-0901, faxed to the office at (406) 444-4386, e-mailed to Elois Johnson at ejohnson@mt.gov, or may be made by completing a request form at any rules hearing held by the board.

6. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

Reviewed by: BOARD OF ENVIRONMENTAL REVIEW

/s/ James M. Madden BY: */s/ Joseph W. Russell*

JAMES M. MADDEN
Rule Reviewer

JOSEPH W. RUSSELL, M.P.H.,
Chairman

Certified to the Secretary of State, October 29, 2012.

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

In the matter of the amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency	))))))	NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT AND ADOPTION (PUBLIC WATER AND SEWAGE SYSTEM REQUIREMENTS)

TO: All Concerned Persons

1. On November 13, 2012, at 2:30 p.m., or upon the conclusion of the public hearing for MAR Notice No. 17-339, the Board of Environmental Review will hold a public hearing in Room 111, Metcalf Building, 1520 East Sixth Avenue, Helena, Montana, to consider the proposed amendment and adoption of the above-stated rules.

2. The board will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact Elois Johnson, Paralegal, no later than 5:00 p.m., October 29, 2012, to advise us of the nature of the accommodation that you need. Please contact Elois Johnson at Department of Environmental Quality, P.O. Box 200901, Helena, Montana 59620-0901; phone (406) 444-2630; fax (406) 444-4386; or e-mail ejohnson@mt.gov.

3. The rule proposed to be amended provides as follows, stricken matter interlined, new matter underlined:

17.38.106 FEES (1) remains the same.

(2) Department review will not be initiated until fees calculated under (2)(a) through (e) and (5) have been received by the department. If applicable, the final approval will not be issued until the calculated fees under (3) and (4) have been paid in full. The total fee for the review of a set of plans and specifications is the sum of the fees for the applicable parts or subparts listed in these citations.

(a) The fee schedule for designs requiring review for compliance with Department Circular DEQ-1 is set forth in Schedule I, as follows:

SCHEDULE I

Policies	
ultra violet disinfection	$ 700
point-of-use/point-of-entry treatment	$ 700
Section 1.0 Engineering Report	$ 280
Section 3.1 Surface water	
quality and quantity	$ 700
structures	$ 700
Section 3.2 Ground water	$ 840

Section 4.1 Clarification	
standard clarification	$ 700
solid contact units	$ 1,400
Section 4.2 Filtration	
rapid rate	$ 1,750
pressure filtration	$ 1,400
diatomaceous earth	$ 1,400
slow sand	$ 1,400
direct filtration	$ 1,400
biologically active filtration	$ 1,400
membrane filtration	$ 1,400
micro and ultra filtration	$ 1,400
bag and cartridge filtration	$ 420
Section 4.3 Disinfection	$ 700
Section 4.4 Softening	$ 700
Section 4.5 Aeration	
natural draft	$ 280
forced draft	$ 280
spray/pressure	$ 280
packed tower	$ 700
Section 4.6 Iron and manganese	$ 700
Section 4.7 Fluoridation	$ 700
Section 4.8 Stabilization	$ 420
Section 4.9 Taste and odor control	$ 560
Section 4.10 Microscreening	$ 280
Section 4.11 Ion exchange	$ 700
Section 4.12 Adsorptive media	$ 700
Chapter 5 Chemical application	$ 980
Chapter 6 Pumping facilities	$ 980
Section 7.1 Plant storage	$ 980
Section 7.2 Hydropneumatic tanks	$ 420
Section 7.3 Distribution storage	$ 980
Section 7.4 Cisterns	$ 420
Chapter 8 Distribution system	
per lot fee	$ 70
non-standard specifications	$ 420
transmission distribution (per lineal foot)	$ 0.25
rural distribution system (per lineal foot)	$ 0.03
<u>sliplining existing mains (per lineal foot)</u>	<u>$ 0.15</u>
Chapter 9 Waste disposal	$ 700
Appendix A	
new systems	$ 280
modifications	$ 140

(b) The fee schedule for designs requiring review for compliance with Department Circular DEQ-2 is set forth in Schedule II, as follows:

SCHEDULE II

Chapter 10 Engineering reports and facility plans	
engineering reports (minor)	$ 280
comprehensive facility plan (major)	$ 1,400
Chapter 30 Design of sewers	
per lot fee	$ 70
non-standard specifications	$ 420
collection system (per lineal foot)	$ 0.25
sliplining existing mains (per lineal foot)	$ 0.15
Chapter 40 Sewage pumping station	
force mains (per lineal foot)	$ 0.25
1000 gpm or less	$ 700
greater than 1000 gpm	$ 1,400
Chapter 60 Screening grit removal	
screening devices and comminutors	$ 420
grit removal	$ 420
flow equalization	$ 700
Chapter 70 Settling	$ 1,120
Chapter 80 Sludge handling	$ 2,240
Chapter 90 Biological treatment	$ 3,360
nonaerated treatment ponds	$ 1,120
aerated treatment ponds	$ 1,960
Chapter 100 Disinfection	$ 900
Appendices A, B, C, & D (per design)	$ 980

(c) through (7) remain the same.

AUTH: 75-6-108, MCA
IMP: 75-6-108, MCA

REASON: The proposed amendments to ARM 17.38.106 would create a new line item and a corresponding fee rate. The proposed new line item and fee are necessary to collect fees commensurate with the costs associated with conducting certain engineering reviews required under 75-6-108, MCA. Specifically, sliplining existing mains are currently included in the transmission distribution or collection system categories. The proposed amendment adds a new fee category for sliplining. Systems that would submit plans under this new definition and fee schedule would see a significant reduction in their review fees, from 25 cents/lineal foot to fifteen cents/lineal foot. The new rate will reduce fees for those reviews by approximately 40 percent. The new lower fee rate is necessary in order for the review fee to reflect actual review costs to the department, as required under 75-6-108(3), MCA. The department does not have sufficient information to estimate the number of fee payers nor the lineal feet of distribution or wastewater collection systems that may be affected by the reduced fee.

4. The proposed new rule provides as follows:

NEW RULE I SIGNIFICANT DEFICIENCY (1) For the purposes of this rule,

"significant deficiency" means any defect in design, operation, or maintenance of a public water supply system or public sewage system, or a failure or malfunction of the system, that the department determines causes, or has the potential to cause, the introduction of contamination into a drinking water supply or a source of ice. The term also includes fecal contamination in water used by a public water supply system.

(2) If the department determines that a significant deficiency exists with a public water supply system or a public sewage system, the department shall provide written notice to the system owner. The system owner shall correct the deficiency in accordance with a plan and timeframe approved by the department.

(3) If the department has reason to believe that a significant deficiency may exist with a public water supply system or a public sewage system, the department may request the system owner to provide additional information to assist the department in making a final determination. The system owner shall provide the department with the requested information. If the system owner fails to supply the requested information, the department may make a determination based on available information about the potential risk of contamination from the system to drinking water or a source of ice, and the department may require the system owner to take measures that the department determines are appropriate to prevent contamination.

AUTH: 75-6-103, 75-6-112, MCA
IMP: 75-6-103, 75-6-112, MCA

REASON: Proposed New Rule I is the second board rulemaking to implement statutory changes enacted during the 2009 Legislature. Sec. 1, Ch. 85, L. 2009 (SB 102). SB 102 directed the board to adopt rules requiring public water supply systems and public sewage systems to remedy certain deficiencies. The deficiencies listed in SB 102 include defects in design, operation, or maintenance of the system, and system failures or malfunctions, that could contaminate a drinking water supply or a source of ice. SB 102 also listed the presence of fecal contamination in the water used by a public water supply system. The board first implemented SB 102 in 2009 by incorporating by reference the federal drinking water rule for ground water sources. The board had earlier incorporated by reference federal drinking water rules for surface water sources. The federal ground water and surface water rules contain corrective action requirements for public water supply systems.

Proposed New Rule I is necessary to clarify the conditions that constitute a deficiency that requires corrective action. Based on SB 102, New Rule I defines "significant deficiency" as a defect in the design, operation, or maintenance of a public water supply or public sewage system, or a failure or malfunction of the system that causes, or has the potential to cause, the introduction of contamination into a drinking water supply or a source of ice. The rule clarifies that these significant deficiencies may arise based on the potential to contaminate any drinking water supply or source of ice, whether public or private. Based on SB 102, the definition of "significant deficiency" also includes fecal contamination in water used by a public water supply system.

New Rule I clarifies that the requirement to correct significant deficiencies applies to both public water supply systems and public sewage systems. The rule requires the owner of the public system to correct identified significant deficiencies in accordance with a timeframe and plan approved by the department. New Rule I allows the department to obtain additional information from the system owner related to the potential for the system to cause contamination. If the system owner fails to provide the requested information, the rule allows the department to require the system owner to take measures to prevent contamination. New Rule I is necessary to implement SB 102 and to provide guidance to public water supply systems and public sewage systems about how the department will implement SB 102.

5. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to Elois Johnson, Paralegal, Department of Environmental Quality, 1520 E. Sixth Avenue, P.O. Box 200901, Helena, Montana 59620-0901; faxed to (406) 444-4386; or e-mailed to ejohnson@mt.gov, no later than 5:00 p.m., November 16, 2012. To be guaranteed consideration, mailed comments must be postmarked on or before that date.

6. Katherine Orr, attorney for the board, or another attorney for the Agency Legal Services Bureau, has been designated to preside over and conduct the hearing.

7. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding: air quality; hazardous waste/waste oil; asbestos control; water/wastewater treatment plant operator certification; solid waste; junk vehicles; infectious waste; public water supply; public sewage systems regulation; hard rock (metal) mine reclamation; major facility siting; opencut mine reclamation; strip mine reclamation; subdivisions; renewable energy grants/loans; wastewater treatment or safe drinking water revolving grants and loans; water quality; CECRA; underground/above ground storage tanks; MEPA; or general procedural rules other than MEPA. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Elois Johnson, Paralegal, Department of Environmental Quality, 1520 E. Sixth Ave., P.O. Box 200901, Helena, Montana 59620-0901, faxed to the office at (406) 444-4386, e-mailed to Elois Johnson at ejohnson@mt.gov, or may be made by completing a request form at any rules hearing held by the board.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

Reviewed by: BOARD OF ENVIRONMENTAL REVIEW

/s/ James M. Madden BY: */s/ Joseph W. Russell*
JAMES M. MADDEN JOSEPH W. RUSSELL, M.P.H.,
Rule Reviewer Chairman

Certified to the Secretary of State, October 1, 2012.

BEFORE THE BOARD OF ENVIRONMENTAL
REVIEW OF THE STATE OF MONTANA

In the Matter of the
Amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency

Presiding Officer
Report

1. On November 28, 2012, the undersigned presided over and conducted the public hearing held in Room 35 of the Metcalf Building, 1520 East Sixth Avenue, Helena, Montana, to take public comment on the above-captioned proposed amendments to ARM 17. 38.106 and the adoption of New Rule I. The amendments pertain to a new engineering plan review line item ("sliplining" a new method for replacing water mains)and fee and addition of New Rule 1 defining significant deficiencies. The proposed new line item and associated fee is necessary to conform engineering review fees to statutory requirements that the Department of Environmental Quality (Department) collect fees commensurate with its costs of conducting those reviews. New Rule I clarifies existing regulatory requirements related to significant deficiencies in the public water supply or public sewage systems that may introduce contamination into a drinking water supply.

2. A Notice of Public Hearing on Proposed Amendment and Adoption was contained in MAR Notice No. 17-340 and was published on October 11, 2012 issue number 19 at pages 1906 and 2012. On October 8, 2012, an Amended Notice of Public Hearing on Proposed Amendment and Adoption was published in MAR Notice No. 17-340, issue number 21, at pages 2237 and 2012. Copies of these notices are attached.

2. The hearing began at 1:30 p.m. The hearing was recorded by Mr. Eugene Pizzini.

3. There were no members of the public at the hearing. At the hearing, the Presiding Officer identified and summarized the MAR notice and read the

Notice of Function of Administrative Rule Review Committee as required by Mont. Code Ann. § 2-4-302(7)(a).

SUMMARY OF HEARING

4. Mr. Eugene Pizzini, Rules Expert for the Public Water Supply Section of the Department submitted a written statement that explains the components of the amendments and proposed new rule and recommends that the amendments and New Rule I be adopted as proposed in the MAR notice.

SUMMARY OF WRITTEN MATERIALS

5. No comments were provided at the hearing.

6. The Department also submitted a memorandum from Department staff attorney, Ms. Carol Schmidt, with HB 521 and HB 311 reviews of the proposed amendments and a Private Property Assessment Act Checklist. Ms. Schmidt's memorandum is attached to this report.

7. No HB 521 findings are necessary for these amendments and New Rule I because there are no comparable federal rules establishing plan review fees.

9. With respect to HB 311 (the Private Property Assessment Act, Mont. Code Ann. §§ 2-10-101 through 105), the Board of Environmental Review (Board) is required to assess the taking or damaging implications of a proposed rule affecting the use of private real property. This rulemaking affects the use of private real property. A Private Property Assessment Act Checklist was prepared, which shows that the proposed amendments and New Rule I does not have taking or damaging implications. Therefore, no further assessment is required.

10. The period to submit comments ended at 5 p.m. on December 6, 2012.

PRESIDING OFFICER COMMENTS

10. The Board has jurisdiction to adopt and amend the proposed

amendments and New Rule I under Mont. Code Ann. §§ 75-6-108, 75-6-103 and 75-6-112.

11. House Bill 521 (1995) generally provides that the Board may not adopt a rule that is more stringent than comparable federal regulations or guidelines, unless the Board makes written findings after public hearing and comment. The proposed amendments and New Rule I are not more stringent than a comparable federal regulation or guideline. Therefore written findings are not necessary.

12. House Bill 311 (1995), the Private Property Assessment Act, codified as Mont. Code Ann. § 2-10-101 through -105, provides that a state agency must complete a review and impact assessment prior to taking an action with taking or damaging implications. The proposed amendments affect real property. A Private Property Assessment Act Checklist was prepared in this matter. The proposed amendments do not have taking or damaging implications. Therefore, no further HB 311 assessment is necessary.

13. The procedures required by the Montana Administrative Procedure Act, including public notice, hearing, and comment, have been followed.

14. The Board may adopt the proposed rule amendments and New Rule I, or reject them, or adopt the amendments and new rule with revisions not exceeding the scope of the public notice.

15. Under Mont. Code Ann. § 2-4-305(7), for the rulemaking process to be valid, the Board must publish a notice of adoption within six months of the date the Board published the amended notice of proposed rulemaking in the Montana Administrative Register, or by May 8, 2013.

Dated this _____ day of January, 2013.

KATHERINE J. ORR
Presiding Officer

MEMORANDUM

To: Board of Environmental Review

From: Carol E. Schmidt
DEQ Attorney

Re: HB 521 Analysis and Takings Checklist

MAR Notice No. 17-340

In the matter of the amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency.

Date: December 6, 2012

HB 521 Analysis

The Board's authority to adopt the proposed rules is found in the public water supply statutes at § 75-6-108, MCA. Pursuant to § 75-6-116, MCA ("HB 521"), the Board may not adopt a rule to implement Title 75, Chapter 6, that is more stringent than comparable federal regulations or guidelines that address the same circumstances, unless the Board makes certain written findings establishing the need for the rule.

The amendments to ARM 17.38.106 revise the fees charged by the Department for review of plans for public water supply and public wastewater treatment systems. No HB 521 findings are necessary for these amendments because there are no comparable federal rules establishing plan review fees. Special findings are also not needed because the amendments implement § 75-6-108(3), MCA, which requires the Board to adopt fees that are commensurate with the Department's costs of review. The specific rulemaking directive in § 75-6-108(3), MCA, which does not require a federal stringency analysis, supplants the general requirement for stringency analysis in § 75-6-116, MCA.

Proposed New Rule I is the second board rulemaking to implement statutory changes enacted during the 2009 Legislature. Sec. 1, Ch. 85, L. 2009 (SB 102). SB 102 directed the board to adopt rules requiring public water supply systems and public sewage systems to remedy certain deficiencies. Proposed New Rule I provides a definition for significant deficiency and clarifies the conditions that constitute a deficiency that requires a corrective action and also

clarifies that the requirement to correct significant deficiencies applies to both public water supply systems and public sewage systems. No HB 521 findings are necessary for this new rule because there is not a comparable federal definition of significant deficiency.

Private Property Assessment Act

Section 2-10-101, MCA, requires that, prior to adopting a proposed rule that has taking or damaging implications for private real property, an agency must prepare a taking or damaging impact statement. "Action with taking or damaging implications" means:

> [A] proposed state agency administrative rule, policy, or permit condition or denial pertaining to land or water management or to some other environmental matter that if adopted and enforced would constitute a deprivation of private property in violation of the United States or Montana Constitution.

Section 2-10-103, MCA.

Section 2-10-104, MCA, requires the Montana Attorney General to develop guidelines, including a checklist, to assist agencies in determining whether an agency action has taking or damaging implications. A completed Attorney General checklist for the proposed rules is attached. Based on the guidelines provided by the Attorney General, the proposed rule amendments do not constitute an "action with taking or damaging implications" in violation of the United States or Montana Constitutions.

Attachment: Attorney General HB 311 Checklist

Board of Environmental Review
MAR Notice No. 17-340

In the matter of the amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency.

PRIVATE PROPERTY ASSESSMENT ACT CHECKLIST

DOES THE PROPOSED AGENCY ACTION HAVE TAKINGS OR DAMAGINGS IMPLICATIONS UNDER THE PRIVATE PROPERTY ASSESSMENT ACT?

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?
	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)

If taking or damaging implications exist, the agency must comply with §5 of the Private Property Assessment Act, to include the preparation of a taking or damaging impact assessment. Normally, preparation of an impact assessment will require consultation with agency legal staff.

Signature of Reviewer

December 6, 2012
Date

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

In the matter of the amendment of ARM 17.38.106 pertaining to fees and the adoption of New Rule I pertaining to significant deficiency	))))	NOTICE OF AMENDMENT AND ADOPTION (WATER QUALITY)

TO: All Concerned Persons

1. On October 11, 2012, the Board of Environmental Review published MAR Notice No. 17-340 regarding a notice of public hearing on the proposed amendment and adoption of the above-stated rules at page 1906, 2012 Montana Administrative Register, issue number 19. On November 8, 2012, the Board of Environmental Review published MAR Notice No. 17-340 regarding an amended notice of public hearing on the proposed amendment and adoption of the above-stated rules at page 2237, 2012 Montana Administrative Register, issue number 21.

2. The board has amended ARM 17.38.106 and adopted New Rule I (17.38.104) exactly as proposed.

3. No public comments or testimony were received.

Reviewed by: BOARD OF ENVIRONMENTAL REVIEW

_____ By: _____

JOHN F. NORTH
Rule Reviewer

JOSEPH W. RUSSELL, M.P.H.
Chairman

Certified to the Secretary of State, _____, 2013.

Montana Department of
ENVIRONMENTAL QUALITY

MEMO

TO: Katherine Orr, Hearing Examiner
Board of Environmental Review

FROM: Joyce Wittenberg, Board Secretary
Board of Environmental Review
P.O. Box 200901
Helena, MT 59620-0901

DATE: January 7, 2013

SUBJECT: Board of Environmental Review Case No. BER 2013-01 AQ

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW

OF THE STATE OF MONTANA

IN THE MATTER OF: THE REQUEST FOR HEARING BY MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB REGARDING DEQ'S ISSUANCE OF MONTANA AIR QUALITY OPERATING PERMIT NO. OP0513-08 FOR THE COLSTRIP STEAM ELECTRIC STATION IN COLSTRIP, MT.	Case No. BER 2013-01 AQ

The BER has received the attached request for hearing. Also attached is DEQ's administrative document(s) relating to this request.

Please serve copies of pleadings and correspondence on me and on the following DEQ representatives in this case.

Norman Mullen
Legal Counsel
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

David Klemp, Bureau Chief
Air Resources Management Bureau
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Attachments
c: Jenny K. Harbine and Laura D. Beaton, Earthjustice, for Appellants

Jenny K. Harbine
Laura D. Beaton
Earthjustice
313 East Main Street
Bozeman, MT 59715
(406) 586-9699
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jharbine@earthjustice.org
lbeaton@earthjustice.org

Counsel for Appellants Montana Environmental Information Center and Sierra Club

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: MONTANA AIR QUALITY OPERATING PERMIT NUMBER OP0513-08 FOR THE COLSTRIP STEAM ELECTRIC STATION, COLSTRIP, MONTANA	Case No. BER 2013-01 AQ **REQUEST FOR HEARING**

Pursuant to Mont. Code Ann. § 75-2-218(5), Montana Environmental Information Center and Sierra Club ("Appellants") hereby request a hearing before the Board of Environmental Review. Appellants and their respective members are adversely affected by the Department of Environmental Quality's ("DEQ") December 4, 2012, decision to issue an Air Quality Operating Permit for the Colstrip Steam Electric Station in Colstrip, Montana. As provided by section Mont. Code Ann. § 75-2-218(5), together with this request for hearing, Appellants are filing an affidavit setting forth the grounds for this request.

Respectfully requested this 3rd day of January, 2013,

Jenny K. Harbine
On behalf of Appellants

CERTIFICATE OF SERVICE

I hereby certify that I caused complete and accurate copies of the foregoing Request for Hearing and Affidavit to be served on the following persons this 3rd day of January, 2013, by first class United States mail, postage prepaid, and electronic mail:

Richard Opper, Director
Montana Department of Environmental Quality
1520 East Sixth Avenue
P. O. Box 200901
Helena, Montana 59620-0901

Norm Mullen, Attorney
Montana Department of Environmental Quality
1520 East Sixth Avenue
P. O. Box 200901
Helena, Montana 59620-0901

Jenny K. Harbine

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jharbine@earthjustice.org
lbeaton@earthjustice.org

Counsel for Appellants Montana Environmental Information Center and Sierra Club

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: MONTANA AIR QUALITY OPERATING PERMIT NUMBER OP0513-08 FOR THE COLSTRIP STEAM ELECTRIC STATION, COLSTRIP, MONTANA	Case No. BER 2013-01 AQ **AFFIDAVIT OF MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB**

Pursuant to Mont. Code Ann. § 75-2-218(5), Appellants Montana Environmental Information Center and Sierra Club ("Appellants") hereby submit an affidavit setting forth the grounds for their request for hearing, which is timely filed with this affidavit.

On behalf of Appellants, Anne Hedges declares as follows:

1. Appellants seek review of the Department of Environmental Quality's ("DEQ") Air Quality Operating Permit (OP0513-08) for the Colstrip coal-fired power plant ("Colstrip" or "Colstrip plant"), dated December 4, 2012. See Air Quality Operating Permit OP0513-08 (Dec. 4, 2012) ("Permit"), available at http://deq.mt.gov/AirQuality/ARMpermits/OP0513-08_DEC.pdf, excerpts attached as Exhibit 1. The Permit is subject to review by the Board of Environmental Review pursuant to Mont. Code Ann. § 75-2-218(5).

INTRODUCTION

2. The Colstrip coal-fired power plant, 120 miles east of Billings in southeastern Montana, is among the largest coal plants in the United States, with four generating units representing a combined capacity of approximately 2,100 megawatts. Air pollution from Colstrip dwarfs the emissions of every other stationary source of pollution in Montana. Each year, Colstrip burns more than ten million tons of coal, which releases many pollutants into the air, including particulate matter, sulfur dioxide, nitrogen oxides, mercury, and other hazardous air pollutants. Air pollutants, including sulfur dioxide and fine particulate matter from coal-fired power plants such as Colstrip, can have impacts on public health, air visibility, and acid rain.

3. DEQ recently renewed Colstrip's operating permit, as required by Title V of the federal Clean Air Act, 42 U.S.C. §§ 7661-7661f, and the Clean Air Act of Montana, Mont. Code Ann. § 75-2-217. Title V operating permits must specify all of the requirements to which a source is subject, including not just emission limits, but also monitoring and record-keeping requirements sufficient to determine whether a source is complying with those limits. See Mont. Admin. R. 17.8.1211-.1213. The purpose of the permit is to enable regulators, source operators, and the public to easily identify and understand all applicable requirements and to ensure that such requirements are enforceable.

4. DEQ's permit for Colstrip fails at this basic task. Although coal plant emission limits that the U.S. Environmental Protection Agency ("EPA") adopted through hazardous air pollutant standards and the Montana regional haze plan are "applicable requirements" that must be included in operating permits under Title V of the Clean Air Act and the Clean Air Act of Montana, DEQ omitted any mention of them in the Colstrip Permit. When confronted with this failure, DEQ's only response was to state that it will reopen the Permit in the future to incorporate these clear requirements. However, DEQ's promise to comply with the law in the

future does not remedy its failure to comply with the law at the time it issued the permit, and thus the Permit does not allow the public or the source operator to know and understand applicable requirements.

5. DEQ also failed to include monitoring provisions sufficient to demonstrate compliance with emission limits. Specifically, the Permit requires monitoring of particulate matter only once per year and thus fails to require monitoring frequent enough to assure compliance with the emission limits that are based on hourly emissions. Also, the Permit requires monitoring of only a portion of Colstrip's particulate matter emissions—the filterable portion—despite some of the Permit's terms placing limits on total particulate emissions.

6. DEQ's failure to include essential emission limits and monitoring requirements in the Colstrip operating permit may preclude effective state or citizen enforcement of these limits, potentially allowing greater pollution of the air that Montanans breathe.

7. This appeal seeks to require DEQ to comply with its obligations under the state's operating permit program and the federal Clean Air Act to include all "applicable requirements" in the Colstrip Title V operating permit.

THE AIR QUALITY OPERATING PERMIT PROGRAM

8. Congress created the federal Clean Air Act to address growing public health and welfare concerns raised by the rapid increase of air pollution brought by widespread urbanization and industrial development in the latter half of the twentieth century. See 42 U.S.C. § 7401(a). A key component of the Clean Air Act is the Title V operating permit program, which requires that major stationary sources of air pollution—such as coal-fired power plants—obtain permits that clearly identify all requirements to which the source is subject, including applicable emission limits, monitoring and record-keeping requirements, and other operating limits. See id. § 7661c; Mont. Code Ann. § 75-2-217. Thus, the Title V operating permit program enables "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." U.S. EPA, Final Rule: Operating Permit Program, 57 Fed. Reg. 32,250, 32,251 (July 21, 1992). Operating permits are generally issued by the state permitting authority—in Montana, DEQ—but EPA has the right to reject any permit that does not comply with the federal Clean Air Act. See 42 U.S.C. § 7661d(b).

9. An operating permit must include all of a pollution source's "applicable requirements." 42 U.S.C. § 7661c(a). "Applicable requirements" include all provisions of applicable state or federal implementation plans, any Prevention of Significant Deterioration or New Source Review requirements, and any standard or requirement under Clean Air Act sections 111, 112, 114(a)(3), or 504. Mont. Admin. R. 17.8.1201(10); 40 C.F.R. § 70.2. Applicable requirements include "requirements that have been promulgated or approved [by DEQ or EPA] through rulemaking at the time of issuance of the [Title V] permit, but have future-effective compliance dates." Mont. Admin. R. 17.8.1201(10); see also 40 C.F.R. § 70.2. Thus, the operating permit lists all federally enforceable emissions limits applicable to the polluting source.

10. In addition to emission limits, operating permits also must specify monitoring, recordkeeping, and reporting requirements that are "sufficient to assure compliance with the terms and conditions of the permit." 40 C.F.R. § 70.6(c)(1); Mont. Admin. R. 17.8.1212.

11. Operating permits serve an essential role by enabling the source and the public to understand the requirements to which the source is subject and enabling regulators and the public to enforce those requirements. As EPA explained in the preamble to its Title V regulations, "regulations are often written to cover broad source categories" leaving it "unclear which, and

how, general regulations apply to a source." U.S. EPA, Operating Permit Program, 57 Fed. Reg. at 32,251. Operating permits bridge this gap by "clarify[ing] and mak[ing] more readily enforceable a source's pollution control requirements," including making clear how general regulatory provisions apply to specific sources. Clean Air Act Amendments of 1989, S. Rep. 101-228, reprinted in 1990 U.S.C.C.A.N. 3385, 3730 (Dec. 20, 1989). In short, operating permits are supposed to link general regulatory provisions to a specific source to provide a way "to establish whether a source is in compliance." U.S. EPA, Operating Permit Program, 57 Fed. Reg. at 32,251

THE COLSTRIP OPERATING PERMIT

12. DEQ issued an operating permit for the Colstrip facility on December 4, 2012—more than two-and-a-half years after Colstrip's prior operating permit (OP0513-06) expired on April 12, 2010. After receiving PPL Montana's application for renewal of its Colstrip operating permit on March 25, 2010, DEQ began work on revising and renewing the permit. DEQ published the first draft permit for the Colstrip plant on May 17, 2011. DEQ allowed thirty days for public comment, and Appellants submitted timely comments on June 15, 2011. DEQ issued a second draft permit and announced a new public comment period on August 10, 2012. Appellants submitted timely comments on this second draft of the permit on September 24, 2012.

13. Despite DEQ's lengthy delay in renewing the Colstrip operating permit, and detailed comments from Appellants informing DEQ of deficiencies in the draft permit, DEQ's final Colstrip Permit failed to comply with basic requirements of the federal and state operating permit programs. The Permit omits recently adopted emission limits that are "applicable requirements" under the federal Clean Air Act and the Clean Air Act of Montana and fails to require adequate monitoring of particulate matter.

14. The omitted requirements include critical environmental safeguards. First, the permit excludes hazardous air pollutant limits recently adopted by EPA at levels that it deemed necessary to protect human health. As described below in Claim One, the National Emission Standards for Hazardous Air Pollutants require installation of "Maximum Achievable Control Technology" to control emissions of hazardous air pollutants such as mercury, acid gases (or sulfur dioxide ("SO_2") as a surrogate), and metallic hazardous air pollutants (or particulate matter ("PM") as a surrogate) by April 16, 2015.

15. Likewise, DEQ failed to include nitrogen oxide ("NO_x"), SO_2, and PM emission limits that EPA recently finalized in its regional haze plan for Montana, described below in Claim Two. EPA established these new limits to comply with its Clean Air Act obligation to adopt measures to remedy impairment of visibility in national parks and wilderness areas, see 42 U.S.C. § 7491(a), and specifically to require the nation's oldest and dirtiest large sources of air pollution to install state-of-the-art technology to eliminate or reduce their contribution to visibility impairment, see id. § 7491(b)(2)(A).

16. In addition to DEQ's failure to include significant new emission limits, DEQ failed to require sufficient monitoring to demonstrate compliance with existing permit limits on PM emissions, as described below in Claim Three. First, the Permit requires only annual "stack tests"—which measure PM emissions for only three hours out of an entire year—to monitor PM emissions. This infrequent monitoring is insufficient for assuring compliance with continuous PM limits applicable to Colstrip. Second, DEQ failed to require monitoring for total PM—both filterable and condensable portions—to demonstrate compliance with Colstrip's permit limit on total PM. Such compliance is essential to protecting public health, as PM pollution can cause respiratory problems, particularly for those with asthma; heart problems; and premature death.

See U.S. EPA, Particulate Matter (PM): Health, http://www.epa.gov/pm/health.html (last visited Jan. 2, 2013).

17. DEQ provided a copy of the draft permit to the EPA on October 17, 2012. During the forty-five days afforded to EPA to review the Permit, see 42 U.S.C. § 7661d(b)(2), EPA took no action on the Permit, and on December 4, 2012, DEQ issued the Permit that is the subject of this appeal.

HARM TO APPELLANTS

18. Appellant Montana Environmental Information Center ("MEIC") is a member-supported advocacy and public education organization based in Helena, Montana, that works to protect and restore Montana's natural environment. MEIC is a Montana nonprofit corporation, founded in 1973 by Montanans concerned with protecting and restoring Montana's natural environment. MEIC has worked extensively on addressing the impacts of air pollution in Montana. As a government agency watchdog, MEIC routinely reviews agency actions to assure that agencies and regulated entities comply with federal laws and regulations. MEIC and its membership are intensively involved in monitoring state and federal actions regarding the regulation of emissions from coal-fired power plants. MEIC also has a long history of advocating for state enforcement of air pollution-control laws at Colstrip, including by commenting on the draft operating permit for the plant. In short, MEIC has a deep institutional commitment to protecting and restoring air quality in and around Colstrip.

19. Appellant Sierra Club is a nationwide conservation organization with more than 1.3 million members and supporters, approximately 2,000 of whom belong to the Montana Chapter. Sierra Club has advocated for regulation and prevention of air pollution from coal-fired power plants at both the federal level and in Montana. Sierra Club also advocates for regulation of air pollution associated with the Colstrip plant, including by attending public hearings,

submitting public comments, and engaging in efforts to educate Montana residents about the health and ecological dangers of air pollution from coal-fired power plants.

20. Appellants submitted comments on the draft operating permit on June 15, 2011, and September 24, 2012. Appellants' members live, work, hunt, and recreate in and around Colstrip. Air pollution originating from the Colstrip coal-fired power plant threatens the health, livelihood, and enjoyment of Appellants' members in the Colstrip vicinity and in other areas of Montana impacted by emissions from the Colstrip plant.

FIRST CLAIM
(Failure to Assure Compliance with Hazardous Air Pollutant Standards)

21. The Colstrip operating permit fails to assure compliance with all applicable requirements because it does not include emission limits and related requirements established by recently promulgated hazardous air pollutant emission standards contained at 40 C.F.R. Part 63, Subpart UUUUU. See 40 C.F.R. § 70.1(b) ("All sources subject to these regulations shall have a permit to operate that assures compliance by the source with all applicable requirements."); Mont. Admin. R. 17.8.1211-.1213 (enumerating requirements for air quality operating permit).

22. The National Emission Standards for Hazardous Air Pollutants ("NESHAPs") for coal-fired power plants were promulgated and became effective on April 16, 2012. See NESHAPs from Coal- and Oil-Fired Electric Utility Steam Generating Units, 77 Fed. Reg. 9,304, 9,304 (Feb. 16, 2012).

23. Pursuant to these standards, the four Colstrip units must comply with limits on emissions of hazardous air pollutants such as mercury, acid gases (or SO_2 as a surrogate), and non-mercury metallic hazardous air pollutants (or PM as a surrogate) by April 16, 2015. 40 C.F.R. §§ 63.9984, 63.9991.

24. This compliance deadline falls within the five-year period covered by Colstrip's new operating permit. As such, the mercury and air toxics standards qualify as "applicable requirement[s]" under Mont. Admin. R. 17.8.1201(10), and the Permit thus must have specifically required that each of the Colstrip generating units come into compliance with the standards by April 16, 2015.

25. Several of the new standards may significantly affect Colstrip. For example, updated particulate matter controls will be necessary at all four Colstrip units to meet EPA's PM limit for non-mercury metal hazardous air pollutants. Specifically, EPA has adopted a PM limit of 0.03 lb/MMBtu as a surrogate for non-mercury metal hazardous air pollutants. Units 1 and 2 already emit filterable PM at rates close to twice that of the EPA's 0.03 lb/MMBtu total PM limit (at 0.047 and 0.058 lb/MMBtu respectively[1]) and their existing PM limit (0.10 lb/MMBtu) is more than three times the new federal limit. Likewise, the existing PM limit for Units 3 and 4 (0.05 lb/MMBtu) is greater than the new federal limit. Consequently, Colstrip will be required to reduce its PM emissions to meet the more stringent total PM limit of 0.03 lb/MMBtu under the new hazardous air pollutant standards.

26. Further, the new hazardous air pollutant standards establish an acid gas limit for HCl of 0.002 lb/MMBtu, or, alternatively, a facility can elect to comply with a surrogate limit on SO_2 of 0.20 lb/MMBtu. DEQ must identify the acid gas or surrogate limit applicable to Colstrip and assure compliance with the new limit by or before the standards' effective date of April 15, 2015.

27. DEQ erroneously claims that it has "up to 18 months following promulgation to have the permit reopened and revised." Mont. DEQ, Operating Permit Technical Review

[1] See June 2008 Addendum to PPL Montana's Colstrip BART Report at 2-4 (Table 2-2), available at ftp://ftp.epa.gov/r8/regionalhaze/ColstripAddendum.pdf.

Document for Colstrip Steam Electric Station, at 58 (Dec. 4, 2012) ("TRD"), available at http://deq.mt.gov/AirQuality/ARMpermits/TRD0513-08_DEC.pdf, excerpts attached as Exhibit 2. The hazardous air pollutant standards were promulgated months before the Permit issued. Because the federal standards are "requirements that have been promulgated or approved by [DEQ or EPA] through rulemaking at the time of issuance of the air quality operating permit," DEQ was required to include in Colstrip's Permit the hazardous air pollutant emission limits and associated monitoring, recordkeeping, and reporting requirements. Mont. Admin. R. 17.8.1201(10). The provision allowing reopening and revision of an existing permit when a new requirement is promulgated is inapplicable here because the applicable requirements—the hazardous air pollutant standards—had already been promulgated before the Permit issued. See Mont. Admin. R. 17.8.1228(1)(a); see also 40 C.F.R. § 70.7(f)(1)(i); U.S. EPA, Questions and Answers on the Requirements of Operating Permits Program Regulations, at 7-3 (July 7, 1993) ("Operating Permits Q & A"), available at http://www.epa.gov/region07/air/title5/t5memos/bbrd_qa1.pdf, excerpts attached as Exhibit 3 (When an applicable requirement "is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance.") (emphasis added).

28. The Colstrip Permit fails to include provisions needed to make enforceable the requirement that the Colstrip plant comply with the hazardous air pollutant standards, and thus the Permit unlawfully fails to "assure compliance" with all applicable requirements. See 42 U.S.C. § 7661c(a), (c); 40 C.F.R. § 70.6(c)(1).

29. DEQ's failure to include applicable hazardous air pollutant limits and associated monitoring, reporting, and recordkeeping requirements in the Colstrip Permit is arbitrary,

capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

SECOND CLAIM
(Failure to Assure Compliance with
Montana's Regional Haze Federal Implementation Plan)

30. Colstrip's operating permit also fails to assure compliance with all applicable requirements because it does not include emission limits and related requirements established by Montana's regional haze federal implementation plan. See 40 C.F.R. § 70.1(b); Mont. Admin. R. 17.8.1211-.13 (enumerating requirements for air quality operating permit).

31. EPA signed a final rule promulgating Montana's regional haze plan on August 15, 2012, and published it in the Federal Register on September 18, 2012. See Approval and Promulgation of Implementation Plans, 77 Fed. Reg. 57,864 (Sept. 18, 2012). EPA's final rule was promulgated prior to DEQ's issuance of the Colstrip operating permit.

32. EPA adopted the regional haze plan to satisfy the federal Clean Air Act's requirement that EPA address and prevent visibility impairment at federal Class I air visibility areas. 42 U.S.C. § 7410(c). Thus, the plan's conditions are applicable requirements pursuant to Mont. Admin. R. 17.8.1201(10)(b) and 40 C.F.R. § 70.2.

33. The Montana regional haze plan established new emission limits for Colstrip Units 1 and 2, specifically: 0.10 lbs/MMBtu of PM; 0.08 lbs/MMBtu of SO_2; and 0.15 lbs/MMBtu of NO_x. 40 C.F.R. § 52.1396(c).

34. The regional haze plan requires compliance with PM limits by November 17, 2012. Id. § 52.1396(d).

35. The regional haze plan requires compliance with SO_2 and NO_x limits within 180 days of October 18, 2012, unless installation of additional emission controls is necessary to

comply with the plan's emission limitations, in which case compliance is required within five years of October 18, 2012. Id.

36. Although some of these regional haze requirements have future-effective compliance dates, the regional haze PM limit is already in effect, and the SO_2 and NO_x deadlines are fast approaching. Further, all regional haze requirements will apply to Colstrip within the five-year duration of Colstrip's operating permit and therefore must be incorporated into the Permit, along with all monitoring, recordkeeping, and reporting requirements outlined in the regional haze plan. See Mont. Admin. R. 17.8.1201(10); see also 40 C.F.R. § 70.2.

37. DEQ did not include the applicable requirements of the regional haze plan in Colstrip's Permit.

38. In its Technical Review Document supporting the Colstrip Title V permit, DEQ recognizes that the regional haze plan establishes requirements that are applicable to Colstrip Units 1 and 2. TRD at 57. DEQ provided two justifications for nonetheless failing to incorporate those requirements into the final Permit; however, neither justification supports DEQ's omission.

39. First, DEQ claimed that it was unnecessary to include the PM, SO_2, and NO_x limits established by the regional haze plan because DEQ "has up to 18 months following promulgation to have the permit reopened and revised." Id. at 57. However, DEQ misinterpreted the applicability of the rule that allows eighteen months to reopen and revise a permit. DEQ's rules state that "[a]dditional applicable requirements under the [federal Clean Air Act] become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement." Mont. Admin. R. 17.8.1228(1)(a); see also 40

C.F.R. § 70.7(f)(1)(i). This provision applies only to permits that have already been issued at the time a new applicable requirement arose. Indeed, EPA has clarified that if an applicable requirement "is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance." Operating Permits Q & A at 7-3.

40. Second, DEQ erroneously opined that it was unnecessary to include the regional haze plan's PM limits in the Permit because a 0.10 lb/MMBtu PM limit for Units 1 and 2 is already established in the Permit. TRD at 57. DEQ may not choose to leave any applicable requirements out of the operating permit, even if other standards mentioned in the permit are identical to the one left out. DEQ is required to include in the permit "a specific description with appropriate references of the origin of, and authority for, each term or condition contained in the permit." Mont. Admin. R. 17.8.1211(1)(b) (emphasis added); see also 40 C.F.R. § 70.6(a)(1)(i). Colstrip's Permit references only Mont. Admin. R. 17.8.340 and 40 C.F.R. Part 60, Subpart D—both New Source Performance Standards—as the sources of the 0.10 lb/MMBtu limit for PM. See Permit at 7 (condition B.2). The Permit does not reference the applicable regional haze requirement that likewise limits PM emissions to 0.10 lb/MMBtu. However, EPA determined that this limit on particulate pollution is necessary to address visibility impairment in national parks and wilderness areas. Including regional haze PM limits in the Colstrip operating permit is an important safeguard to fulfill the Clean Air Act's regional haze goals in the event that the existing limit is changed or otherwise rendered unenforceable.

41. DEQ's failure to include the regional haze plan's applicable requirements in the Colstrip Permit is arbitrary, capricious, and violates DEQ's obligations under the federal Clean

Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

THIRD CLAIM
(Failure to Require Sufficient Monitoring of Particulate Matter Emissions)

42. The Colstrip Permit fails to require monitoring sufficient to assure compliance with PM emission limits because (1) annual testing will not assure compliance with the Permit's continuous and hourly limits for PM, and (2) the specified testing methods measure only filterable PM while the Permit places limits on total PM.

43. The Permit incorporates the Colstrip plant's PM emissions limits of 0.10 lb/MMBtu (three-hour average) for Units 1 and 2, and 0.05 lb/MMBtu (three-hour average) and 379 lb/hr for Units 3 and 4. See Permit at 7 (condition B.2), 12 (conditions C.2, C.3). Additionally, the Permit establishes a limit for gaseous PM emissions of 0.10 lb/MMBtu from Units 3 and 4. See id. at 12 (condition C.4).

44. The Permit requires PM-emissions monitoring for all four Units of the power plant by Method 5 or 5b—a single, annual stack test for filterable PM. See id. at 8 (condition B.12), 16 (condition C.26).

45. Montana's regulations specifically require "periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the air quality operating permit .... Such monitoring requirements shall assure use of terms, test methods, units, averaging periods, and other statistical conventions consistent with the applicable requirement." Mont. Admin. R. 17.8.1212(1)(b) (emphasis added). The frequency of monitoring must bear some relationship to the time period for the emissions limits established in the permit. See Sierra Club v. U.S. Envtl. Prot. Agency, 536 F.3d 673, 675 (D.C. Cir. 2008).

46. A three-hour stack test conducted only once per year is insufficient to demonstrate compliance with PM limits expressed in pounds per hour (lb/hr) or a continuous limit based on three-hour averages. Because an annual stack test does not bear a relationship to hourly or continuous emission limits, it is insufficient to assure compliance with the permit terms.

47. Further, although the Permit limits emissions of total PM—including both filterable and condensable portions—the Permit fails to require monitoring for condensable or gaseous PM. Condensable PM can be a significant portion of a facility's emissions of fine particles—those responsible for asthma (especially in children), other respiratory illnesses, heart attacks, and premature death, even with only short-term exposure.

48. There is no question that the permit limits total PM, not the filterable subset of total PM. Conditions B.2, C.2, and C.3 of the Permit require that Colstrip not "discharge[] into the atmosphere PM in excess of" certain limits. Permit at 7, 12. Montana's regulations define "PM" as total PM, including condensable and gaseous PM. See Mont. Admin. R. 17.8.101(31) (defining PM as "all applicable definitions of particulate matter that specify an aerodynamic size class"); id. 17.8.101(34) (defining "PM-10 emissions" to include both filterable and condensable emissions with an aerodynamic diameter less than or equal to a nominal ten micrometers).

49. DEQ itself acknowledges that the Permit refers to "total particulate" but that only "filterable PM" is subject to monitoring under the Permit. TRD at 61. The Permit thus allows condensable PM, the primary component of the fine particulate that is most harmful to human health, to escape Colstrip's stacks without any measurement or reporting. Therefore, the Permit fails to include monitoring requirements that are sufficient to assure compliance with the terms of the Permit.

50. Additionally, Permit condition C.4 expressly limits "gaseous emissions discharged into the atmosphere from burning coal" to less than 0.10 lb/MMBtu of PM. Permit at 12. These gaseous precursors of PM are condensable PM and are not measured by monitoring methods that test only for filterable PM. Because the Permit requires monitoring for only filterable PM, which does not measure the condensable PM limited by condition C.4, the Permit fails to include monitoring necessary to assure compliance with the Permit's terms.

51. DEQ's failure to require monitoring sufficient to assure compliance with Colstrip's PM limits is arbitrary, capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

REQUEST FOR RELIEF

Based on the foregoing legal violations, Appellants request that the Board of Environmental Review:

1. Declare that DEQ violated the state and federal Clean Air Acts by failing to include all applicable requirements in the Colstrip Steam Electric Station's Title V operating permit and by failing to include monitoring requirements sufficient to assure compliance with the applicable requirements;

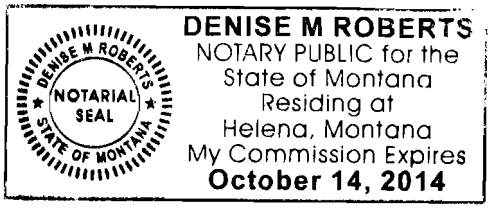
2. Set aside the Colstrip Title V operating permit and remand it to DEQ to include all applicable requirements; and

3. Order such other relief as the Board deems just and proper.

Respectfully submitted on this 3rd day of January, 2013,

Anne Hedges
On behalf of Appellants Montana Environmental Information Center and Sierra Club

Subscribed and sworn before me this 3rd day of January, 2013,



Notary Public for the State of Montana
Residing at Helena
My commission expires:

Exhibit 1

State of Montana
Department of Environmental Quality
Helena, Montana 59620

AIR QUALITY OPERATING PERMIT NUMBER OP0513-08

Renewal Application Received: March 25, 2010
Application Deemed Administratively Complete: March 25, 2010
Application Deemed Technically Complete: March 25, 2010
AFS Number: 030-087-0008A

Draft Issue Date #OP0513-07: May 17, 2011
Draft Issue Date #OP0513-08: August 10, 2012
Proposed Issue Date: October 17, 2012
End of EPA 45-day Review: December 3, 2012
Date of Decision: December 4, 2012
Effective Date: January 4, 2013
Expiration Date: January 4, 2018

In accordance with the Montana Code Annotated (MCA) Sections 75-2-217 and 218, and the Administrative Rules of Montana (ARM) Title 17, Chapter 8, Subchapter 12, Operating Permit Program,

PPL Montana, LLC – Colstrip Steam Electric Station
Section 34, Township 2 North, Range 41 East, in Rosebud County, Montana
580 Willow Ave., P.O. Box 38
Colstrip, MT 59323

hereinafter referred to as "PPLM", is authorized to operate a stationary source of air contaminants consisting of the emission units described in this permit. Until this permit expires or is modified or revoked, PPLM is allowed to discharge air pollutants in accordance with the conditions of this permit. All conditions in this permit are federally and state enforceable unless otherwise specified. Requirements which are state-only enforceable are identified as such in the permit. A copy of this permit must be kept on site at the above named facility.

Permit Issuance and Appeal Process: In accordance with ARM 17.8.1232, the Department of Environmental Quality (Department) provided at least 30 days for public comment on the draft permit. With the issuance of Draft Operating Permit #OP0513-08, the Department provided a 30-day public comment period from August 10, 2012, to September 10, 2012. Following receipt of a request to extend the originally allotted 30-day comment period, the Department granted the request and approved a 14-day extension. The extension allowed for comments to be received until September 24, 2012. All comments received by the Department regarding this permit have been summarized in the attached technical review document. The Department provided a 45-day review period on the proposed permit to the United States Environmental Protection Agency (EPA). No comments were received from the EPA. In accordance with Section 75-2-218, MCA, the Department's decision regarding issuance of an operating permit is not effective until 30 days have elapsed from the date of the decision. The decision may be appealed to the Board of Environmental Review (Board) by filing a request for a hearing within 30 days after the date of decision. The filing of a request for hearing does not stay the Department's decision, unless the Board orders a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-218(6)(b) MCA. If no stay is ordered, the Department's decision on the application is final 30 days after the decision is made. For more information please contact the Department at (406) 444-3490.

B. EU001 and EU002 – Tangential Coal Fired Units 1 & 2

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
B.1, B.4, B.10, B.11, B.19, B.20, B.23, B.24, B.25, B.27, B.28	Opacity	20%/27%	COMS	Ongoing	Quarterly
			Method 9	As required by the Department and Section III.A.1	Semiannually
B.2, B.12, B.19, B.23, B.24, B.27 B.28	PM	0.1 lb/MMBtu	Method 5 or 5B	Annual	
B.3, B.4, B.5, B.14, B.15, B.16, B.19, B.21, B.23, B.24, B.27, B.28	SO_2	1.2 lb/MMBtu	Method 6 or 6C	Annual	Semiannually
			CEMS	Ongoing	Quarterly
B.3,B.4, B.5, B.7, B.13, B.15, B.16, B.19, B.21, B.27, B.28	NO_x	0.7 lb/MMBtu	Method 7 or 7E	Annual	Semiannually
			CEMS	Ongoing	Quarterly
		0.40 lb/MMBtu (annual average)	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	
B.5, B.6, B.7, B.15, B.16, B.21, B.23, B.26 -B.28	Acid Rain Provisions	40 CFR Parts 72-78 and Appendix H	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	
B.8, B.17, B.22, B.23, B.27, B.28	PM CAM Plan	ARM 17.8.1506	Provisions from CAM Plan, Appendix I	Ongoing	
B.9, B.18, B.23, B.27, B.28	Scrubbers	Maintain & Operate	Log	Daily	

Conditions

B.1. PPLM shall not cause or authorize to be discharged into the atmosphere from Units 1 & 2 any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes except for one 6-minute period per hour of not greater than 27% opacity (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

B.2. PPLM shall not cause to be discharged into the atmosphere PM in excess of 0.10 lb/MMBtu, as averaged over 3 hours (minimum) of reference method testing (ARM 17.8.340, and 40 CFR Part 60, Subpart D).

B.3. Any gaseous emissions discharged into the atmosphere shall not exceed 1.2 lb/MMBtu Sulfur Dioxide (SO_2) and 0.7 lb/MMBtu NO_x (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

B.4. PPLM shall install, operate, calibrate and maintain continuous emission monitoring systems (CEMS) for the following:

a. A CEMS for the measurement of SO_2 shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

b. A CEMS for the measurement of NO_x shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

c. A CEMS for the measurement of Carbon Dioxide (CO_2) shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

d. A CEMS for the measurement of opacity shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45); and

e. Continuous monitoring for stack gas temperature, stack gas moisture (where necessary), megawatt production, and Btu per hour shall be performed on each unit (40 CFR 52.21).

B.5. PPLM shall comply with all requirements in the Acid Rain Appendix H of this permit including the operation and maintenance of the SO_2 and NO_x CEMS (ARM 17.8.1210(3)).

B.6. Emissions shall not be permitted in excess of any allowances that PPLM lawfully holds under Title IV of the FCAA or the regulations promulgated thereunder (ARM 17.8.1210(3)(a)).

a. A permit revision is not required for increases in emissions authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a permit revision under any other applicable requirement (ARM 17.8.1210(3)(b)).

b. PPLM may not use allowances as a defense to noncompliance with any other applicable requirement (ARM 17.8.1210(3)(c)).

c. Any allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the FCAA (ARM 17.8.1210(3)(d)).

B.7. Pursuant to 40 CFR 76.7, PPLM shall not discharge or allow to be discharged, emissions of NO_x to the atmosphere in excess of 0.40 lb/MMBtu on an annual average basis (40 CFR 76.7(a)).

B.8. PPLM shall provide a reasonable assurance of compliance with emission limitations or standards for the anticipated range of operations of the Tangential Coal-Fired Boilers, Units 1 & 2 for PM (ARM 17.8.1504).

B.9. PPLM shall maintain and operate the scrubbers to control emissions on Units 1 & 2 (ARM 17.8.749).

Compliance Demonstration

B.10. PPLM shall perform a Method 9 test on the boilers as required by the Department and Section III.A.1 while the boilers are in operation to monitor compliance with the opacity limitation in Section III.B.1. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual or another method approved by the Department (ARM 17.8.749 and ARM 17.8.106).

B.11. PPLM shall operate and maintain the continuous opacity monitor (COM) to monitor compliance with the opacity limitation in Section III.B.1. The operation and maintenance shall be performed in accordance with the Opacity CEMS Appendix E of this permit (ARM 17.8.749).

B.12. PPLM shall perform a Method 5 or 5B PM test annually during periods the equipment is in operation to monitor compliance with the PM limit in Section III.B.2. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.749 and ARM 17.8.106).

		Visibility			
Condition(s)	**Pollutant/Parameter**	**Permit Limit**	**Compliance Demonstration Method**	**Frequency**	**Reporting Requirements**
C.19, C.20, C.35, C.45, C.46, C.49–C.51	Acid Rain Provisions	40 CFR Parts 72-78 and Appendix H	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	Quarterly
C.21, C.37, C.42, C.45, C.47, C.49 – C.51	SO_2	CEMS	Install, Operate and Maintain	Ongoing	Quarterly
	NO_x				
	CO_2				
	Opacity				
C.22, C.36, C.49 – C.51	Heat Input	6.63×10^7 MMBtu/yr	Coal analysis and tonnage	Monthly	
			log	Monthly	
C.21, C.37, C.45, C.47, C.49 – C.51	Stack Parameters	Measure stack parameters	Monitor stack gas temperature, moisture, Mwatt production and Btu/hr	Ongoing	
C.23, C.38, C.48 – C.51	PM CAM Plan	ARM 17.8.1506	Provisions from CAM Plan, Appendix I	Ongoing	

Conditions

C.1. PPLM shall not cause or authorize to be discharged into the atmosphere from Units 3 & 4 any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes except for one 6-minute period per hour of not greater than 27% opacity (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

C.2. PPLM shall not cause to be discharged into the atmosphere PM in excess of 0.05 lb/MMBtu, as averaged over 3 hours (minimum) of reference method testing (40 CFR 52.21).

C.3. PPLM shall not cause to be discharged into the atmosphere PM in excess of 379 lb/hr (ARM 17.8.749).

C.4. Any gaseous emissions discharged into the atmosphere from burning coal shall not exceed 0.10 lb/MMBtu PM, 1.2 lb/MMBtu SO_2 and 0.7 lb/MMBtu NO_x (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

C.5. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 0.18 lb/MMBtu heat input, averaged over any calendar day, not to be exceeded more than once during any calendar month (40 CFR 52.21).

C.6. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 761 lb/hr, averaged over any rolling 30-day period, calculated each day at midnight, using hourly data calculated each hour on the hour (40 CFR 52.21).

C.7. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 1363 lb/hr, averaged over any calendar day, not to be exceeded more than once during any calendar month (40 CFR 52.21).

C.8. PPLM shall be limited to a maximum of 4140 lb/hr of SO_2 averaged over a 3-hr rolling period from both Units 3 &d 4 stacks combined (ARM 17.8.749).

C.25. PPLM shall operate and maintain the opacity CEM to monitor compliance with the opacity limitation in Section III.C.1. according to the Opacity CEMS Appendix E (ARM 17.8.1213).

C.26. PPLM shall perform a Method 5 or Method 5B PM test, or another method approved by the Department, on the boilers annually to monitor compliance with the PM fuel burning limitation in Section III.C.2 and III.C.3. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual and the heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.106 and 40 CFR Part 75 Appendix F).

C.27. PPLM shall operate and maintain the venturi scrubbers in accordance with manufacturer recommendations to control emissions on Units 3 & 4 in demonstrating compliance with PM limitations (ARM 17.8.1213).

C.28. PPLM shall perform a Method 6 or 6C test annually, to monitor compliance with the SO_2 limit in Section III.C.4. Heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.1213 and 40 CFR Part 75, Appendix F).

C.29. PPLM shall operate and maintain the SO_2 CEMS in accordance with the SO_2 CEMS Appendix F of this permit (ARM 17.8.1213).

C.30. Compliance with the sulfur in coal limit in Section III.C.9 shall be based on a weekly average of individual daily composite coal samples as measured by 40 CFR Part 60, Appendix A Method 19 or another sampling schedule as approved by the Department (ARM 17.8.1213 and BHES Findings of Fact and Conclusions of Law signed on November 21, 1975; this requirement is "State Only").

C.31. PPLM shall perform a Method 7 or 7E test annually, to monitor compliance with the NO_x limit in Section III.C.4. Heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.1213 and 40 CFR Part 75 Appendix F).

C.32. PPLM shall operate and maintain the NO_x CEMS in accordance with the NO_x CEMS Appendix G of this permit (ARM 17.8.1213).

C.33. PPLM shall maintain a log of any exceedance of NO_x when burning fuel other than coal as required by Section III.C.12. The Department will compare the calculated emission limit with the results from the NO_x CEMS (ARM 17.8.1213).

C.34. PPLM shall monitor compliance with Section III.C.18 as required by EPA in the consent decree entered May 14, 2007. As part of these requirements, PPLM will maintain records demonstrating compliance with the NO_x emission control requirements contained in Section III.C.15 & C.16 (ARM 17.8.1213, ARM 17.8.749, and Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07).

C.35. PPLM shall monitor compliance with Section III.C.19 and 20 as required by Appendix H – Acid Rain Appendix (ARM 17.8.1213 and Appendix H).

C.36. Compliance with the heat input limit of Section III.C.22 shall be monitored based on the total tons of coal combusted in each of the boilers multiplied by a representative average Btu content for the coal. PPLM shall document, by month, the total fuel combusted in each boiler. By the 25th day of each month, PPLM shall calculate the tons of coal combusted for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation

Exhibit 2

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT

Permitting and Compliance Division
1520 E. Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901

PPL Montana, LLC
Colstrip Steam Electric Station
Section 34, Township 2 North, Range 41 East, Rosebud County, Montana
580 Willow Ave., P.O. Box 38
Colstrip, MT 59323

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		Method 5, Method 6, Method 7, Method 9
Ambient Monitoring Required		X	
COMS Required	X		#OP0513-08, Appendix E
CEMS Required	X		#OP0513-08 - CO_2, Appendix F - SO_2 and Appendix G - NO_x
Mercury Emissions Monitoring System (MEMS) Required	X		
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		As Applicable
Monthly Reporting Required		X	
Quarterly Reporting Required	X		Opacity, NO_x, SO_2, and mercury
Applicable Air Quality Programs			
ARM Subchapter 7 Montana Air Quality Permits (MAQP)	X		MAQP #0513-08
New Source Performance Standards (NSPS)	X		40 CFR Part 60, Subpart D, Da, and Y
National Emission Standards for Hazardous Air Pollutants (NESHAPS)	X		No, Except for 40 CFR Part 61, Subpart M
Maximum Achievable Control Technology (MACT)	X		40 CFR Part 63, Subparts DDDDD, UUUUU, and ZZZZ
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR	X		
Risk Management Plan Required (RMP)	X		
Acid Rain Title IV	X		#OP0513-08, Appendix H
Compliance Assurance Monitoring (CAM)	X		#OP0513-08, Appendix I
State Implementation Plan (SIP)	X		General SIP applies

additional emission controls is necessary to comply with emission limitations under this rule, in which case compliance is required within five years of [October 16, 2012]." Id. Although these regional haze requirements have future-effective compliance dates, they will apply to Colstrip within the 5-year duration of Colstrip's Title V permit and therefore must be incorporated, along with all monitoring, record-keeping, and reporting requirements outlined in the FIP. See ARM 17.8.1201(10); see also 40 C.F.R. § 70.2.

[Earthjustice (MEIC/Sierra Club) 9/24/2012]

DEPARTMENT RESPONSE:

The Department certainly acknowledges the applicability of the future limitations set forth for PPLM as a result of Montana's Regional Haze FIP.

The limitation listed as Best Available Retrofit Technology (BART) for particulate matter (PM) is 0.10 lb/MMBtu with a compliance timeframe of 30 days after the effective date of the FIP. The final rule is effective October 18, 2012 (77 FR 57864, Sep. 18, 2012). Compliance with the PM limitations must be achieved by November 17, 2012 rather than the November 15, 2012 date as indicated by the commenter. PPLM is currently operating with PM permit limits of 0.10 MMBtu/hr for Units 1 and 2, which is identical to the PM limitation approved in Montana's Regional Haze FIP. No changes to the Title V operating permit appear to be necessary.

As the commenter has reiterated, compliance with the SO_2 and NOx limitations set forth within the FIP must be achieved within 180 days after the effective date of the FIP where installation of additional controls is not necessary to comply with the BART limit; otherwise the compliance deadline is five years after the effective date of the FIP. PPLM will be required to install additional controls to meet an SO_2 limit of 0.08 lbs/MMBtu and a NOx limit of 0.15 lbs/MMBtu, with a compliance deadline of October 18, 2017.

The commenter is reminded that the effective date of the rule is October 18, 2012. As stated in ARM 17.8.1228, "Additional applicable requirements under the FCAA become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement." Although the requirements contained within Montana's Regional Haze FIP are applicable requirements, the Department has up to 18 months following promulgation to have the permit reopened and revised. Therefore, inserting limitations required under Montana's Regional Haze FIP within the Title V operating permit is unnecessary at this time.

The Department has included a statement within Section V of the Technical Review Document (TRD) for the OP0513-08 listing applicability of the Regional Haze FIP requirements as a future consideration.

3. "The Colstrip Title V permit must include specific provisions to assure compliance with Hazardous Air Pollutant Standards."

COMMENT:

The draft operating permit likewise fails to assure compliance with 40 C.F.R. 63, Subpart UUUUU – National Emission Standards for Hazardous Air Pollutants ("NESHAPs") from Coal- and Oil-Fired Electric Generating Units. DEQ acknowledges that the NESHAPs are an applicable requirement, as the technical review document identifies "Maximum Achievable Control Technology (MACT)" pursuant to 40 C.F.R. 63, Subpart UUUUU, as an "applicable air quality program[]." TRD0513-08, p.1. However, DEQ has failed to specifically identify MACT emission limits in the draft permit.

The NESHAPs have already been promulgated, with an effective date of April 16, 2012. 77 Fed. Reg. 9,304 (Feb. 16, 2012). Pursuant to these standards, the Colstrip units must comply with limits on the emissions of hazardous air pollutants such as mercury, acid gases (or SO2 as a surrogate), and metallic hazardous air pollutants (or particulate matter as a surrogate) by April 16, 2015. 40 C.F.R. §§ 63.9984,

63.9991. This compliance deadline falls within the five-year period that would be covered by any final operating permit issued here. As such, the NESHAPs qualify as an "applicable requirement," ARM 17.8.1201(10), and the draft permit must be revised to specifically require that each of the Colstrip generating units come into compliance with the NESHAPs by April 15, 2015.

In addition, the Draft Permit must be revised to include provisions needed to make the requirement to comply with the NESHAPs enforceable. For example, utilities have choices under the NESHAPs as to whether to satisfy limits for specific hazardous air pollutants or for other pollutants that are purportedly surrogates for those hazardous air pollutants. 40 C.F.R. 63, Subpart UUUUU, Tables 2-4. The regulation also sets forth a range of options regarding what steps need to be taken to monitor and demonstrate compliance with the NESHAPs. Id. By identifying in the permit the specific emission limits and standards that the Colstrip units will need to satisfy to comply with the NESHAPs, the Title V permit would "clarify and make more readily enforceable a source's pollution control requirements," including making clear how general regulatory provisions apply to specific sources. S. Rep. 101-228, 1990 USCAAN 3385, 3730 (Dec. 20, 1989). Without such provisions, the permit would unlawfully fail to "assure compliance" with all applicable requirements. 42 U.S.C. § 7661c(a),(c); 40 C.F.R. § 70.6(c)(1).

Updated particulate matter ("PM") controls will be necessary at Colstrip Units 1 through 4 to meet EPA's PM limit for non-mercury metal hazardous air pollutants. Specifically, EPA adopted a PM limit of 0.03 lb/MMBtu as a surrogate for non-mercury metal hazardous air pollutants. Colstrip Units 1 and 2 already emit filterable PM at rates close to twice that of the EPA's proposed 0.03 lb/MMBtu total PM limit (at 0.047 and 0.058 lb/MMBtu, respectively10) and also are currently subject to a PM limit more than three times the MACT limit (0.10 lb/MMBtu). Likewise, Colstrip Units 3 and 4 are currently subject to a PM limit (0.05 lb/MMBtu) greater than the new MACT limit. Consequently, improved PM controls will be necessary to meet a total PM MACT limit of 0.03 lb/MMBtu.

Further, the NESHAPs establish an acid gas limit for HCl of 0.002 lb/MMBtu or, alternatively, utilities can elect to comply with a surrogate limit on SO2 of 0.20 lb/MMBtu. Although Colstrip Units 1 and 2 may be able to comply with the SO2 surrogate MACT limit through pollution-control upgrades necessary to achieve the units' regional haze limit of 0.08 lb/MMBtu, DEQ must assure compliance with the new MACT limit by or before the NESHAPs effective date of April 2015.

DEQ must revise the draft operating permit to incorporate specific NESHAPs emission limits and associated monitoring, record-keeping, and reporting requirements applicable to Colstrip Units 1 through 4.

[Earthjustice (MEIC/Sierra Club) 9/24/2012]

DEPARTMENT RESPONSE:

The Department acknowledges the applicability of the future limitations set forth for PPLM as a result of 40 CFR 63, Subpart UUUUU – National Emission Standards for Hazardous Air Pollutants ("NESHAPs") for Coal and Oil-Fired Electric Generating Units, which was published as final in the Federal Register on February 16, 2012, with an effective date of April 16, 2012.

As required under 40 CFR. 63, Subpart UUUUU, an existing EGU (i.e. PPLM Colstrip) must comply with the subpart no later than April 16, 2015, unless an extension is granted per 40 CFR 63.6(i). As stated in ARM 17.8.1228, "Additional applicable requirements under the FCAA become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement." Although the requirements contained within 40 CFR 63, Subpart UUUUU are applicable requirements, the Department has up to 18 months following promulgation to have the permit reopened and revised. In addition, because of the multiple compliance options available with respect to different pollutants (for example, compliance with standards for acid gas hazardous air pollutants can be met using a hydrochloric acid or SO_2 emission limit), adding specific limits at this time would be premature. Therefore, inserting limitations required under 40 CFR 63, Subpart UUUUU within the Title V operating permit is unnecessary at this time.

FR 3/21/72: Supplemental Statement in Connection with Final Promulgation:
"There has been only limited sampling with the full EPA train such that the occasional anomalies cannot be explained fully at this time. Accordingly, we determined that, for the three affected source categories, steam generators, incinerators, and cement plants, particulate standards should be based on the front half of the EPA sampling train with mass emission limits adjusted as follows:

	Originally proposed particulate standards, full EPA train	*Recommended particulate standards revised sample method (front half only)*
Steam Generators (lb/mmBtu)	*0.20*	*0.10*
Incinerators (gr/dscf at 12% CO2)	*0.10*	*0.08*
Cement Kilns (lbs / ton feed)	*0.30*	*0.30*
Cement Coolers (lbs / ton feed)	*0.10*	*0.10*

Similarly, Units 3 & 4 are subject to Subpart D. The particulate limits for those units were established in the original EPA PSD permitting action dated September 11, 1979. The compliance determining method for the PM limits was listed as "shall be as provided for in 40 CFR Part 60, Appendix A, Method 5," confirming that the limits were for filterable PM emissions only. The PM limits were established under the PSD BACT requirements (with the NSPS requirements under Subpart D being the "floor" for BACT consideration). Further, in its response to comments on the September 11, 1979 permit, EPA explained its basis for the numeric PM limitation and how it compares to the front-half only limit that was promulgated under 40 CFR Part 60, Subpart Da, the next iteration in NSPS. If the BACT limit was intended to include both filterable and condensable fractions, there would be no basis for comparison with the NSPS.

Thus, since the limit under Subpart D was established with the assumption of "front-half" or filterable PM emissions only, the Department has maintained the requirement to use Method 5 "front-half" only testing on Units 1 & 2 and 3 & 4. The permit requires compliance with "total particulate" in relation to the when and how the limits were established. The above discussion describes the reason why the limitations, as well as the method of demonstrating compliance, are based on the "front half" testing requirements.

CEMS are not required by any EPA or State regulation currently applicable to the source and the commenter fails to demonstrate that additional monitoring, including CEMS, is necessary to ensure compliance with the emissions limits of the Permit. While Method 5 alone may not derive a continuous measurement of compliance with the PM emission limitation, the Department believes an accurate representation of PM concentrations is derived through the testing frequency along with the use of other methods of PM monitoring and control measures including opacity limitations determined through the use of COMS, quality control and quality assurance through the requirements outlined within PPLM's CAM plan, as well as scrubber operation and maintenance in accordance with manufacturer/vendor recommendations, modified per PPLM's operational experience. PPLM's CAM plan has been revised since the first draft issuance of Operating Permit #OP0513-07 to incorporate additional performance indicators (i.e. plumb bob pressure drop (ΔP) and venturi spray flows) to demonstrate quality control and verification of proper control of particulate matter.

In response to the commenter's statement that monitoring is required for "total particulate – both filterable and condensable portions," it shall be noted that the original condition (i.e. particulate limits established in the original EPA PSD permitting action dated September 11, 1979), as explained above, drives the Title V compliance demonstration. The Department recognizes reference to "total particulate" in MAQP #0513-08 is an error, and that filterable PM is the appropriate subject of monitoring. MAQP #0513-08 needs to be updated to clarify these testing requirements.

Exhibit 3

QUESTIONS AND ANSWERS ON THE REQUIREMENTS OF OPERATING PERMITS PROGRAM REGULATIONS

Prepared By:

The U. S. Environmental Protection Agency

July 7, 1993

Yes, but the minimum notice periods specified in Part 70 must be met.

7.7 Renewals

7.8 Reopenings

1. Title V permits must include all applicable requirements of the Act. When must a newly promulgated NESHAP be incorporated into the Title V permit?

It must be incorporated into the permit at least at renewal time, even if the compliance date is in the future. In addition, a permit may need to be reopened earlier, depending on the compliance date specified in the NESHAP and the amount of time left to run on the permit term [see section 502(b)(9) of the Act regarding reopening of major source permits with three or more years remaining on their terms]. If the NESHAP is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance.

2. If a permit is reopened, is public participation required?

Yes, public participation is required for all permit reopenings.

3. If a permit is reopened, is the entire permit reviewed, or only those provisions that caused the permit to be reopened?

The review need cover only those provisions that caused the permit to be reopened or that are affected by it.

4. When a permit has been reopened, when does the new permit take effect?

The permit is effective upon issuance, just as for any permit issuance, renewal, or significant modification. The old permit terms remain in effect until the reopening process is completed (i.e., the revised permit is issued).

7.9 Title I Modifications

7.10 Permit Denial

7.11 Temporary Sources

Montana Department of
ENVIRONMENTAL QUALITY

Steve Bullock, Governor
Tracy Stone-Manning, Director

P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

January 7, 2013

James M. Parker
PPL Montana, LLC
303 N Broadway, Suite 400
Billings, MT 59101

RE: Final Title V Operating Permit #OP0513-08

Dear Mr. Parker:

The Department of Environmental Quality has prepared the enclosed Final Operating Permit #OP0513-08, for PPL Montana, LLC, Colstrip Steam Electric Station, located in Section 34, Township 2 North, Range 41 East, in Rosebud County, Montana. Please review the cover page of the attached permit for information pertaining to the action taking place on Permit #OP0513-08.

If you have any questions, please contact Skye Hatten, the permit writer, at (406) 444-5287 or by email at shatten@mt.gov.

Sincerely,

Charles Homer Manager, Air Permitting,
Compliance and Registration Air Resources
Management Bureau
(406) 444-5279

Skye Hatten, P.E.
Environmental Engineer
Air Resources Management Bureau
(406) 444-5287

CH: SH
Enclosure
Cc: DJ Law, US EPA Region VIII 8P-AR (via email)
Carson Coate, Montana EPA (via email)
Stephen J. Christian, PPL Montana, LLC, Alternative Responsible Official (via email)
Neil Dennehy, PPL Montana, LLC, Facility Contact Person (via email)
Myron Shield, Apsaalooke (Crow) Environmental Department (via USPS)
Jay Littlewolf, Tse' tsehestahese (Northern Cheyenne) EPD (via email)
Lori Bocchino, Operating Permit Program Manager, Wyoming DEQ (via email)
Tom Bachman, ND Department of Health, Division of Air Quality (via email)
Brian Gustafson, Administrator, SD DENR (via email)
Jenny Harbine, Earth Justice (via email)

Stan Frasier, Helena Hunters & Anglers Association (via email)
Harold and Jan Hoem, Montana Elders for a Livable Tomorrow (via email)
Multiple Interested Parties that Submitted Similar Electronic Comments (via email)

STATE OF MONTANA
Department of Environmental Quality
Helena, Montana 59620

AIR QUALITY OPERATING PERMIT OP0513-08

Issued to: **PPL Montana, LLC**
Colstrip Steam Electric Station
580 Willow Ave.
P.O. Box 38
Colstrip, MT 59323

Final Date: **January 4, 2013**
Expiration Date: **January 4, 2018**

Effective Date: **January 4, 2013**
Date of Decision: **December 4, 2012**
End of EPA 45-day Review: **December 3, 2012**
Proposed Issue Date: **October 17, 2012**
Draft Issue Date #OP0513-08: **August 10, 2012**
Draft Issue Date #OP0513-07: **May 17, 2011**

Application Deemed Technically Complete: **March 25, 2010**
Application Deemed Administratively Complete: **March 25, 2010**
Renewal Application Received: **March 25, 2010**
AFS Number: 030-**087-0008A**

Permit Issuance and Appeal Processes: In accordance with ARM 17.8.1232, the Department of Environmental Quality (Department) provided at least 30 days for public comment on the draft permit. With the issuance of Draft Operating Permit #OP0513-08, the Department provided a 30-day public comment period from August 10, 2012, to September 10, 2012. Following receipt of a request to extend the originally allotted 30-day comment period, the Department granted the request and approved a 14-day extension. The extension allowed for comments to be received until September 24, 2012. All comments received by the Department regarding this permit have been summarized in the attached technical review document. The Department provided a 45-day review period on the proposed permit to the United States Environmental Protection Agency (EPA). No comments were received from the EPA. The Department's decision was issued on December 4, 2012. In accordance with Section 75-2-218, MCA, the Department's decision regarding issuance of an operating permit is not effective until 30 days have elapsed from the date of the decision.

In accordance with Montana Code Annotated (MCA) Sections 75-2-217 and 218 and the Administrative Rules of Montana (ARM), ARM Title 17, Chapter 8, Subchapter 12, Operating Permit Program, this operating permit is hereby issued by the Department of Environmental Quality (Department) as effective and final on January 4, 2013. This permit must be kept on-site at the above named facility.

Terms not otherwise defined in this permit or in the Definitions and Abbreviations Appendix of this permit have the meaning assigned to them in the referenced rules or regulations.

SECTION I. GENERAL INFORMATION

The following general information is provided pursuant to ARM 17.8.1210(1).

Company Name: PPL Montana, LLC

Mailing Address: 303 N Broadway, Suite 400

City: Billings **State**: MT **Zip**: 59101

Plant Name: Colstrip Steam Electric Station

Plant Location: Section 2, Township 2 North, Range 41 East, Rosebud County, Montana
Willow Avenue and Warehouse Road, Colstrip, Montana

Responsible Official: James M. Parker **Phone**: (406) 237-6932
Alternative Responsible Official: Stephen J. Christian **Phone**: (406) 748-5019

Facility Contact Person: Neil Dennehy **Phone**: (406) 748-5066

Primary SIC Code: 4911, Electric Services (NAICS Code: 221112)

Nature of Business: Coal-fired thermal power generation

Description of Process: Four tangential coal-fired boilers and associated equipment for generation of electricity.

SECTION II. SUMMARY OF EMISSION UNITS

The emission units regulated by this permit are the following (ARM 17.8.1211):

Emission Units ID	Description	Pollution Control Device/Practice
EU001	Unit #1 – Tangential Coal Fired Boiler	Wet Venturi Scrubber, Low NOx burner firing system and digital controls (Alstom LNCFS II ® System)
EU002	Unit #2 – Tangential Coal Fired Boiler	Wet Venturi Scrubber, Low NOx burner firing system and digital controls (Alstom LNCFS II ® System)
EU003	Unit #3 – Tangential Coal Fired Boiler	Wet Venturi Scrubber, advanced low NOx firing and digital controls for NOx control (Alstom LNCFS III® System)
EU004	Unit #4 – Tangential Coal Fired Boiler	Wet Venturi Scrubber, advanced low NOx firing and digital controls for NOx control (Alstom LNCFS III® System)
EU005	Auxiliary Propane Boiler (1 & 2)	None
EU006	Building Heating Boiler (3 & 4)	None
EU007	Coal Handling System (1 & 2)	Enclosed conveyors Dust suppressant Enclosed downspout with elevation doors Dustless transfer chutes (certain locations)
EU008	Coal Handling System – (silos, distribution bin, surge pile tunnel, crushing and sampling house, and vacuum cleaning system) (3 & 4)	Enclosed conveyors Dust suppressant Enclosed downspout with elevation doors Dustless transfer chutes (certain locations)
EU009	Coal Piles (Wind Erosion)	Sealant on some storage piles, Dust suppression system, Enclosures, Wind fence (one coal pile), Water application through sprays or water trucks
EU010	Emergency Diesel Generators	None
EU012	Lime Handling System	Pneumatic Unloading
EU013	Plant Roads	Dust suppressant is applied annually and water is applied as needed
EU014	Process Ponds	Material is wet
EU015	Underground Gasoline Tank	Permanent submerged fill pipe
EU017	Tangential Coal Fired Units 1-4 Mercury Emissions	Mercury oxidizer/sorbent
EU018	Mercury Oxidizer/Sorbent Handling Systems (Units 1-4)	Bin Vent Filter

SECTION III. PERMIT CONDITIONS

The following requirements and conditions are applicable to the facility or to specific emission units located at the facility (ARM 17.8.1211, 1212, and 1213).

A. Facility-Wide

Conditions	Rule Citation	Rule Description	Pollutant/Parameter	Limit
A.1	ARM 17.8.105	Testing Requirements	Testing Requirements	-------
A.2	ARM 17.8.304(1)	Visible Air Contaminants	Opacity	40%
A.3	ARM 17.8.304(2)	Visible Air Contaminants	Opacity	20%
A.4	ARM 17.8.308(1)	Particulate Matter, Airborne	Fugitive Opacity	20%
A.5	ARM 17.8.308(2)	Particulate Matter, Airborne	Reasonable Precautions	-------
A.6	ARM 17.8.308	Particulate Matter, Airborne	Reasonable Precaution, Construction	20%
A.7	ARM 17.8.309	Particulate Matter, Fuel Burning Equipment	Particulate Matter	$E= 0.882 * H^{-0.1664}$ Or $E= 1.026 * H^{-0.233}$
A.8	ARM 17.8.310	Particulate Matter, Industrial Processes	Particulate Matter	$E= 4.10 * P^{0.67}$ or $E= 55 * P^{0.11} - 40$
A.9	ARM 17.8.322(4)	Sulfur Oxide Emissions, Sulfur in Fuel	Sulfur in Fuel (liquid or solid fuels)	1 lb/MMBtu fired
A.10	ARM 17.8.322(5)	Sulfur Oxide Emissions, Sulfur in Fuel	Sulfur in Fuel (gaseous)	50 gr/100 CF
A.11	ARM 17.8.324(3)	Hydrocarbon Emissions, Petroleum Products	Gasoline Storage Tanks	-------
A.12	ARM 17.8.324	Hydrocarbon Emissions, Petroleum Products	65,000 Gallon Capacity	-------
A.13	ARM 17.8.324	Hydrocarbon Emissions, Petroleum Products	Oil-effluent Water Separator	-------
A.14	ARM 17.8.342	NESHAPs General Provisions	SSM Plans	Submittal
A.15	Board of Health and Environmental Sciences (BHES) Findings of Fact and Conclusions of Law signed on November 21, 1975; this requirement is "State Only"	Major Facility Siting Act (MFSA) Requirements	Coal Utilized within Units #3 and #4	As specified
A.16	CV-07-40-BLG-RFC-CSO	Consent Decree	Various	As specified
A.17	ARM 17.8.1211(1)(c) and 40 CFR Part 98	Greenhouse Gas Reporting	Reporting	-------
A.18	ARM 17.8.1212	Reporting Requirements	Prompt Deviation Reporting	-------
A.19	ARM 17.8.1212	Reporting Requirements	Compliance Monitoring	-------
A.20	ARM 17.8.1207	Reporting Requirements	Annual Certification	-------

Conditions

A.1. Pursuant to ARM 17.8.105, any person or persons responsible for the emissions 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 test, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.

Compliance demonstration frequencies that list "as required by the Department" refer to ARM 17.8.105. In addition, for such sources, compliance with limits and conditions listing "as required by the Department" as the frequency, is verified annually using emission factors and engineering calculations by the Department's compliance inspectors during the annual emission inventory review; in the case of Method 9 tests, compliance is monitored during the regular inspection by the compliance inspector.

A.2. Pursuant to ARM 17.8.304(1), PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes, unless otherwise specified by rule or in this permit.

A.3. Pursuant to ARM 17.8.304(2), PPLM shall not 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 6 consecutive minutes, unless otherwise specified by rule or in this permit.

A.4. Pursuant to ARM 17.8.308(1), PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of particulate matter (PM) are taken. Such emissions of airborne particulate matter from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes, unless otherwise specified by rule or in this permit.

A.5. Pursuant to ARM 17.8.308(2), PPLM 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, unless otherwise specified by rule or in this permit.

A.6. Pursuant to ARM 17.8.308, PPLM shall not operate a construction site or demolition project unless reasonable precautions are taken to control emissions of airborne PM. Such emissions of airborne PM from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes, unless otherwise specified by rule or in this permit.

A.7. Pursuant to ARM 17.8.309, unless otherwise specified by rule or in this permit, PPLM shall not cause or authorize PM caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of the maximum allowable emissions of PM for existing fuel burning equipment and new fuel burning equipment calculated using the following equations:

For existing fuel burning equipment (installed before November 23, 1968):
$E = 0.882 * H^{-0.1664}$

For new fuel burning equipment (installed on or after November 23, 1968):
$E = 1.026 * H^{-0.233}$

Where H is the heat input capacity in million British thermal units (MMBtu) per hour and E is the maximum allowable particulate emissions rate in pounds per MMBtu.

A.8. Pursuant to ARM 17.8.310, unless otherwise specified by rule or in this permit, PPLM shall not cause or authorize PM to be discharged from any operation, process, or activity into the outdoor atmosphere in excess of the maximum hourly allowable emissions of PM calculated using the following equations:

For process weight rates up to 30 tons per hour: $E = 4.10 * P^{0.67}$
For process weight rates in excess of 30 tons per hour: $E = 55.0 * P^{0.11} - 40$

Where E = rate of emissions in pounds per hour and p = process weight rate in tons per hour.

A.9. Pursuant to ARM 17.8.322(4), PPLM shall not burn liquid or solid fuels containing sulfur in excess of 1 pound per MMBtu fired, unless otherwise specified by rule or in this permit.

A.10. Pursuant to ARM 17.8.322(5), PPLM shall not burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions, unless otherwise specified by rule or in this permit.

A.11. Pursuant to ARM 17.8.324(3), PPLM shall not 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 is equipped with a vapor loss control device or is a pressure tank as described in ARM 17.8.324(1), unless otherwise specified by rule or in this permit.

A.12. Pursuant to ARM 17.8.324, unless otherwise specified by rule or in this permit, PPLM shall not place, store or hold in any stationary tank, reservoir or other container of more than 65,000 gallon capacity any crude oil, gasoline or petroleum distillate having a vapor pressure of 2.5 pounds per square inch absolute or greater under actual storage conditions, unless such tank, reservoir or other container is a pressure tank maintaining working pressure sufficient at all times to prevent hydrocarbon vapor or gas loss to the atmosphere, or is designed and equipped with a vapor loss control device, properly installed, in good working order and in operation.

A.13. Pursuant to ARM 17.8.324, unless otherwise specified by rule or in this permit, PPLM shall not use any compartment of any single or multiple-compartment oil-effluent water separator, which compartment receives effluent water containing 200 gallons a day or more of any petroleum product from any equipment processing, refining, treating, storing or handling kerosene or other petroleum product of equal or greater volatility than kerosene, unless such compartment is equipped with a vapor loss control device, constructed so as to prevent emission of hydrocarbon vapors to the atmosphere, properly installed, in good working order and in operation.

A.14. Pursuant to ARM 17.8.342 and 40 CFR 63.6, PPLM shall submit to the Department a copy of any startup, shutdown, and malfunction (SSM) plan required under 40 CFR 63.6(e)(3) within 30 days of the effective date of this operating permit (if not previously submitted), within 30 days of the compliance date of any new National Emission Standard for Hazardous Air Pollutants (NESHAPs) or Maximum Achievable Control Technology (MACT) standard, and within 30 days of the revision of any such SSM plan, when applicable. The Department requests submittal of such plans in electronic form, when possible.

A.15. In accordance with the conditional certification of Colstrip Units #3 and #4 made pursuant to Section 70-810 (L), Revised Code of Montana (R.C.M) 1947 of the Major Facility Siting Act (MFSA), PPLM shall utilize only coal from the Rosebud seam within Units #3 and #4 (Board of Health and Environmental Sciences (BHES) Findings of Fact and Conclusions of Law signed on November 21, 1975; this requirement is "State-Only").

A.16. PPLM shall comply with the following applicable terms of US EPA Consent Decree CV-07-40-BLG-RFC-CSO (entered 5/14/07), and its Amendments, for the life of the Consent Decree (ARM 17.8.1211):

a. Section IV: Oxides of Nitrogen (NO_x) Emission Reductions and Controls;

b. Section V: Prohibition on Netting Credits or Offsets from Required Controls;

c. Section VI: Relationship to PSD Permit;

d. Section X: Periodic Reporting;

e. Section XII: Force Majeure (excluding the stipulated penalty components);

f. Section XIV: Permits; and

g. Section XV: Information Collection and Retention.

A.17. Pursuant to ARM 17.8.1211(1)(c) and 40 CFR Part 98, PPLM shall comply with requirements of 40 CFR Part 98 – Mandatory Greenhouse Gas Reporting, as applicable (ARM 17.8.1211(1)(c), NOT an applicable requirement under Title V).

A.18. PPLM shall promptly report deviations from permit requirements including those attributable to upset conditions, as upset is defined in the permit. To be considered prompt, deviations shall be reported to the Department using the schedule and content as described in Section V.E (unless otherwise specified in an applicable requirement) (ARM 17.8.1212).

A.19. On or before February 15 and August 15 of each year, PPLM shall submit to the Department the compliance monitoring reports required by Section V.D. These reports must contain all information required by Section V.D, as well as the information required by each individual emissions unit. For the reports due by February 15 of each year, PPLM may submit a single report, provided that it contains all the information required by Section V.B & V.D. Per ARM 17.8.1207,

> *any application form, report, or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12 (including semiannual monitoring reports), shall contain certification by a responsible official of truth, accuracy and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12, shall state that,* ***"based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete."***

A.20. By February 15 of each year, PPLM shall submit to the Department the compliance certification report required by Section V.B. The annual certification report required by Section V.B must include a statement of compliance based on the information available that identifies any observed, documented or otherwise known instance of noncompliance for each applicable requirement. Per ARM 17.8.1207,

> *any application form, report, or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12 (including annual certifications), shall contain certification by a responsible official of truth, accuracy and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12, shall state that,* ***"based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete."***

B. EU001 and EU002 – Tangential Coal Fired Units 1 & 2

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
B.1, B.4, B.10, B.11, B.19, B.20, B.23, B.24, B.25, B.27, B.28	Opacity	20%/27%	COMS	Ongoing	Quarterly
			Method 9	As required by the Department and Section III.A.1	Semiannually
B.2, B.12, B.19, B.23, B.24, B.27 B.28	PM	0.1 lb/MMBtu	Method 5 or 5B	Annual	
B.3, B.4, B.5, B.14, B.15, B.16, B.19, B.21, B.23, B.24, B.27, B.28	SO_2	1.2 lb/MMBtu	Method 6 or 6C	Annual	Semiannually
			CEMS	Ongoing	Quarterly
B.3,B.4, B.5, B.7, B.13, B.15, B.16, B.19, B.21, B.27, B.28	NO_x	0.7 lb/MMBtu	Method 7 or 7E	Annual	Semiannually
			CEMS	Ongoing	Quarterly
		0.40 lb/MMBtu (annual average)	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	
B.5, B.6, B.7, B.15, B.16, B.21, B.23, B.26 -B.28	Acid Rain Provisions	40 CFR Parts 72-78 and Appendix H	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	
B.8, B.17, B.22, B.23, B.27, B.28	PM CAM Plan	ARM 17.8.1506	Provisions from CAM Plan, Appendix I	Ongoing	
B.9, B.18, B.23, B.27, B.28	Scrubbers	Maintain & Operate	Log	Daily	

Conditions

B.1. PPLM shall not cause or authorize to be discharged into the atmosphere from Units 1 & 2 any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes except for one 6-minute period per hour of not greater than 27% opacity (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

B.2. PPLM shall not cause to be discharged into the atmosphere PM in excess of 0.10 lb/MMBtu, as averaged over 3 hours (minimum) of reference method testing (ARM 17.8.340, and 40 CFR Part 60, Subpart D).

B.3. Any gaseous emissions discharged into the atmosphere shall not exceed 1.2 lb/MMBtu Sulfur Dioxide (SO_2) and 0.7 lb/MMBtu NO_x (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

B.4. PPLM shall install, operate, calibrate and maintain continuous emission monitoring systems (CEMS) for the following:

a. A CEMS for the measurement of SO_2 shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

b. A CEMS for the measurement of NO_x shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

c. A CEMS for the measurement of Carbon Dioxide (CO_2) shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

d. A CEMS for the measurement of opacity shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45); and

e. Continuous monitoring for stack gas temperature, stack gas moisture (where necessary), megawatt production, and Btu per hour shall be performed on each unit (40 CFR 52.21).

B.5. PPLM shall comply with all requirements in the Acid Rain Appendix H of this permit including the operation and maintenance of the SO_2 and NO_x CEMS (ARM 17.8.1210(3)).

B.6. Emissions shall not be permitted in excess of any allowances that PPLM lawfully holds under Title IV of the FCAA or the regulations promulgated thereunder (ARM 17.8.1210(3)(a)).

a. A permit revision is not required for increases in emissions authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a permit revision under any other applicable requirement (ARM 17.8.1210(3)(b)).

b. PPLM may not use allowances as a defense to noncompliance with any other applicable requirement (ARM 17.8.1210(3)(c)).

c. Any allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the FCAA (ARM 17.8.1210(3)(d)).

B.7. Pursuant to 40 CFR 76.7, PPLM shall not discharge or allow to be discharged, emissions of NO_x to the atmosphere in excess of 0.40 lb/MMBtu on an annual average basis (40 CFR 76.7(a)).

B.8. PPLM shall provide a reasonable assurance of compliance with emission limitations or standards for the anticipated range of operations of the Tangential Coal-Fired Boilers, Units 1 & 2 for PM (ARM 17.8.1504).

B.9. PPLM shall maintain and operate the scrubbers to control emissions on Units 1 & 2 (ARM 17.8.749).

Compliance Demonstration

B.10. PPLM shall perform a Method 9 test on the boilers as required by the Department and Section III.A.1 while the boilers are in operation to monitor compliance with the opacity limitation in Section III.B.1. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual or another method approved by the Department (ARM 17.8.749 and ARM 17.8.106).

B.11. PPLM shall operate and maintain the continuous opacity monitor (COM) to monitor compliance with the opacity limitation in Section III.B.1. The operation and maintenance shall be performed in accordance with the Opacity CEMS Appendix E of this permit (ARM 17.8.749).

B.12. PPLM shall perform a Method 5 or 5B PM test annually during periods the equipment is in operation to monitor compliance with the PM limit in Section III.B.2. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.749 and ARM 17.8.106).

B.13. PPLM shall perform a Method 7 or 7E test annually during periods of boiler operation to monitor compliance with the NO_x limit in Section III.B.3. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.749 and ARM 17.8.106).

B.14. PPLM shall perform a Method 6 or 6C test annually during periods of boiler operation to monitor compliance with the SO_2 limit in Section III.B.3. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.749 and ARM 17.8.106).

B.15. PPLM shall monitor compliance with emission limits in Section III.B.3 pursuant to the requirements in 40 CFR Part 75, 40 CFR Part 76, SO_2 CEMS, Appendix F, and the NO_x CEMS Appendix G of this permit (ARM 17.8.1213).

B.16. PPLM shall monitor compliance with the Acid Rain Provisions according to 40 CFR Parts 72-78 and Appendix H of this permit, including monitoring as described in the SO_2 CEMS Appendix F and NO_x CEMS Appendix G of this permit (ARM 40 CFR Parts 72-78).

B.17. PPLM shall monitor compliance by following the Compliance Assurance Monitoring (CAM) Plan (Appendix I). The CAM Plan, written by Colstrip in accordance with ARM 17.8.1504, is included in Appendix I of the permit (ARM 17.8.1503 and ARM 17.8.1213).

B.18. PPLM shall maintain records of scrubber maintenance and operation to monitor compliance with Section III.B.9 (ARM 17.8.1213).

Recordkeeping

B.19. All source testing recordkeeping shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. Method 9 source test reports for opacity need not be submitted unless requested by the Department (ARM 17.8.106).

B.20. Records shall be prepared and data kept in accordance with the Opacity CEMS Appendix E of this permit (ARM 17.8.1212).

B.21. Records shall be prepared and data kept in accordance with 40 CFR Part 75 and Appendix H of this permit, the SO_2 CEMS Appendix F, and the NO_x CEMS Appendix G of this permit (ARM 17.8.1212 and 40 CFR Parts 72-78).

B.22. Records shall be prepared and data kept in accordance with 40 CFR Part 64 and the CAM Plan Appendix I of this permit (ARM 17.8.1212 and ARM 17.8.1513).

B.23. PPLM shall maintain as a permanent business record under its control for at least 5 years, all records required for compliance monitoring. Furthermore, the records must be available at the plant site for inspection by the Department and EPA, and must be submitted to the Department upon request (ARM 17.8.1212).

Reporting

B.24. The Method 5, Method 5B, Method 6, Method 6C, Method 7, and Method 7E test reports as specified in Section III.B.12, 13, and 14 shall be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

B.25. Reporting for the opacity CEMS shall be performed according to Appendix E of this permit (ARM 17.8.1212).

B.26. Reporting for the Acid Rain Provisions shall be performed according to 40 CFR Parts 72-78 and Appendix H of this permit (40 CFR Parts 72-78).

B.27. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

B.28. The semiannual monitoring report shall provide a summary of results of any Method 9, Method 5 or 5B, Method 6 or 6C, and Method 7 or 7E tests conducted during the period; the actual test reports for Method 9 need only be submitted to the Department by request, as specified by Section III.B.19 (ARM 17.8.1212).

C. EU003 and EU004 – Tangential Coal Fired Units 3 & 4

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
C.1, C.21, C.24, C.25, C.36, C.41, C.42, C.45, C.47 – C.50	Opacity	20%/27%	COMS	Ongoing	Quarterly
			Method 9	As required by the Department and Section III.A.1	Semiannually
C.2, C.3, C.4, C.26, C.27, C.43, C.44, C.49 – C.51	PM	0.05 lb/MMBtu	Method 5 or Method 5B	Annual	
		379 lb/hr			
		0.10 lb/MMBtu			
C.4 – C.8, C.21, C.28, C.29, C.37, C.44, C.45, C.47, C.49 – C.51	SO_2	1.2 lb/MMBtu	Method 6 or 6C	Annual	
		0.18 lb/MMBtu (calendar day average)	CEMS	Ongoing	Quarterly
		761 lb/hr (30 day rolling average)			
		1363 lb/hr (calendar day average)			
		4140 lb/hr (3-hr rolling average)			
C.9, C.30, C.39, C.44, C.49 – C.51	% sulfur	1% sulfur content of coal	Weekly average of composite coal samples in accordance with Method 19	Ongoing	Semiannually
C.4, C.10, C.11, C.12, C.21, C.31, C.32, C.33, C.37, C.40, C.44, C.45, C.47, C.49-C.51	NO_x	0.7 lb/MMBtu	Method 7 or 7E	Annual	
			CEMS	Ongoing	Quarterly
		5301 lb/hr			
		0.40 lb/MMBtu (annual average)	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	
		$\frac{E=0.2x+0.3y=0.7z}{x+y+z}$	Emissions limit calculations	When burning fuel other than coal	Semiannually
C.13, C.32, C.37, C.45, C.47, C.49-C.51	NO_2	0.7 lb/MMBtu (calendar day average)	CEMS	Ongoing	Quarterly
C.14, C.17, C.32, C.37, C.45, C.47, C.49- C.51	NO_x (30-day rolling average)	0.18 lb/MMBtu if unit operating > 400 MW	CEMS	Ongoing	
		0.30 lb/MMBtu if unit operating =<400 MW			
		1,363 lb/hr			
	NO_x (24-hour average)	0.25 lb/MMBtu if unit operating > 400 MW			
		0.30 lb/MMBtu if unit operating =<400 MW			
		1,893 lb/hr			
C.15, C.16, C.34, C.41, C.49 – C.51	NO_x Control	Operate digital controls, low-NO_x burners, overfire air	Documentation	Ongoing	Semiannually
C.18, C.34, C.41, C.49 – C.51	NO_x Control	Classification, BART, visibility, and Baseline	As required by EPA	As required by EPA	As required by EPA

		Visibility			
Condition(s)	**Pollutant/Parameter**	**Permit Limit**	**Compliance Demonstration Method**	**Frequency**	**Reporting Requirements**
C.19, C.20, C.35, C.45, C.46, C.49–C.51	Acid Rain Provisions	40 CFR Parts 72-78 and Appendix H	40 CFR Parts 72-78 and Appendix H	As required by Appendix H	Quarterly
C.21, C.37, C.42, C.45, C.47, C.49 – C.51	SO_2	CEMS	Install, Operate and Maintain	Ongoing	Quarterly
	NO_x				
	CO_2				
	Opacity				
C.22, C.36, C.49 – C.51	Heat Input	6.63×10^7 MMBtu/yr	Coal analysis and tonnage	Monthly	
			log	Monthly	
C.21, C.37, C.45, C.47, C.49 – C.51	Stack Parameters	Measure stack parameters	Monitor stack gas temperature, moisture, Mwatt production and Btu/hr	Ongoing	
C.23, C.38, C.48 – C.51	PM CAM Plan	ARM 17.8.1506	Provisions from CAM Plan, Appendix I	Ongoing	

Conditions

C.1. PPLM shall not cause or authorize to be discharged into the atmosphere from Units 3 & 4 any visible emissions that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes except for one 6-minute period per hour of not greater than 27% opacity (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

C.2. PPLM shall not cause to be discharged into the atmosphere PM in excess of 0.05 lb/MMBtu, as averaged over 3 hours (minimum) of reference method testing (40 CFR 52.21).

C.3. PPLM shall not cause to be discharged into the atmosphere PM in excess of 379 lb/hr (ARM 17.8.749).

C.4. Any gaseous emissions discharged into the atmosphere from burning coal shall not exceed 0.10 lb/MMBtu PM, 1.2 lb/MMBtu SO_2 and 0.7 lb/MMBtu NO_x (ARM 17.8.340 and 40 CFR Part 60, Subpart D).

C.5. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 0.18 lb/MMBtu heat input, averaged over any calendar day, not to be exceeded more than once during any calendar month (40 CFR 52.21).

C.6. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 761 lb/hr, averaged over any rolling 30-day period, calculated each day at midnight, using hourly data calculated each hour on the hour (40 CFR 52.21).

C.7. PPLM shall not cause to be discharged into the atmosphere SO_2 at a rate of 1363 lb/hr, averaged over any calendar day, not to be exceeded more than once during any calendar month (40 CFR 52.21).

C.8. PPLM shall be limited to a maximum of 4140 lb/hr of SO_2 averaged over a 3-hr rolling period from both Units 3 &d 4 stacks combined (ARM 17.8.749).

C.9. PPLM shall be limited to a sulfur content in coal of 1% (ARM 17.8.749 and BHES Findings of Fact and Conclusions of Law signed on November 21, 1975; this requirement is "State Only").

PPLM has developed a contingency plan for blending coal to achieve the 1.0% (sulfur as received basis) limit. Implementation of the plan will not be required unless the coal exceeds the "worst case coal" design criteria, which is a heat content of less than 8162 Btu/lb, and ash content of greater than 12.5% and a sulfur content greater than 1%, all on an as-received basis.

C.10. Pursuant to 40 CFR 76.7, PPLM shall not discharge or allow discharged emissions of NO_x to the atmosphere in excess of 0.40 lb/MMBtu on an annual average basis (40 CFR 76.7(a)).

C.11. PPLM shall be limited to 5301 lb/hr of NO_x from each of the tangential coal fired boilers, Units 3 & 4 (ARM 17.8.749).

C.12. Any gaseous NO_x emissions discharged into the atmosphere when burning fuel other than coal shall not exceed (ARM 17.8.749):

$$E = \frac{0.2x + 0.3y + 0.7z}{x + y + z}$$

where: E = allowable emissions in lb/MMBtu heat input
x = fraction of total heat input derived from gaseous fuels
y = fraction of total heat input derived from liquid fuels
z = fraction of total heat input derived from solid fuels.

C.13. PPLM shall not cause to be discharged into the atmosphere NO_x, expressed as NO_2, at a rate exceeding 0.7 lb/MMBtu, as averaged over any calendar day (40 CFR 52.21).

C.14. Beginning January 1, 2008, for Unit 3 and January 19, 2010, for Unit 4, PPLM shall not exceed any of the following NO_x emission limits from Units 3 or 4 (ARM 17.8.749, Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07 and Stipulation to Consent Decree CV-07-40-BLG-RFC-CSO entered 12/22/09):

a. 30-day rolling average emission rate of:

i. 0.18 lb/MMBtu weighted average for each hour that either unit is operating above 400 gross megawatts (MW); and

ii. 0.30 lb/MMBtu weighted average for each hour that either unit is operating at or below 400 gross MW

b. 1,363 lb/hr 30-day rolling average emission rate for each unit

c. 24-hour average emission rate (for each Operating Day) of:

i. 0.25 lb/MMBtu weighted average for each hour that either unit is operating above 400 gross MW; and

ii. 0.30 lb/MMBtu weighted average for each hour that either unit is operating at or below 400 gross MW

d. 1,893 lb/hr 24-hour average emission rate (for each Operating Day) for each unit.

For the purposes of this section, if a unit is operating above 400 MW for part of one hour and at or below 400 MW for the remainder of that hour, the applicable emissions limits shall be based on the average load for the hour. In addition, the emission rates for this condition are considered for an "Operating Day" as defined in the Consent Decree entered 5/14/07 (CV-07-40-BLG-RFC-CSO), except for the purposes of the Montana Air Quality Permits (MAQP), "Operating Day" means any calendar day (midnight to midnight) in which *any* fuel is combusted in the unit.

C.15. PPLM shall operate digital controls, low-NO_x burners and overfire air on Unit 3 sufficient to meet the emissions limits in Section III.C.14 (ARM 17.8.749 and Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07).

C.16. By January 1, 2009, PPLM shall complete the final design and by January 19, 2010, PPLM shall install and operate digital controls, low-NO_x burners and overfire air on Unit 4 sufficient to meet the Unit 4 emissions limits in Section III.C.14 (ARM 17.8.749, Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07 and Stipulation to Consent Decree CV-07-40-BLG-RFC-CSO entered 12/22/09).

C.17. The Unit 3 & 4 NO_x emission limits specified in Section III.C.14 shall apply at all times, including periods of start-up, shutdown, load fluctuation, maintenance and malfunction, regardless of cause (ARM 17.8.749 and Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07).

C.18. Should the Northern Cheyenne Reservation be redesignated to any PSD classification less stringent than Class I, the following conditions in Section III.C.18 shall be of no force and effect. However, any control designed and implemented pursuant to Section III.C.18 shall remain operable.

At such time as EPA promulgates requirements for Best Available Retrofit Technology (BART) for NO_x control under the Clean Air Act, PPLM shall review Colstrip Units 3 & 4 for implementation of BART for NO_x control. PPLM shall submit this analysis and recommendation for appropriate control to EPA for review and approval. This BART determination by EPA shall be subject to a formal hearing on the record after due notice to PPLM and the Northern Cheyenne Tribe. The determination of what constitutes BART shall be specific to Units 3 & 4 and shall take into consideration the costs of compliance, the energy and non-air quality environmental impacts of compliance, any existing pollution control technology in use at the source, the remaining useful life of the source, and the degree of improvement in visibility which may reasonably be anticipated to result from the use of such technology. Failure to implement those control measures found to constitute BART shall be a violation of this permit. Compliance with the requirements of the consent decree entered 5/14/07 is deemed to satisfy this above requirement (Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07, EPA PSD Permit, and 40 CFR 52.21).

If there is a perceptible particulate plume on the Northern Cheyenne Tribe Reservation, as observed by an impartial observer designated by EPA, PPLM shall review Units 3 & 4 for implementation of BART for PM control. PPLM shall submit this analysis and a recommendation for appropriate control to EPA for review and approval. This BART determination by EPA shall be subject to a formal hearing on the record after due notice to PPLM and the Northern Cheyenne Tribe. The determination of what constitutes BART shall be specific to Units 3 & 4 and shall take into consideration the costs of compliance, the energy and non-air quality environmental impacts of compliance, any existing pollution control technology in use at the source, the remaining useful life of the source, and the degree of improvement in visibility which may reasonably be anticipated to result from the use of such technology. Failure to implement those control measures found to constitute BART shall be a violation of this permit (EPA PSD Permit and 40 CFR 52.21).

C.19. PPLM shall comply with all requirements in the Acid Rain Appendix H of this permit (ARM 17.8.1210).

C.20. Emissions shall not be permitted in excess of any allowances that PPLM lawfully holds under Title IV of the FCAA or the regulations promulgated thereunder (ARM 17.8.1210(3)(a)).

a. A permit revision is not required for increases in emissions authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a permit revision under any other applicable requirement (ARM 17.8.1210(3)(b)).

b. PPLM may not use allowances as a defense to noncompliance with any other applicable requirement (ARM 17.8.1210(3)(c)).

c. Any allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the FCAA (ARM 17.8.1210(3)(d)).

C.21. PPLM shall install, operate, calibrate and maintain CEMS for the following:

a. A CEMS for the measurement of SO_2 shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

b. A CEMS for the measurement of NO_x shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

c. A CEMS for the measurement of CO_2 or oxygen shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45);

d. A CEMS for the measurement of opacity shall be operated on each stack (ARM 17.8.340 and 40 CFR 60.45); and

e. Continuous monitoring for stack gas temperature, stack gas moisture (where necessary), megawatt production, and Btu per hour shall be performed on each unit (40 CFR 52.21).

f. PPLM shall maintain the data acquisition system such that load data in megawatts is recorded no less than once per minute (ARM 17.8.749 and Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07).

C.22. PPLM shall not exceed the heat input value of 6.63×10^7 MMBtu/yr averaged over any rolling 12-month period (ARM 17.8.749).

C.23. PPLM shall provide a reasonable assurance of compliance with emission limitations or standards for the anticipated range of operations at the Tangential Coal-fired Boilers, Units 3 & 4 for PM (ARM 17.8.1504).

Compliance Demonstration

C.24. PPLM shall perform a Method 9 test or another method approved by the Department to monitor compliance with the opacity limitation in Section III.C.1. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.749 and ARM 17.8.106).

C.25. PPLM shall operate and maintain the opacity CEM to monitor compliance with the opacity limitation in Section III.C.1. according to the Opacity CEMS Appendix E (ARM 17.8.1213).

C.26. PPLM shall perform a Method 5 or Method 5B PM test, or another method approved by the Department, on the boilers annually to monitor compliance with the PM fuel burning limitation in Section III.C.2 and III.C.3. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual and the heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.106 and 40 CFR Part 75 Appendix F).

C.27. PPLM shall operate and maintain the venturi scrubbers in accordance with manufacturer recommendations to control emissions on Units 3 & 4 in demonstrating compliance with PM limitations (ARM 17.8.1213).

C.28. PPLM shall perform a Method 6 or 6C test annually, to monitor compliance with the SO_2 limit in Section III.C.4. Heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.1213 and 40 CFR Part 75, Appendix F).

C.29. PPLM shall operate and maintain the SO_2 CEMS in accordance with the SO_2 CEMS Appendix F of this permit (ARM 17.8.1213).

C.30. Compliance with the sulfur in coal limit in Section III.C.9 shall be based on a weekly average of individual daily composite coal samples as measured by 40 CFR Part 60, Appendix A Method 19 or another sampling schedule as approved by the Department (ARM 17.8.1213 and BHES Findings of Fact and Conclusions of Law signed on November 21, 1975; this requirement is "State Only").

C.31. PPLM shall perform a Method 7 or 7E test annually, to monitor compliance with the NO_x limit in Section III.C.4. Heat input must be calculated in accordance with 40 CFR Part 75 Appendix F, §5. Procedures for Heat Input (ARM 17.8.1213 and 40 CFR Part 75 Appendix F).

C.32. PPLM shall operate and maintain the NO_x CEMS in accordance with the NO_x CEMS Appendix G of this permit (ARM 17.8.1213).

C.33. PPLM shall maintain a log of any exceedance of NO_x when burning fuel other than coal as required by Section III.C.12. The Department will compare the calculated emission limit with the results from the NO_x CEMS (ARM 17.8.1213).

C.34. PPLM shall monitor compliance with Section III.C.18 as required by EPA in the consent decree entered May 14, 2007. As part of these requirements, PPLM will maintain records demonstrating compliance with the NO_x emission control requirements contained in Section III.C.15 & C.16 (ARM 17.8.1213, ARM 17.8.749, and Consent Decree CV-07-40-BLG-RFC-CSO entered 5/14/07).

C.35. PPLM shall monitor compliance with Section III.C.19 and 20 as required by Appendix H – Acid Rain Appendix (ARM 17.8.1213 and Appendix H).

C.36. Compliance with the heat input limit of Section III.C.22 shall be monitored based on the total tons of coal combusted in each of the boilers multiplied by a representative average Btu content for the coal. PPLM shall document, by month, the total fuel combusted in each boiler. By the 25th day of each month, PPLM shall calculate the tons of coal combusted for the previous month. The monthly information will be used to verify compliance with the rolling 12-month limitation

in Section III.C.22. The information for each of the previous 12 months shall be submitted to the Department along with the annual emission inventory. The coal analysis shall be done as required by the NO_x CEMS Appendix G, Section 5, 6, and 7 (ARM 17.8.1213).

C.37. All continuous monitors shall be operated, excess emissions reported, and performance tests conducted, in accordance with the requirements of 40 CFR Part 60, Subpart D, 40 CFR 60.7, 60.8, 60.11, 60.13, and 40 CFR Part 60 Appendix B Performance Specifications #1, #2, and #3 subject to the following:

a. The requirements of 40 CFR 60.48Da – Compliance Provisions (40 CFR Part 60, Subpart Da) shall apply to Units 3 & 4 (40 CFR 52.21);

b. The requirements of 40 CFR 60.49Da – Emissions Monitoring (40 CFR Part 60, Subpart Da) shall apply to Units 3 & 4 (40 CFR 52.21);

c. The requirements of 40 CFR 60.50Da – Compliance Determination Procedure and Methods (40 CFR Part 60, Subpart Da) shall apply to Units 3 & 4 (40 CFR 52.21);

d. The requirements of 40 CFR 60.51Da – Reporting Requirements (40 CFR Part 60, Subpart Da) shall apply to Units 3 & 4 (40 CFR 52.21);

e. PPLM shall operate the required monitors in accordance with the CEMS quality assurance (QA) plan submitted to the EPA in May 1998, unless an updated plan is accepted by the EPA. This plan may be revised by PPLM with approval of the Department (40 CFR 52.21);

f. Compliance requirements of 40 CFR 60.11(a) shall be amended per Section III.C.21 (40 CFR 52.21);

g. Each monitor modular part (i.e., opacity, SO_2, NO_x, diluent, and data handling units) of a continuous monitoring system shall attain a minimum annual on-line availability time of 85% on a minimal quarterly availability of 75% for each individual quarter. Should any given yearly or quarterly availability time drop below these respective limits, PPLM shall, within 90 days of the end of the first unexcused year or quarter, cause to be delivered to the facility factory tested and compatible monitor module(s) which had unacceptable availability times, unless PPLM can excuse the unacceptable performance by demonstrating, within ten calendar days of the end of such year or quarter, that the reason for the poor availability time has not caused another previous occurrence of unacceptable availability in question will be prevented in the future by a more effective maintenance/inventory program (40 CFR 52.21);

h. Upon two non-overlapping periods of unexcused, unacceptable availability of a module (yearly, quarterly or combination), PPLM shall within 30 days of the end of the year or quarter of the second unacceptable availability period, install, calibrate, operate, maintain, and report emission data using the second compatible module required by (g) above (40 CFR 52.21);

i. Within 60 days of the year or the quarter causing the second unacceptable availability period under Section (h) above, PPLM shall conduct a complete performance evaluation of the entire CEMS for that pollutant under 40 CFR 60.13(c) showing acceptability of the entire CEMS in question unless the module was the data handling unit alone. Within 75 days of the end of the year or quarter causing the second unacceptable availability period, PPLM shall furnish the Department with a written report of such evaluations and tests demonstrating acceptability of the system (40 CFR 52.21); and

j. In the event of a conflict between the requirements of the above-referenced federal regulations [specifically 40 CFR Part 60, Subpart Da] and the requirements of this permit, the requirements of this permit shall apply.

C.38. PPLM shall monitor compliance by following the CAM Plan (Appendix I). The CAM Plan, written by PPLM in accordance with ARM 17.8.1504, is included in Appendix I of the permit. (ARM 17.8.1503 and ARM 17.8.1213).

Recordkeeping

C.39. PPLM shall maintain, on site, a log of the results of the daily composite coal samples as required by Section III.C.30 and submit them to the Department upon request (ARM 17.8.1212).

C.40. PPLM shall maintain, on site, a log to record the emission limit calculations when burning fuel other than coal (ARM 17.8.1212).

C.41. PPLM shall complete all recordkeeping for Section III.C.18 and III.C.34 as required by EPA (ARM 17.8.1212).

C.42. Records shall be prepared and data kept in accordance with the Opacity CEMS Appendix E of this permit (ARM 17.8.1212).

C.43. PPLM shall prepare and maintain records of all inspection, maintenance, and operation activities associated with the venturi scrubbers (ARM 17.8.1212).

C.44. All source-testing recordkeeping shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. Method 9 source test reports for opacity need not be submitted unless requested by the Department (ARM 17.8.106).

C.45. Records shall be prepared and data kept in accordance with 40 CFR Part 75 and Acid Rain Appendix H, the SO_2 CEMS Appendix F, and the NO_x CEMS Appendix G of this permit (ARM 17.8.1212 and 40 CFR Parts 72-78).

C.46. PPLM shall complete all recordkeeping for Section III.C.19 and 20 as required by the Acid Rain Appendix H in this permit (ARM 17.8.1212).

C.47. PPLM shall maintain on-site records for the CEMS and the stack parameter data as required in Section III.C.37 (ARM 17.8.1212).

C.48. Records shall be prepared and data kept in accordance with 40 CFR Part 64 and the CAM Plan Appendix I of this permit (ARM 17.8.1212 and 40 CFR Part 64).

C.49. PPLM shall maintain, as a permanent business record under its control for at least 5 years, all records required for compliance monitoring. Furthermore, the records must be available at the plant site for inspection by the Department and EPA, and must be submitted to the Department upon request (ARM 17.8.1212).

Reporting

C.50. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

C.51. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of the log of daily composite coal samples;

b. A summary of any Method 9, 5, 5B, 6, 6C, 7, or 7E test conducted during the period; the actual test report for Method 9 tests need only be submitted to the Department upon request, as specified by Section III.C.24;

c. A summary of the stack parameter data and any other reports as required by Section III.C.47; and

d. A summary of the log required by Section III.C.33.

C.52. PPLM shall submit a written report of excess emission and monitoring system performance as required by 40 CFR 60.7(c). For the purposes of the report, excess emission shall be defined as any 6-minute, 3-hour, 24-hour, or 30-day period as applicable, for which the average emissions of the period of concern for opacity, NO_x, SO_2, as measured by the CEMS, exceed the applicable emissions for the periods as follows:

a. 6-minute average applies to each 6-minute non-overlapping period starting on the hour;

b. 3-hour period applies to any running 3-hour period containing 3 contiguous one-hour periods, starting on the hour;

c. 24-hour period applies to any calendar day; and

d. 30-day period applies to any running period of 30 consecutive calendar days.

C.53. PPLM shall submit the following information along with the excess emission reports:

a. The fuel feed rate and associated production figures corresponding to all periods of excess emissions (40 CFR 52.21);

b. The proximate analysis of the weekly composite sample of the fuel fired in each unit (40 CFR 52.21); and

c. Date, time and initial calibration values for each required calibration adjustment made on any monitor during the quarter, including any time in which the monitor was removed or inoperable for any reason (40 CFR 52.21).

D. EU005 – Auxiliary Propane Boiler

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
D.1, D.6, D.10, D.13, D.14	Boiler	Operation	Notification and log book	When in operation	Semiannually
D.2, D.7, D.8, D.10. D.11, D.13, D.14	Opacity	20%	Method 9	As required by the Department and Section III.A.1	
			Recordkeeping	Semiannually	
D.3, D.7, D.8, D.10. D.11, D.13, D.14	PM from fuel combustion	$E=1.026*E^{-0.233}$	Method 5	As required by the Department and Section III.A.1	
			Recordkeeping	Semiannually	
D.4, D.7, D.8, D.10, D.11, D.13, D.14	Sulfur in fuel	1 lb sulfur/ MMBtu	Recordkeeping	Semiannually	
D.5, D.9, D.12, D.15	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD

Conditions

D.1. PPLM shall notify the Department of both start up and shut down of the auxiliary propane heater within 5 days of both start up and shut down. During operation, the auxiliary propane boiler shall operate in accordance with this Section III.D of this permit (ARM 17.8.1215).

D.2. PPLM may not cause or authorize to be discharged into the atmosphere from the boiler, when in operation, visible emissions that exhibit an opacity of 20% or greater, unless specified elsewhere in this permit (ARM 17.8.304).

D.3. PPLM shall not cause or authorize PM caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of $E = 1.026*H^{-0.233}$ for existing fuel burning equipment, where H = heat input capacity in MMBtu/hr and E = maximum allowable emission rate in lb/MMBtu (ARM 17.8.309).

D.4. PPLM shall not fire in the boiler liquid or solid fuels containing sulfur in excess of 1.0 lb of sulfur/MMBtu (ARM 17.8.322).

D.5. PPLM shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR Part 63, Subpart DDDDD, *National Emissions Standards for Hazardous Air Pollutants for Major Industrial Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters* (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Compliance Demonstration

D.6. Compliance with the operational and notification requirement in Section III.D.1 may be satisfied by notifying the Department within 5 days of start up and shut down of the auxiliary propane boiler and PPLM shall prepare a log to record the time and dates when the auxiliary propane boiler is operated (ARM 17.8.1213).

D.7. PPLM shall burn propane in the emission unit while in operation to monitor compliance with the emission limits in Section III.D.2, 3, and 4 (ARM 17.8.1213).

D.8. As required by the Department and Section III.A.1, PPLM shall perform a Method 5 or a Method 9 test in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1213 and ARM 17.8.106).

D.9. Compliance monitoring shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Recordkeeping

D.10. PPLM shall maintain on site an operations and maintenance log, which includes the type of fuel fired in the boiler each day it is in operation and the information stated in Section III.D.6. The log shall include the date and time of the maintenance and the type of maintenance that was performed (ARM 17.8.1212).

D.11. Method 5 and Method 9 test reports must be maintained on-site and must be submitted to the Department upon request and in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1212).

D.12. Recordkeeping shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Reporting

D.13. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

D.14. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. Summary of any instance in which fuel other than propane was used in the boiler, including date, time and duration, and a summary operating times; and

b. Summary of any required test that was conducted during the reporting period as required by Section III.D.11.

D.15. Reporting shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR 63, Subpart DDDDD).

E. EU006 – Building Heater Boiler

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
E.1, E.6, E.11, , E.16, E.17	Building heater boiler	Operation	Notification	When operating	Semiannually
E.2, E.7, E.12, E.15, E.16, E.17	PM from fuel combustion	$E = 1.026 * E^{-0.233}$	Method 5	As required by the Department and Section III.A.1	
E.3, E.8, E.12, E.15, E.16, E.17	Opacity	20%	Method 9	As required by the Department and Section III.A.1	
E.4, E.9, E.13, E.14, E.16, E.17	Sulfur in fuel	1lb sulfur/MMBtu	Type of fuel fired	Ongoing	
E.5, E.10, E.14, E.18	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD	40 CFR Part 63, Subpart DDDDD

Conditions

E.1. Colstrip shall notify the Department of both start up and shut down of the building heater boiler within 5 days of both start up and shut down. During operation, the building heater boiler shall operate in accordance with this Section III.E of this permit (ARM 17.8.1215).

E.2. PPLM shall not cause or authorize PM caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of $E = 1.026 * H^{-0233}$ for existing fuel burning equipment, where H = heat input capacity in MMBtu/hr and E = maximum allowable emission rate in lb/MMBtu (ARM 17.8.309).

E.3. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

E.4. PPLM shall not burn liquid or solid fuel containing sulfur in excess of 1 lb of sulfur/MMBtu fired (ARM 17.8.322).

E.5. PPLM shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR Part 63, Subpart DDDDD, *National Emissions Standards for Hazardous Air Pollutants for Major Industrial Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters* (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Compliance Demonstration

E.6. Compliance with the operational and notification requirement may be satisfied by notifying the Department within 5 days of start up and shut down of the building heater boiler. PPLM shall use the computer point log to record the time and dates when the building heater boiler is operated (ARM 17.8.1213).

E.7. As required by the Department and Section III.A.1, PPLM shall perform a Method 5 test in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

E.8. As required by the Department and Section III.A.1, PPLM shall perform a Method 9 test on the building heater boiler in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1213 and ARM 17.8.106).

E.9. PPLM shall burn oil with a sulfur content that does not exceed 1 lb of sulfur/MMBtu to monitor compliance with the limit in Section III.E.4 (ARM 17.8.1213).

E.10. Compliance monitoring shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Recordkeeping

E.11. PPLM shall maintain on site the computer point log as required by Section III.E.6 (ARM 17.8.1212).

E.12. Method 5 and Method 9 test reports must be maintained on-site and must be submitted to the Department upon request and in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1212).

E.13. PPLM shall maintain on site copies of the supplier's fuel analysis for each fuel delivery. The analysis may be based on an average fuel produced over a period of time (ARM 17.8.1212).

E.14. Recordkeeping shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

Reporting

E.15. Any compliance source test reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

E.16. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

E.17. The semiannual monitoring report shall provide a (ARM 17.8.1212):

a. Summary of hours and dates of operation of the boiler as required by Sections III.E.6 and 11;

b. Summary of the average sulfur content of the fuel consumed; and

c. Summary of any required test that was conducted during the reporting period as required by Section III.E.10.

E.18 Reporting shall be performed in accordance with 40 CFR Part 63, Subpart DDDDD, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart DDDDD).

F. EU007, EU008, and EU009– Coal Handling Systems (Units 1 & 2 – Enclosed conveyors, dust suppressant, telescopic chute), Coal Handling Systems (Units 3 & 4 – silos, distribution bin, surge pile tunnel, crushing and sampling house, and vacuum cleaning system) and Coal Piles

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
F.1, F.2, F.5, F.6, F.7, F.9, F.10, F.12, F.13	Opacity	20%	Visual Survey/Method 9	Weekly	Semiannually
F.3, F.6, F.9, F.10, F.12, F.13	PM	$E = 55 * p^{0.11} - 40$	Visual Survey/Method 9	Weekly	
F.4, F.8, F.11, F.12, F.13	Uncovered coal storage piles	Sealed	Operation of controls	Ongoing	

Conditions

F.1. PPLM may not cause or authorize emissions from the Coal Handling Systems and Coal Piles to be discharged into the outdoor atmosphere that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

F.2. PPLM shall not cause or authorize the production, handling transportation, or storage of any material unless reasonable precautions to control emissions of PM are taken. Such emissions of airborne particulate from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308(1)).

F.3. The particulate emissions from process weight shall not exceed the value calculated by $E = 55.0 * p^{0.11} - 40$, where E = Emissions in pounds per hour and P = process weight rate in tons per hour (ARM 17.8.310).

F.4. Uncovered coal storage piles, which are not routinely in use, must be sealed to prevent airborne emissions (ARM 17.8.749).

Compliance Demonstration

F.5. PPLM shall conduct a weekly visual survey of visible emissions on the Coal Handling System. Once per calendar week, during daylight hours, PPLM shall visually survey the Coal Handling System for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

F.6. For Units 3 & 4, PPLM shall use a dust suppression system using chemical or water sprays in Lowering Well "A", Lowering Well "B", the coal at transfer points in area "C" transfer house, and the vibratory feeders associated with Conveyor 80A as necessary to monitor compliance with Section III.F.2 (ARM 17.8.1213).

F.7. For Units 1 & 2, PPLM shall use enclosed conveyors and fabric filter control to contain dust from handling and crushing materials. A telescopic chute shall be used to contain dust from materials falling from Lowering Wells #6, and #7. Dust suppressant shall be used as necessary to reduce particulate emission from coal (ARM 17.8.1213).

F.8. PPLM shall maintain an onsite log of all actions taken to monitor compliance with Section III.F.4. The log should include the action taken along with the date and time the action occurred (ARM 17.8.1213).

Recordkeeping

F.9. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

F.10. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

F.11. Recordkeeping of the log required in Section III.F.8 shall be maintained on site (ARM 17.8.1212).

Reporting

F.12. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

F.13. The semiannual monitoring report shall provide a (ARM 17.8.1212):

a. Summary of all visual observations monitoring compliance with the visual survey requirements; and

b. Summary of the log relating to the actions taken on the uncovered coal piles.

G. EU010 – Emergency Diesel Generators

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
G.1, G.5, G.7, G.9, G.10, G.13, G.14, G.15	Opacity	20%	Visual Survey/Method 9	Weekly	Semiannually
G.2, G.6, G.9, G.11, G.12, G.13, G.14, G.15	Particulate from fuel combustion	$E = 1.026 * H^{-0.233}$	Method 5	As required by the Department and Section III.A.1	Semiannually
G.3,G.7., G.9., G.11, G.14, G.15	Hours of Operation	Operations Limited to Specific Situations	Operating Log	Monthly	Semiannually
G.4, G.8, G.12, G.14, G.16	40 CFR Part 63, Subpart ZZZZ	40 CFR Part 63, Subpart ZZZZ	40 CFR Part 63, Subpart ZZZZ	40 CFR Part 63, Subpart ZZZZ	40 CFR Part 63, Subpart ZZZZ

Conditions

G.1. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

G.2. PPLM shall not cause or authorize PM caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of $E = 1.026 * H^{-0.233}$ for existing fuel burning equipment, where H = heat input capacity in MMBtu/hr and E maximum allowable emission rate in lbs/MMBtu (ARM 17.8.309).

G.3. PPLM shall limit the use of the emergency diesel generators to times of need for emergency power generation (ARM 17.8.756).

G.4. PPLM shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR Part 63, Subpart ZZZZ, *National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines*, for any applicable diesel engine (ARM 17.8.342 and 40 CFR Part 63, Subpart ZZZZ).

Compliance Demonstration

G.5. Only in times of generator operations, PPLM shall conduct a weekly visual survey (during daylight hours) of visible emissions on the emergency diesel generators. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

G.6. As required by the Department and Section III.A.1, PPLM shall perform a Method 5 in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

G.7. Compliance with the limits in Section III.G.3 shall be demonstrated by logging the date, time, hours of operation, reason for use, and operator's initials whenever the emergency diesel generators are utilized for emergency power generation (ARM17.8.1213).

G.8. Compliance monitoring shall be performed in accordance with 40 CFR Part 63, Subpart ZZZZ, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart ZZZZ).

Recordkeeping

G.9. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

G.10. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

G.11. PPLM shall maintain on site a log as described in Section III.G.7. PPLM shall include in that log the fuel type used whenever the emergency generators are used for emergency power generation. In addition, PPLM shall log the monthly sum of the total hours of operation of the emergency generators for the previous rolling 12-month time period (ARM 17.8.1212).

G.12. Recordkeeping shall be performed in accordance with 40 CFR Part 63, Subpart ZZZZ, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart ZZZZ).

Reporting

G.13. All source test reports must be submitted to the Department in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

G.14. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

G.15. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of all visual observations monitoring compliance with the visual survey requirement(s);

b. A summary of any Method 5 tests that were conducted; and

c. A summary of emergency generator use including a summary of hours used and reason for use.

G.16. Reporting shall be performed in accordance with 40 CFR Part 63, Subpart ZZZZ, as applicable (ARM 17.8.342 and 40 CFR Part 63, Subpart ZZZZ).

H. EU012 - Lime Handling System

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
H.1, H.4, H.6, H.9, H.10	Reasonable Precautions	20%	Operation of controls	Ongoing	Semiannually
H.2, H.5, H.7, H.9, H.10	Opacity	20%	Visual Survey/Method 9	Weekly	
H.3, H.5, H.8, H.9, H.10	PM	$E = 55 * p^{0.11} - 40$	Visual Survey/Method 9	Weekly	

Conditions

H.1. PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of airborne PM are taken (ARM 17.8.308(1)).

H.2. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

H.3. The particulate emissions from process weight shall not exceed the value calculated by $E = 55.0 * P^{0.11} - 40$, where E is the rate of emissions in pounds per hour and P is the process weight rate in tons per hour (ARM 17.8.310).

Compliance Demonstration

H.4. PPLM shall operate the pneumatic system when unloading lime to monitor compliance with the reasonable precautions requirement (ARM 17.8.1213).

H.5. PPLM shall conduct a weekly visual survey of visible emissions on the Lime Handling System. Once per calendar week, during daylight hours, PPLM shall visually survey the Lime Handling System for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log, Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

H.6. PPLM shall maintain a log of the operation of the pneumatic system as required in Section III.H.4. The log shall include date and time of operation of the pneumatic conveyor coinciding with the unloading of lime (ARM 17.8.1212).

H.7. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

H.8. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

H.9. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

H.10. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of the log of operation of the pneumatic system as required in Section III.H.6; and

b. A summary of all visual observations monitoring compliance with the visual survey requirement(s).

I. EU013 - Plant Roads; EU014 – Process Ponds

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
I.1, I.3 – I.7	Reasonable Precautions	20%	Visual Surveys/Method 9	Weekly	Semiannually
I.2 – I.7	Opacity	20%	Visual Surveys/ Method 9	Weekly	

Conditions

I.1. PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of airborne PM are taken (ARM 17.8.308).

I.2. PPLM may not cause or authorize emissions from the plant roads to be discharged into the outdoor atmosphere that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

Compliance Demonstration

I.3. PPLM shall conduct a weekly visual survey of visible emissions on the plant roads and process ponds. Once per calendar week, during daylight hours, PPLM shall visually survey the plant roads and process ponds for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

I.4. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

I.5. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

I.6. The annual compliance certification report required and logged as specified by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

I.7. The semiannual monitoring report shall provide a summary of all visual observations monitoring compliance with the visual survey requirement(s) (ARM 17.8.1212).

J. EU015 – Underground Gasoline Tank

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
J.1, J.3, J.5, J.7, J.8, J.9	Opacity	20%	Method 9	As required by the Department and Section III.A.1	Semiannually
J.2, J.4, J.6, J.8, J.9	Underground gasoline tank	250 gallons or > gasoline in tank	Submerged fill pipe	Ongoing/when loading	

Conditions

J.1. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

J.2. PPLM shall not 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 is equipped with a vapor loss control device or is a pressure tank (ARM 17.8.324(3)).

Compliance Demonstration

J.3. As required by the Department and Section III.A.1, PPLM shall perform a Method 9 test to monitor compliance with the permit limit in Section III.J.1. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual, or another method approved by the Department (ARM 17.8.106 and ARM 17.8.749).

J.4. PPLM has an installed tank with a permanently submerged fill pipe and shall continue to operate the submerged fill pipe during loading (ARM 17.8.749).

Recordkeeping

J.5. All compliance source-testing recordkeeping shall be performed in accordance with the Source Test Protocol and Procedures Manual, and shall be maintained on site. Method 9 source test reports for opacity need not be submitted unless requested by the Department (ARM 17.8.106).

J.6. PPLM shall maintain a log to monitor continuous use of the submerged fill pipe by maintaining a log of tank loading. The log shall include the date and time of loading, and state that a permanent submerged fill pipe was used or that the tank is equipped with a vapor loss control device or is a pressure tank (ARM 17.8.1213).

Reporting

J.7. Method 9 test reports as specified in Section III.J.5 shall be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

J.8. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

J.9. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of any instances that the submerged fill pipe (or vapor loss control) was not used during tank loading, including date, time, and duration of loading; and

b. A summary of any Method 9 test conducted during the period.

K. EU017 – Tangential Coal Fired Units 1-4 Mercury Emissions

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
K.1, K.2, K.3, K.4, K.5, K.6, K.7, K.8, K.9	Mercury Emissions	0.9 lb/TBtu and Installation/ Operation of Mercury Control System	MEMS	Ongoing	Quarterly

Conditions

K.1. Beginning January 1, 2010, facility-wide emissions of mercury (Hg) shall not exceed 0.9 pounds per trillion British thermal units (lb/TBtu), calculated as a rolling 12-month average. The facility-wide emissions shall be calculated according to the following equation (ARM 17.8.771, this requirement is "State Only"):

$$\text{Facility-wide Hg emissions} = (1/4) \times (\text{Unit1}_{\text{lb/TBtu}} + \text{Unit2}_{\text{lb/TBtu}} + \text{Unit3}_{\text{lb/TBtu}} + \text{Unit4}_{\text{lb/TBtu}})$$

Where: $\text{Unit1}_{\text{lb/TBtu}}$ = rolling 12-month mercury emissions from Unit 1 as an average of the last 12 individual calendar monthly averages.

$\text{Unit2}_{\text{lb/TBtu}}$ = rolling 12-month mercury emissions from Unit 2 as an average of the last 12 individual calendar monthly averages.

$\text{Unit3}_{\text{lb/TBtu}}$ = rolling 12-month mercury emissions from Unit 3 as an average of the last 12 individual calendar monthly averages.

$\text{Unit4}_{\text{lb/TBtu}}$ = rolling 12-month mercury emissions from Unit 4 as an average of the last 12 individual calendar monthly averages.

K.2. On each Unit 1-4, PPLM shall install a mercury control system that oxidizes and sorbs emissions of mercury. PPLM shall implement the operation and maintenance of mercury control systems on or before January 1, 2010 (ARM 17.8.771, this requirement is "State Only").

Compliance Demonstration

K.3. PPLM shall comply with all applicable standards and limitations, and the applicable operating, reporting, recordkeeping, and notification requirements contained in 40 CFR Part 75 (ARM 17.8.771, this requirement is "State Only").

K.4. Enforcement of Section III.K.1., where applicable, shall be determined by utilizing data taken from Mercury Emission Monitoring Systems (MEMS), installed on each Unit 1-4. The MEMS shall be comprised of equipment as required in 40 CFR 75.81(a) and defined in 40 CFR 72.2. The above does not relieve PPLM from meeting any applicable requirements of 40 CFR Part 75. Testing requirements shall be as specified in 40 CFR Part 75, and shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.771, this requirement is "State Only").

K.5. The MEMS shall be installed, certified, and operating on each Unit 1-4 stack outlet on or before January 1, 2010. MEMS shall comply with the applicable provisions of 40 CFR Part 75. The monitors shall also conform with requirements included in Appendix J (ARM 17.8.771, this requirement is "State Only").

Recordkeeping

K.6. PPLM shall conduct recordkeeping pursuant to Appendix J (ARM 12.8.1212, this requirement is "State Only").

Reporting

K.7. PPLM shall report to the Department within 30 days after the end of each calendar quarter, as described in Appendix J (ARM 17.8.749, this requirement is "State Only"):

a. For each Unit 1-4, the monthly average lb/TBtu mercury emission rate, for each month of the quarter;

b. For each Unit 1-4, the 12-month rolling average lb/TBtu mercury emission rate, for each month of the reporting quarter;

c. The 12-month facility-wide rolling average lb/TBtu mercury emission rate, calculated according to Section III.L.1, for each month of the reporting quarter; and

d. For each Unit 1-4, the number of operating hours that the MEMS were unavailable or not operating within quality assurance limits (monitor downtime).

K.8. The first quarterly report must be received by the Department by April 30, 2010, but shall not include 12-month rolling averages. The first quarterly report to include 12-month rolling averages must be received by the Department by January 30, 2011 (ARM 17.8.749).

K.9. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

L. EU018 – Mercury Oxidizer/Sorbent Handling Systems (Units 1-4)

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
L.1, L.3, L.4, L.5, L.6, L.7, L.8	Opacity	20%	Visual Survey/ Method 9	Weekly	Semiannual
L.2, L.3, L.4, L.5, L.6, L.7, L.8	Oxidizer/Sorbent Handling System	Operate/ maintain bin vent			

Conditions

L.1. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

L.2. PPLM shall operate and maintain the mercury oxidizer/sorbent handling systems, including the bin vent filter systems, to provide the maximum air pollution control for that which the systems were designed (ARM 17.8.749).

Compliance Demonstration

L.3. PPLM shall conduct a weekly visual survey of visible emissions on the Mercury Oxidizer/Sorbent Handling System. Once per calendar week, during daylight hours, PPLM shall visually survey the Mercury Oxidizer/Sorbent Handling System for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

L.4. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

L.5. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

L.6. All method reports shall be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

L.7. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

L.8. The semiannual monitoring report shall provide a summary of all visual observations monitoring compliance with the visual survey requirement(s) (ARM 17.8.1212).

SECTION IV. NON-APPLICABLE REQUIREMENTS

Air Quality Administrative Rules of Montana (ARM) and Federal Regulations identified as not applicable to the facility or to a specific emissions unit at the time of the permit issuance are listed below (ARM 17.8.1214). The following list does not preclude the need to comply with any new requirements that may become applicable during the permit term.

A. Facility-Wide

The following table contains non-applicable requirements, which are administrated by the Air Resources Management Bureau of the Department of Environmental Quality.

Rule Citation	Reason
40 CFR Part 60 Subparts C, Ca, Cb 40 CFR Part 60 Subparts Da, Db, Dc 40 CFR Part 60 Subparts E-J 40 CFR Part 60 Subparts K, Ka, Kb 40 CFR Part 60 Subparts L-Z 40 CFR Part 60 Subparts AA-EE 40 CFR Part 60 Subparts GG-HH 40 CFR Part 60 Subparts KK-NN 40 CFR Part 60 Subparts PP-XX 40 CFR Part 60 Subparts AAA-BBB 40 CFR Part 60 Subparts DDD 40 CFR Part 60 Subparts FFF-LLL 40 CFR Part 60 Subparts NNN-VVV 40 CFR Part 61 Subparts B-F 40 CFR Part 61 Subparts H-L 40 CFR Part 61 Subparts N-T 40 CFR Part 61 Subparts V-W 40 CFR Part 61 Subpart Y 40 CFR Part 61 Subpart BB 40 CFR Part 61 Subpart FF 40 CFR Part 63 Subparts F-I 40 CFR Part 63 Subparts L-O 40 CFR Part 63 Subpart Q 40 CFR Part 63 Subpart R 40 CFR Part 63 Subpart T 40 CFR Part 63 Subpart W 40 CFR Part 63 Subpart X 40 CFR Part 63 Subpart EE	These requirements are not applicable because the facility is not an affected source as defined in these regulations.
40 CFR Part 82 Subpart A 40 CFR Part 82 Subpart C 40 CFR Part 82 Subpart D 40 CFR Part 82 Subpart E 40 CFR Part 82 Subpart G	The facility does not conduct the activities addressed by these regulations.

B. Emission Units

Emission Units	Rule Citation		Reason
	State	Federal	
EU005, EU006, EU007, EU008, EU009, EU013		40 CFR Part 60 Subpart D 40 CFR Part 82 Subpart B 40 CFR Parts 72-73 40 CFR Parts 75-78	This emitting unit is not in the source category or the equipment is not used at the facility
EU001, EU002, EU003, EU004		40 CFR Part 73 Subpart G 40 CFR Part 82 Subpart B	

SECTION V. GENERAL PERMIT CONDITIONS

A. Compliance Requirements

ARM 17.8, Subchapter 12, Operating Permit Program §1210(2)(a)-(c)&(e), §1206(6)(c)&(b)

1. The permittee must comply with all conditions of the permit. Any noncompliance with the terms or conditions of the permit constitutes a violation of the Montana Clean Air Act, and may result in enforcement action, permit modification, revocation and reissuance, or termination, or denial of a permit renewal application under ARM Title 17, Chapter 8, Subchapter 12.

2. 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.

3. It shall not be a defense for a 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 the permit. If appropriate, this factor may be considered as a mitigating factor in assessing a penalty for noncompliance with an applicable requirement if the source demonstrates that both the health, safety or environmental impacts of halting or reducing operations would be more serious than the impacts of continuing operations, and that such health, safety or environmental impacts were unforeseeable and could not have otherwise been avoided.

4. The permittee shall furnish to the Department, within a reasonable time set by the Department (not to be less than 15 days), any information that the Department may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Department copies of those records that are required to be kept pursuant to the terms of the permit. This subsection does not impair or otherwise limit the right of the permittee to assert the confidentiality of the information requested by the Department, as provided in 75-2-105, MCA.

5. Any schedule of compliance for applicable requirements with which the source is not in compliance with at the time of permit issuance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it was based.

6. For applicable requirements that will become effective during the permit term, the source shall meet such requirements on a timely basis unless a more detailed plan or schedule is required by the applicable requirement or the Department.

B. Certification Requirements

ARM 17.8, Subchapter 12, Operating Permit Program §1207 and §1213(7)(a)&(c)-(d)

1. Any application form, report, or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12, shall contain certification by a responsible official of truth, accuracy and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12, shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete.

2. Compliance certifications shall be submitted by February 15 of each year, or more frequently if otherwise specified in an applicable requirement or elsewhere in the permit. Each certification must include the required information for the previous calendar year (i.e., January 1 – December 31).

3. Compliance certifications shall include the following:

   a. The identification of each term or condition of the permit that is the basis of the certification;

   b. The identification of the method(s) or other means used by the owner or operator for determining the status of compliance with each term or condition during the certification period, and whether such methods or other means provide continuous or intermittent data, as well as the additional information required by ARM 17.8.1213(7)(c)(ii);

   c. The status of compliance with the terms and conditions of the permit for the period covered by the certification, *including whether compliance during the period was continuous or intermittent* (based on the method or means designated in ARM 17.8.1213(7)(c)(ii), as described above); and

   d. Such other facts as the Department may require to determine the compliance status of the source.

4. All compliance certifications must be submitted to the EPA, as well as to the Department, at the addresses listed in the Notification Addresses Appendix of this permit.

C. Permit Shield

ARM 17.8, Subchapter 12, Operating Permit Program §1214(1)-(4)

1. The applicable requirements and non-federally enforceable requirements are included and specifically identified in this permit and the permit includes a precise summary of the requirements not applicable to the source. Compliance with the conditions of the permit shall be deemed compliance with any applicable requirements and any non-federally enforceable requirements as of the date of permit issuance.

2. The permit shield described in 1 above shall remain in effect during the appeal of any permit action (renewal, revision, reopening, or revocation and reissuance) to the Board of Environmental Review (Board), until such time as the Board renders its final decision.

3. Nothing in this permit alters or affects the following:

   a. The provisions of 42 U.S.C. Sec. 7603 of the FCAA, including the authority of the administrator 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 42 U.S.C. Sec. 7651g(a) of the FCAA;

   d. The ability of the administrator to obtain information from a source pursuant to 42 U.S.C. Sec. 7414 of the FCAA;

e. The ability of the Department to obtain information from a source pursuant to the Montana Clean Air Act, Title 75, Chapter 2, MCA;

f. The emergency powers of the Department under the Montana Clean Air Act, Title 75, Chapter 2, MCA; and

g. The ability of the Department to establish or revise requirements for the use of Reasonably Available Control Technology (RACT) as defined in ARM Title 17, Chapter 8. However, if the inclusion of a RACT into the permit pursuant to ARM Title 17, Chapter 8, Subchapter 12, is appealed to the Board, the permit shield, as it applies to the source's existing permit, shall remain in effect until such time as the Board has rendered its final decision.

4. Nothing in this permit alters or affects the ability of the Department to take enforcement action for a violation of an applicable requirement or permit term demonstrated pursuant to ARM 17.8.106, Source Testing Protocol.

5. Pursuant to ARM 17.8.132, for the purpose of submitting a compliance certification, nothing in these rules shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether a source would have been in compliance. However, when compliance or noncompliance is demonstrated by a test or procedure provided by permit or other applicable requirements, the source shall then be presumed to be in compliance or noncompliance, unless that presumption is overcome by other relevant credible evidence.

6. The permit shield will not extend to minor permit modifications or changes not requiring a permit revision (see Sections I & J).

7. The permit shield will extend to significant permit modifications and transfer or assignment of ownership (see Sections K & N).

D. Monitoring, Recordkeeping, and Reporting Requirements
ARM 17.8, Subchapter 12, Operating Permit Program §1212(2)&(3)

1. Unless otherwise provided in this permit, the permittee shall maintain compliance monitoring records that include the following information:

a. The date, place as defined in the permit, and time of sampling or measurement;

b. The date(s) analyses were performed;

c. The company or entity that performed the analyses;

d. The analytical techniques or methods used;

e. The results of such analyses; and

f. The operating conditions at the time of sampling or measurement.

2. The permittee shall retain records of all required monitoring data and support information for a period of at least 5 years after the date of the monitoring sample, measurement, report, or application. Support information includes all calibration and maintenance records and all

original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit. All monitoring data, support information, and required reports and summaries may be maintained in computerized form at the plant site if the information is made available to Department personnel upon request, which may be for either hard copies or computerized format. Strip-charts must be maintained in their original form at the plant site and shall be made available to Department personnel upon request.

3. The permittee shall submit to the Department, at the addresses located in the Notification Addresses Appendix of this permit, reports of any required monitoring by February 15 and August 15 of each year, or more frequently if otherwise specified in an applicable requirement or elsewhere in the permit. The monitoring report submitted on February 15 of each year must include the required monitoring information for the period of July 1 through December 31 of the previous year. The monitoring report submitted on August 15 of each year must include the required monitoring information for the period of January 1 through June 30 of the current year. All instances of deviations from the permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official, consistent with ARM 17.8.1207.

E. Prompt Deviation Reporting

ARM 17.8, Subchapter 12, Operating Permit Program §1212(3)(c)

The permittee shall promptly report deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. To be considered prompt, deviations shall be reported to the Department within the following timeframes (unless otherwise specified in an applicable requirement):

1. For deviations which may result in emissions potentially in violation of permit limitations:

   a. An initial phone notification (or faxed or electronic notification) describing the incident within 24 hours (or the next business day) of discovery; and,

   b. A follow-up written, faxed, or electronic report within 30 days of discovery of the deviation that describes the probable cause of the reported deviation and any corrective actions or preventative measures taken.

2. For deviations attributable to malfunctions, deviations shall be reported to the Department in accordance with the malfunction reporting requirements under ARM 17.8.110; and

3. For all other deviations, deviations shall be reported to the Department via a written, faxed, or electronic report within 90 days of discovery (as determined through routine internal review by the permittee).

Prompt deviation reports do not need to be resubmitted with regular semiannual (or other routine) reports, but may be referenced by the date of submittal.

F. Emergency Provisions

ARM 17.8, Subchapter 12, Operating Permit Program §1201(13) and §1214(5), (6)&(8)

1. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation and causes the source to exceed a technology-based emission limitation under this permit due to the unavoidable increases in emissions

attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of reasonable preventive maintenance, careless or improper operation, or operator error.

2. An emergency constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the permittee demonstrates through properly signed, contemporaneous logs, or other relevant evidence, that:

   a. An emergency occurred and the permittee can identify the cause(s) of the emergency;

   b. The permitted facility was at the time being properly operated;

   c. During the period of the emergency the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in the permit; and

   d. The permittee submitted notice of the emergency to the Department within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice fulfills the requirements of ARM 17.8.1212(3)(c). This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

3. These emergency provisions are in addition to any emergency, malfunction or upset provision contained in any applicable requirement.

G. Inspection and Entry

ARM 17.8, Subchapter 12, Operating Permit Program §1213(3)&(4)

1. Upon presentation of credentials and other requirements as may be required by law, the permittee shall allow the Department, the administrator, or an authorized representative (including an authorized contractor acting as a representative of the Department or the administrator) to perform the following:

   a. Enter the premises where a source required to obtain a permit is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

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

   c. Inspect at reasonable times any facilities, emission units, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

   d. As authorized by the Montana Clean Air Act and rules promulgated thereunder, sample or monitor, at reasonable times, any substances or parameters at any location for the purpose of assuring compliance with the permit or applicable requirements.

2. The permittee shall inform the inspector of all workplace safety rules or requirements at the time of inspection. This section shall not limit in any manner the Department's statutory right of entry and inspection as provided for in 75-2-403, MCA.

H. Fee Payment

ARM 17.8, Subchapter 12, Operating Permit Program §1210(2)(f) and ARM 17.8, Subchapter 5, Air Quality Permit Application, Operation, and Open Burning Fees §505(3)-(5) (STATE ONLY)

1. The permittee must pay application and operating fees, pursuant to ARM Title 17, Chapter 8, Subchapter 5.

2. Annually, the Department shall provide the permittee with written notice of the amount of the fee and the basis for the fee assessment. The air quality operation fee is due 30 days after receipt of the notice, unless the fee assessment is appealed pursuant to ARM 17.8.511. If any portion of the fee is not appealed, that portion of the fee that is not appealed is due 30 days after receipt of the notice. Any remaining fee, which may be due after the completion of an appeal, is due immediately upon issuance of the Board's decision or upon completion of any judicial review of the Board's decision.

3. If the permittee fails to pay the required fee (or any required portion of an appealed fee) within 90 days after the due date of the fee, the Department may impose an additional assessment of 15% of the fee (or any required portion of an appealed fee) or $100, whichever is greater, plus interest on the fee (or any required portion of an appealed fee), computed at the interest rate established under 15-31-510(3), MCA.

I. Minor Permit Modifications

ARM 17.8, Subchapter 12, Operating Permit Program §1226(3)&(11)

1. An application for a minor permit modification need only address in detail those portions of the permit application that require revision, updating, supplementation, or deletion, and may reference any required information that has been previously submitted.

2. The permit shield under ARM 17.8.1214 will not extend to any minor modifications processed pursuant to ARM 17.8.1226.

J. Changes Not Requiring Permit Revision

ARM 17.8, Subchapter 12, Operating Permit Program §1224(1)-(3), (5)&(6)

1. The permittee is authorized to make changes within the facility as described below, provided the following conditions are met:

   a. The proposed changes do not require the permittee to obtain a Montana Air Quality Permit under ARM Title 17, Chapter 8, Subchapter 7;

   b. The proposed changes are not modifications under Title I of the FCAA, or as defined in ARM Title 17, Chapter 8, Subchapters 8, 9, or 10;

   c. The emissions resulting from the proposed changes do not exceed the emissions allowable under this permit, whether expressed as a rate of emissions or in total emissions;

   d. The proposed changes do not alter permit terms that are necessary to enforce applicable emission limitations on emission units covered by the permit; and

   e. The facility provides the administrator and the Department with written notification at least 7 days prior to making the proposed changes.

2. The permittee and the Department shall attach each notice provided pursuant to 1.e above to their respective copies of this permit.

3. Pursuant to the conditions above, the permittee is authorized to make 42 USC Sec. 7661a(b)(10) changes, as defined in ARM 17.8.1201(30), without a permit revision. For each such change, the written notification required under 1.e above shall include a description of the change within the source, the date on which the change will occur, any change in emissions, and any permit term or condition that is no longer applicable as a result of the change.

4. The permittee may make a change not specifically addressed or prohibited by the permit terms and conditions without requiring a permit revision, provided the following conditions are met:

   a. Each proposed change does not weaken the enforceability of any existing permit conditions;

   b. The Department has not objected to such change;

   c. Each proposed change meets all applicable requirements and does not violate any existing permit term or condition; and

   d. The permittee provides contemporaneous written notice to the Department and the administrator of each change that is above the level for insignificant emission units as defined in ARM 17.8.1201(22) and 17.8.1206(3), and the written notice describes each such change, including the date of the change, any change in emissions, pollutants emitted, and any applicable requirement that would apply as a result of the change.

5. The permit shield authorized by ARM 17.8.1214 shall not apply to changes made pursuant to ARM 17.8.1224(3) and (5), but is applicable to terms and conditions that allow for increases and decreases in emissions pursuant to ARM 17.8.1224(4).

K. Significant Permit Modifications

ARM 17.8, Subchapter 12, Operating Permit Program §1227(1), (3)&(4)

1. The modification procedures set forth in 2 below must be used for any application requesting a significant modification of this permit. Significant modifications include the following:

   a. Any permit modification that does not qualify as either a minor modification or as an administrative permit amendment;

   b. Every significant change in existing permit monitoring terms or conditions;

   c. Every relaxation of permit reporting or recordkeeping terms or conditions that limit the Department's ability to determine compliance with any applicable rule, consistent with the requirements of the rule; or

   d. Any other change determined by the Department to be significant.

2. Significant modifications shall meet all requirements of ARM Title 17, Chapter 8, including those for applications, public participation, and review by affected states and the administrator, as they apply to permit issuance and renewal, except that an application for a significant permit modification need only address in detail those portions of the permit application that require revision, updating, supplementation or deletion.

3. The permit shield provided for in ARM 17.8.1214 shall extend to significant modifications.

L. Reopening for Cause
ARM 17.8, Subchapter 12, Operating Permit Program §1228(1)&(2)

This permit may be reopened and revised under the following circumstances:

1. Additional applicable requirements under the FCAA become applicable to the facility when the permit has a remaining term of 3 or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement. No reopening is required under ARM 17.8.1228(1)(a) if the effective date of the applicable requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms or conditions have been extended pursuant to ARM 17.8.1220(12) or 17.8.1221(2);

2. Additional requirements (including excess emission requirements) become applicable to an affected source under the Acid Rain Program. Upon approval by the administrator, excess emission offset plans shall be deemed incorporated into the permit;

3. The Department or the administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit; and

4. The administrator or the Department determines that the permit must be revised or revoked and reissued to ensure compliance with the applicable requirements.

M. Permit Expiration and Renewal
ARM 17.8, Subchapter 12, Operating Permit Program §1210(2)(g), §1220(11)&(12), and §1205(2)(d)

1. This permit is issued for a fixed term of 5 years.

2. Renewal of this permit is subject to the same procedural requirements that apply to permit issuance, including those for application, content, public participation, and affected state and administrator review.

3. Expiration of this permit terminates the permittee's right to operate unless a timely and administratively complete renewal application has been submitted to the Department consistent with ARM 17.8.1221 and 17.8.1205(2)(d). If a timely and administratively complete application has been submitted, all terms and conditions of the permit, including the application shield, remain in effect after the permit expires until the permit renewal has been issued or denied.

4. For renewal, the permittee shall submit a complete air quality operating permit application to the Department not later than 6 months prior to the expiration of this permit, unless otherwise specified. If necessary to ensure that the terms of the existing permit will not lapse before renewal, the Department may specify, in writing to the permittee, a longer time period for submission of the renewal application. Such written notification must be provided at least 1 year before the renewal application due date established in the existing permit.

N. Severability Clause
ARM 17.8, Subchapter 12, Operating Permit Program §1210(2)(i)&(l)

1. The administrative appeal or subsequent judicial review of the issuance by the Department of an initial permit under this subchapter shall not impair in any manner the underlying applicability of all applicable requirements, and such requirements continue to apply as if a final permit decision had not been reached by the Department.

2. If any provision of a permit is found to be invalid, all valid parts that are severable from the invalid part remain in effect. If a provision of a permit is invalid in one or more of its applications, the provision remains in effect in all valid applications that are severable from the invalid applications.

O. Transfer or Assignment of Ownership
ARM 17.8, Subchapter 12, Operating Permit Program §1225(2)&(4)

1. If an administrative permit amendment involves a change in ownership or operational control, the applicant must include in its request to the Department a written agreement containing a specific date for the transfer of permit responsibility, coverage and liability between the current and new permittee.

2. The permit shield provided for in ARM17.8.1214 shall not extend to administrative permit amendments.

P. Emissions Trading, Marketable Permits, Economic Incentives
ARM 17.8, Subchapter 12, Operating Permit Program §1226(2)

Notwithstanding ARM 17.8.1226(1) and (7), minor air quality operating permit modification procedures may be used for permit modifications involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that such minor permit modification procedures are explicitly provided for in the Montana State Implementation Plan (SIP) or in applicable requirements promulgated by the administrator.

Q. No Property Rights Conveyed
ARM 17.8, Subchapter 12, Operating Permit Program §1210(2)(d)

This permit does not convey any property rights of any sort, or any exclusive privilege.

R. Testing Requirements
ARM 17.8, Subchapter 1, General Provisions §105

The permittee shall comply with ARM 17.8.105.

S. Source Testing Protocol
ARM 17.8, Subchapter 1, General Provisions §106

The permittee shall comply with ARM 17.8.106.

T. Malfunctions
ARM 17.8, Subchapter 1, General Provisions §110

The permittee shall comply with ARM 17.8.110.

U. Circumvention
ARM 17.8, Subchapter 1, General Provisions §111

The permittee shall comply with ARM 17.8.111.

V. Motor Vehicles
ARM 17.8, Subchapter 3, Emission Standards §325

The permittee shall comply with ARM 17.8.325.

W. Annual Emissions Inventory
ARM 17.8, Subchapter 5, Air Quality Permit Application, Operation and Open Burning Fees §505 (STATE ONLY)

The permittee shall supply the Department with annual production and other information for all emission units necessary to calculate actual or estimated actual amount of air pollutants emitted during each calendar year. Information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request, unless otherwise specified in this permit. Information shall be in the units required by the Department.

X. Open Burning
ARM 17.8, Subchapter 6, Open Burning §604, 605 and 606

The permittee shall comply with ARM 17.8.604, 605 and 606.

Y. Montana Air Quality Permits
ARM 17.8, Subchapter 7, Permit, Construction and Operation of Air Contaminant Sources §745, and 764 (ARM 17.8.745(1) and 764(1)(b) are STATE ENFORCEABLE ONLY until approval by the EPA as part of the SIP)

1. Except as specified, no person shall construct, install, modify or use any air contaminant source or stack associated with any source without first obtaining a permit from the Department or Board. A permit is not required for the sources or stacks listed in ARM 17.8.745(1)(a)-(k).

2. The permittee shall comply with ARM 17.8.743, 744, 745, 748, and 764.

3. ARM 17.8.745(1) defines de minimis changes as construction or changed conditions of operation at a facility holding a Montana Air Quality Permit (MAQP) issued under Chapter 8 that does not increase the facility's potential to emit by more than 5 tons per year (TPY) of any pollutant, except (STATE ENFORCEABLE ONLY until approved by the EPA as part of the SIP):

   a. Any construction or changed condition that would violate any condition in the facility's existing MAQP or any applicable rule contained in Chapter 8 is prohibited, except as provided in ARM 17.8.745(2);

   b. Any construction or changed conditions of operation that would qualify as a major modification under ARM Title 17, Chapter 8, Subchapters 8, 9 or 10 of Chapter 8;

   c. Any construction or changed condition of operation that would affect the plume rise or dispersion characteristic of emissions that would cause or contribute to a violation of an ambient air quality standard or ambient air increment as defined in ARM 17.8.804;

   d. Any construction or improvement project with a Potential to Emit (PTE) more than 5 TPY may not be artificially split into smaller projects to avoid Montana Air Quality Permitting; and

e. Emission reductions obtained through offsetting within a facility are not included when determining the potential emission increase from construction or changed conditions of operation, unless such reductions are made federally enforceable.

4. Any facility making a de minimis change pursuant to ARM 17.8.745(1) shall notify the Department if the change would include a change in control equipment, stack height, stack diameter, 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, 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) (STATE ENFORCEABLE ONLY until approval by the EPA as part of the SIP).

Z. National Emission Standard for Asbestos
40 CFR, Part 61, Subpart M

The permittee shall not conduct any asbestos abatement activities except in accordance with 40 CFR Part 61, Subpart M (National Emission Standard for Hazardous Air Pollutants for Asbestos).

AA. Asbestos
ARM 17.74, Subchapter 3, General Provisions, and Subchapter 4, Fees

The permittee shall comply with ARM Title 17, chapter 74, subchapter 301. and ARM Title 17, Chapter 74, subchapter 4. (State-only)

BB. Stratospheric Ozone Protection – Servicing of Motor Vehicle Air Conditioners
40 CFR, Part 82, Subpart B

If the permittee performs a service on motor vehicles and this service involves ozone-depleting substance/refrigerant in the motor vehicle air conditioner (MVAC), the permittee is subject to all the applicable requirements as specified in 40 CFR Part 82, Subpart B.

CC. Stratospheric Ozone Protection – Recycling and Emission Reductions
40 CFR, Part 82, Subpart F

The permittee shall comply with the standards for recycling and emission reductions in 40 CFR Part 82, Subpart F, except as provided for MVACs in Subpart B of that part.

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

2. 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.

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

4. Persons disposing of small appliances, MVACs and MVAC-like (as defined at §82.152) appliances must comply with recordkeeping requirements pursuant to 40 CFR 82.166.

5. Persons owning commercial or industrial process refrigeration equipment must comply with the leak repair requirements pursuant to 40 CFR 82.156.

6. Owners/operators of appliances normally containing 50 or more pounds of refrigerant must keep records of refrigerant purchased and added to such appliances pursuant to 40 CFR 82.166.

DD. Emergency Episode Plan

The permittee shall comply with the requirements contained in Chapter 9.7 of the State of Montana Air Quality Control Implementation Plan.

Each major source emitting 100 TPY located in a Priority I Air Quality Control Region, shall submit to the Department a legally enforceable Emergency Episode Action Plan (EEAP) that details how the source will curtail emissions during an air pollutant emergency episode. The industrial EEAP shall be in accordance with the Department's EEAP and shall be submitted according to a timetable developed by the Department, following Priority I reclassification.

EE. Definitions

Terms not otherwise defined in this permit or in the Definitions and Abbreviations Appendix of this permit, shall have the meaning assigned to them in the referenced regulations.

APPENDICES

Appendix A INSIGNIFICANT EMISSION UNITS

Disclaimer: The information in this appendix is not State or Federally enforceable, but is presented to assist PPLM, the permitting authority, inspectors, and the public.

Pursuant to ARM 17.8.1201(22)(a), an insignificant emission unit means any activity or emissions unit located within a source that: (i) has a PTE less than 5 TPY of any regulated pollutant; (ii) has a PTE less than 500 pounds per year of lead; (iii) has a PTE less than 500 pounds per year of Hazardous Air Pollutants (HAP) listed pursuant to 42 U.S.C. Sec. 7412 (b) of the FCAA; and (iv) is not regulated by an applicable requirement, other than a generally applicable requirement that applies to all emission units subject to ARM Title 17, Chapter 8, subchapter 12.

List of Insignificant Activities:

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

Emissions Unit ID	Description
IEU01	Hydrazine Bulk Storage Tank Vent
IEU02	LPG Vaporizer
IEU03	Unit #1 Cooling Tower
IEU04	Unit #2 Cooling tower
IEU05	Unit #3 Cooling Tower
IEU06	Unit #4 Cooling Tower
IEU07	Waste Site
IEU08	Boiler Chemical Cleaning Process
IEU09	LPG System Safety Valves and Vents
IEU10	Process Tank Vents
IEU11	Process Ponds
IEU12	Boiler Chemical Cleaning Process
IEU13	Diesel Tanks
IEU14	Scrubber Relining Process

Appendix B DEFINITIONS and ABBREVIATIONS

"Act" means the federal Clean Air Act, as amended, 42 U.S.C. §§ 7401-7671.

"Administrative permit amendment" means an air quality operating permit revision that:

(a) Corrects typographical errors;

(b) Identifies a change in the name, address or phone number of any person identified in the air quality operating permit, or identifies a similar minor administrative change at the source;

(c) Requires more frequent monitoring or reporting by PPLM;

(d) Requires changes in monitoring or reporting requirements that the Department deems to be no less stringent than current monitoring or reporting requirements;

(e) Allows for a change in ownership or operational control of a source if the Department has determined that no other change in the air quality operating permit is necessary, consistent with ARM 17.8.1225; or

(f) Incorporates any other type of change that the Department has determined to be similar to those revisions set forth in (a)-(e), above.

"Applicable requirement" means all of the following as they apply to emission units in a source requiring an air quality operating permit (including requirements that have been promulgated or approved by the Department or the administrator through rule making at the time of issuance of the air quality operating permit, but have future-effective compliance dates, provided that such requirements apply to sources covered under the operating permit):

(a) Any standard, rule, or other requirement, including any requirement contained in a consent decree or judicial or administrative order entered into or issued by the Department, that is contained in the Montana state implementation plan approved or promulgated by the administrator through rule making under Title I of the FCAA;

(b) Any federally enforceable term, condition or other requirement of any Montana Air Quality Permit issued by the Department under ARM Title 17, Chapter 8, subchapters 7, 8, 9 and 10, or pursuant to regulations approved or promulgated through rule making under Title I of the FCAA, including Parts C and D;

(c) Any standard or other requirement under 42 U.S.C. Sec. 7411 of the FCAA, including Sec. 7411(d);

(d) Any standard or other requirement under 42 U.S.C. Sec. 7412 of the FCAA, including any requirement concerning accident prevention under 42 U.S.C. Sec. 7412(r)(7), but excluding the contents of any risk management plan required under 42 U.S.C. Sec. 7412(r);

(e) Any standard or other requirement of the acid rain program under Title IV of the FCAA or regulations promulgated thereunder;

(f) Any requirements established pursuant to 42 U.S.C. Sec. 7661c(b) or 42 U.S.C. Sec. 7414(a)(3) of the FCAA;

(g) Any standard or other requirement governing solid waste incineration, under 42 U.S.C. Sec. 7429 of the FCAA;

(h) Any standard or other requirement for consumer and commercial products, under 42 U.S.C. Sec. 7511b(e) of the FCAA;

(i) Any standard or other requirement for tank vessels, under 42 U.S.C. Sec. 7511b(f) of the FCAA;

(j) Any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the FCAA, unless the administrator determines that such requirements need not be contained in an air quality operating permit;

(k) Any national ambient air quality standard or increment or visibility requirement under Part C of Title I of the FCAA, but only as it would apply to temporary sources permitted pursuant to 42 U.S.C. Sec. 7661c(e) of the FCAA; or

(l) Any federally enforceable term or condition of any air quality open burning permit issued by the Department under ARM Title 17, Chapter 8, subchapter 6.

"Department" means the Montana Department of Environmental Quality.

"Emissions unit" means any part or activity of a stationary source that emits or has the potential to emit any regulated air pollutant or any pollutant listed under 42 U.S.C. Sec. 7412(b) of the FCAA. This term is not meant to alter or affect the definition of the term "unit" for purposes of Title IV of the FCAA.

"FCAA" means the Federal Clean Air Act, as amended.

"Federally enforceable" means all limitations and conditions which are enforceable by the administrator, including those requirements developed pursuant to 40 CFR Parts 60 and 61, requirements within the Montana State Implementation Plan, and any permit requirement established pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR Part 51, Subpart I, including operating permits issued under an EPA approved program that is incorporated into the Montana State Implementation Plan and expressly requires adherence to any permit issued under such program.

"Fugitive emissions" means those emissions that could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

"General air quality operating permit" or **"general permit"** means an air quality operating permit that meets the requirements of ARM 17.8.1222, covers multiple sources in a source category, and is issued in lieu of individual permits being issued to each source.

"Hazardous air pollutant" means any air pollutant listed as a hazardous air pollutant pursuant to 42 U.S.C. Sec. 7412(b) of the FCAA.

"Non-federally enforceable requirement" means the following as they apply to emission units in a source requiring an air quality operating permit:

(a) Any standard, rule, or other requirement, including any requirement contained in a consent decree, or judicial or administrative order entered into or issued by the Department, that is not contained in the Montana State Implementation Plan approved or promulgated by the administrator through rule making under Title I of the FCAA;

(b) Any term, condition or other requirement contained in any Montana Air Quality Permit issued by the Department under ARM Title 17, Chapter 8, subchapters 7, 8, 9 or 10 that is not federally enforceable;

(c) Does not include any Montana ambient air quality standard contained in ARM Title 17, chapter 8, subchapter 2.

"Operating Day" means any calendar day (midnight to midnight) in which any fuel is combusted in the unit.

"Permittee" means the owner or operator of any source subject to the permitting requirements of this subchapter, as provided in ARM 17.8.1204, that holds a valid air quality operating permit or has submitted a timely and complete permit application for issuance, renewal, amendment, or modification pursuant to this subchapter.

"Regulated air pollutant" means the following:

(a) Nitrogen oxides or any volatile organic compounds;

(b) Any pollutant for which a national ambient air quality standard has been promulgated;

(c) Any pollutant that is subject to any standard promulgated under 42 U.S.C. Sec. 7411 of the FCAA;

(d) Any Class I or II substance subject to a standard promulgated under or established by Title VI of the FCAA; or

(e) Any pollutant subject to a standard or other requirement established or promulgated under 42 U.S.C. Sec. 7412 of the FCAA, including but not limited to the following:

(i) Any pollutant subject to requirements under 42 U.S.C. Sec. 7412(j) of the FCAA. If the administrator fails to promulgate a standard by the date established in 42 U.S.C. Sec. 7412(e) of the FCAA, any pollutant for which a subject source would be major shall be considered to be regulated on the date 18 months after the applicable date established in 42 U.S.C. Sec. 7412(e) of the FCAA;

(ii) Any pollutant for which the requirements of 42 U.S.C. Sec. 7412(g)(2) of the FCAA have been met but only with respect to the individual source subject to a 42 U.S.C. Sec. 7412(g)(2) requirement.

"Responsible official" means one of the following:

(a) For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:

(i) The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding $25 million (in second quarter 1980 dollars); or

(ii) The delegation of authority to such representative is approved in advance by the Department.

(b) For a partnership or sole proprietorship: a general partner or the proprietor, respectively.

(c) For a municipality, state, federal, or other public agency: either a principal executive officer or ranking elected official. For the purposes of this part, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a regional administrator of the environmental protection agency).

(d) For affected sources: the designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the FCAA or the regulations promulgated thereunder are concerned, and the designated representative for any other purposes under this subchapter.

Abbreviations:

ARM	Administrative Rules of Montana
ASTM	American Society of Testing Materials
BACT	Best Available Control Technology
BDT	bone dry tons
Btu	British thermal unit
CFR	Code of Federal Regulations
CO	carbon monoxide
DEQ	Department of Environmental Quality
dscf	dry standard cubic foot
dscfm	dry standard cubic foot per minute
EEAP	Emergency Episode Action Plan
EPA	U.S. Environmental Protection Agency
EPA Method	Test methods contained in 40 CFR Part 60, Appendix A
EU	emissions unit
FCAA	Federal Clean Air Act
gr	grains
HAP	hazardous air pollutant
Hg	mercury
IEU	insignificant emissions unit
MAQP	Montana Air Quality Permit
Mbdft	thousand board feet
MEMS	Mercury Emission Monitoring System
Method 5	40 CFR Part 60, Appendix A, Method 5
Method 9	40 CFR Part 60, Appendix A, Method 9
MMbdft	million board feet
MMBtu	million British thermal units
NOx	oxides of nitrogen
NO_2	nitrogen dioxide
O_2	oxygen
Pb	lead
PM	particulate matter
PM10	particulate matter less than 10 microns in size
psi	pounds per square inch
scf	standard cubic feet
SIC	Source Industrial Classification
SO_2	sulfur dioxide
SOx	oxides of sulfur
TPY	tons per year
TBtu	trillion British Thermal Units
U.S.C.	United States Code
VE	visible emissions
VOC	volatile organic compound

Appendix C NOTIFICATION ADDRESSES

Compliance Notifications:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901
Helena, MT 59620-0901

United States EPA
Air Program Coordinator
Region VIII, Montana Office
10 W. 15th, Suite 3200
Helena, MT 59626

Permit Modifications:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901
Helena, MT 59620-0901

Office of Partnerships and Regulatory Assistance
Air and Radiation Program
US EPA Region VIII 8P-AR
1595 Wynkoop Street
Denver, CO 80202 -1129

Appendix D AIR QUALITY INSPECTOR INFORMATION

Disclaimer: The information in this appendix is not State or Federally enforceable, but is presented to assist PPLM, permitting authority, inspectors, and the public.

1. **Direction to Plant:** The facility is located in Colstrip, Montana and is accessed by traveling south on Highway 39 from I-90 and turning east into the City of Colstrip on Willow Avenue.

2. **Safety Equipment Required:** The following safety guidelines were submitted by PPLM:

General Safety Guidelines for PPLM Units 1, 2, 3, & 4

The following are excerpts from the PPLM Employee Safety Handbook. These rules apply to all visitors as well. In all instances, visitors will be escorted by a Company employee.

Safety Glasses and Hard Hats: Approved eye protection and company issued hard hats are required while on PPLM Project Division property, except in the following areas;

- Control Rooms
- Rest Rooms
- Lunch Rooms
- Offices
- To and from the parking lots and buildings
- Other areas as posted

Proper Clothing: Clothing and shoes, which are suitable for the particular type of work and existing weather conditions, shall be worn. The following should be kept in mind:

- Thin cotton, rayon, or other synthetic materials are highly flammable and will readily ignite.

- Long-sleeved shirts with sleeves rolled down and buttoned provide primary protection from many types of injuries, particularly from burns, electrical contact, irritants, splinters, and scratches.

- Cuffed trousers and short-topped shoes catch and hold hot or corrosive materials, endangering the wearer.

- Special protective clothing and equipment is furnished when required.

- Loose clothing and gloves must not be worn when working around moving machinery. Long sleeves must be rolled down and buttoned tight.

- For all functions involving the use of chemicals outside of the Chem Lab and EED lab, the use of goggles, face shields, chemical/resistant gloves, and chemical suits are required.

- It is mandatory that an acid suit shall be worn during all functions involving acids or caustics.

- Rubber gloves, Tyvek (white suits), or similar suits, rubber boots and vision protection shall be worn during all operations involving lime.

Protective Footwear: Shoes of good quality construction, with leather or equivalent material to provide protection from abrasion and punctures, are required.

Signs: Special instruction signs are for the safety of employees, visitors, and equipment. These instructions shall be observed at all times:

- Caution Signs (Black and Yellow) – Indicate a possible hazard against which proper precaution should be taken. Caution signs warn against potential hazards or caution against an unsafe practice.
- Danger Signs (Red, Black, and White) – Indicate immediate danger, and special precautions are necessary.
- Safety Instruction Signs (Green and White) – Provide general instructions and for suggestive information.
- Radiation Warning Signs (Reddish Purple and Yellow) – Warn of a radiation hazard only. Special precautions and equipment are necessary.
- Direction Signs (Black and White) – Ensure the safe and efficient flow of vehicles and pedestrian traffic.
- Vision, Hearing and Respiratory Protection Signs, where posted, shall be observed.

Horseplay – Scuffling or practical jokes are dangerous and are strictly forbidden.

Smoking Policy – Smoking or open flames shall not be permitted in areas where explosive atmospheres might be present, including but not limited to, oil storage rooms, hydrogen areas, coal handling systems, LPG handling and storage facility, and any other area posted as a "NO SMOKING" area. Absence of "NO SMOKING" signs shall not excuse smoking in dangerous places.

Seat Belts – Where seat belts are provided in vehicles and equipment, they shall be used at all times while the vehicle or equipment is being operated.

Drugs and Alcohol – The use of intoxicating beverages on Company premises is strictly forbidden. The use of any drug on Company property, except those prescribed by a competent medical authority, is strictly forbidden by Company Policy.

3. **Facility Plot Plan:** The facility plot plans were submitted as part of the applications for Operating Permit #OP0513-00 and Operating Permit #OP1187-00.

Appendix E Opacity CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Pursuant to 40 CFR Part 75, PPLM shall calibrate, maintain, and operate continuous monitoring systems.

   Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR 60.13(d), 40 CFR Part 75 and the accuracy audits required below, all continuous monitoring systems shall be in continuous operation.

   PPLM shall conduct annual accuracy audits using a calibration jig and NBS-traceable neutral density filters on the continuous monitoring system.

2. PPLM shall maintain records for a minimum of 5 years of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

3. Compliance with this appendix shall be deemed compliance with the requirements contained in the EPA PSD permit Appendix III issued September 11, 1979.

4. Compliance with this appendix shall be deemed compliance with the requirements contained in MAQP #0513-08, Section II.C.1.e., Section II.C.2., Section II.E.1., and Section II.E.2.

5. PPLM shall submit reports to the Department containing the information required by 40 CFR 60.7 and as required below. The Department is requiring all opacity CEMS reports to be submitted quarterly.

   a. PPLM shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

   b. PPLM shall submit an excess emissions and monitoring systems performance report and/or a summary report form (see paragraph (c) below) to the Department. Written reports of reportable excess emissions greater than 20% opacity shall include the following information:

      i. The magnitude of excess emissions, any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions; and the process operating time during the reporting period.

      ii. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility; and the nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.

      iii. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.

      iv. When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

c. The summary report form shall contain the information and be in the format shown in Figure 1. The summary report form shall be submitted:

i. If the total duration of excess emissions for the reporting period is less than 1% of the total operating time for the reporting period and CEMS downtime for the reporting period is less than 5% of the total operating time for the reporting period, only the summary report form shall be submitted and the excess emission report described in Section (b) above need not be submitted unless requested.

ii. If the total duration of excess emissions for the reporting period is 1% or greater of the total operating time for the reporting period or the total CEMS downtime for the reporting period is 5% or greater of the total operating time for the reporting period, the summary report form and the excess emission report described in Section (b) above shall both be submitted.

Figure 1--Summary Report-- Excess Emission and Monitoring System Performance

Pollutant:
Reporting period dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total source operating time in reporting period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:
   a. Startup/shutdown.
   b. Control equipment problems.
   c. Process problems.
   d. Other known causes.
   e. Unknown causes.
2. Total duration of excess emissions.
3. Total duration of excess emissions x (100) = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

1. CEMS downtime in reporting period due to:
   a. Monitor equipment malfunctions.
   b. Non-Monitor equipment malfunctions.
   c. Quality assurance calibrations.
   d. Other known causes.
   e. Unknown causes.
2. Total CEMS Downtime when the boiler is operating (nearest quarter hour).
3. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total boiler operating time
4. Total boiler operating time (nearest quarter hour).

The quarterly reports must be postmarked by the 30th day after the end of each quarter.

Appendix F SO_2 CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Pursuant to 40 CFR Part 75, PPLM shall calibrate, maintain, and operate continuous monitoring systems.

   The monitoring systems shall be capable of determining emissions in the units of the applicable standards.

   Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR Part 75, all continuous monitoring systems shall be in continuous operation.

2. Compliance with 40 CFR Part 75 shall be deemed compliance with the requirements contained in 40 CFR 60.13(a) through (c), (e) through (g), and (i) through (j) and with 40 CFR 60.45(c).

3. Compliance with 40 CFR Part 75 and this appendix shall be deemed compliance with the requirements contained in the EPA PSD permit Appendix III issued September 11, 1979.

4. Compliance with 40 CFR Part 75 and this appendix shall be deemed compliance with the requirements contained in MAQP #0513-08, Section II.C.1.e., Section II.C.2., Section II.E.1., and Section II.E.2.

5. PPLM shall maintain, for a minimum of 5 years, records of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

6. PPLM shall submit reports to the Department containing the information required by 40 CFR 60.7 and as required below. The Department is requiring all SO_2 CEMS reports to be submitted quarterly.

   a. PPLM shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

   b. PPLM shall submit an excess emissions and monitoring systems performance report and/or a summary report form (see Paragraph (c) below) to the Department. Written reports of excess emissions shall be reported in the units of the standard exceeded and shall include the following information:

      i. The magnitude of excess emissions, any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions; and the process operating time during the reporting period.

      ii. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility; and the nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.

      iii. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.

      iv. When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

c. The summary report form shall contain the information and be in the format shown in Figure 1. The summary report form shall be submitted:

i. If the total duration of excess emissions for the reporting period is less than 1% of the total operating time for the reporting period and CEMS downtime for the reporting period is less than 5% of the total operating time for the reporting period, only the summary report form shall be submitted and the excess emission report described in Section (b) above need not be submitted unless requested.

ii. If the total duration of excess emissions for the reporting period is 1% or greater of the total operating time for the reporting period or the total CEMS downtime for the reporting period is 5% or greater of the total operating time for the reporting period, the summary report form and the excess emission report described in Section (b) above shall both be submitted.

Figure 1--Summary Report--Gaseous Excess Emission and Monitoring System Performance

Pollutant:
Reporting period dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total source operating time in reporting period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:
   a. Startup/shutdown.
   b. Control equipment problems.
   c. Process problems.
   d. Other known causes.
   e. Unknown causes.

2. Total duration of excess emissions.

3. Total duration of excess emissions x (100) = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

1. CEMS downtime in reporting period due to:
   a. Monitor equipment malfunctions.
   b. Non-Monitor equipment malfunctions.
   c. Quality assurance calibrations.
   d. Other known causes.
   e. Unknown causes.

2. Total CEMS Downtime when the boiler is operating (nearest quarter hour).

3. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total boiler operating time

4. Total boiler operating time (nearest quarter hour).

The quarterly reports must be postmarked by the 30th day after the end of each quarter.

7. PPLM shall submit quarterly reports to the Department containing the following information for each month of the quarter:

   a. Tons of emissions calculated as the sum of $E_h=K \times C_h \times Q_h$ where E_h = emission rate (lb/hr), $K = 1.66 \times 10^{-7}$ (lb/scf)/ppm (SO_2), C_h = Measured Pollutant Concentration (ppm_{wet}), and Q_h = Measured Stack Gas Flow Rate ($SCFH_{wet}$); and

   b. A summary report including the information identified in 40 CFR 75.64 (a)(2) in writing that includes:

      Tons (rounded to the nearest tenth) of SO_2 emitted during the quarter and cumulative SO_2 emissions for calendar year.

   The quarterly reports must be postmarked by the 30th day after the end of the calendar quarter.

8. PPLM shall submit copies of all RATAs performed to the Department in accordance with ARM 17.8.106, Source Testing Protocol.

9. PPLM shall submit copies of each monitoring plan revision that results in the need to recertify the CEMS.

Appendix G NOx CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Pursuant to 40 CFR Part 75, PPLM shall calibrate, maintain, and operate continuous monitoring systems.

   The monitoring systems shall be capable of determining emissions in the units of the applicable standards.

   Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR Part 75, all continuous monitoring systems shall be in continuous operation.

2. Compliance with 40 CFR Part 75 shall be deemed compliance with the requirements contained in 40 CFR 60.13(a) through (c), (e) through (g), and (i) through (j) and 40 CFR 60.45(c).

3. Compliance with 40 CFR Part 75 and this appendix shall be deemed compliance with the requirements contained in the EPA PSD permit Appendix III issued September 11, 1979.

4. Compliance with 40 CFR Part 75 and this appendix shall be deemed compliance with the requirements contained in MAQP #0513-08, Section II.C.1.e., Section II.C.2., Section II.E.1., and Section II.E.2.

5. PPLM shall conduct a "Standard Practice for Ultimate Analysis of Coal and Coke", ASTM D3176-89 (Reapproved 2002), at a minimum of once per year for each fuel used.

6. PPLM shall determine the gross calorific value (GCV) of the fuels using ASTM D2015-91, "Standard Test Method for Gross Calorific Value of Coal and Coke by the Adiabatic Bomb Calorimeter" or other method as identified in 40 CFR Part 75, Appendix F, 3.3.6.2, at a minimum of once per year for each fuel used.

7. PPLM shall conduct a weekly fuel analysis using ASTM D4239-85 or other method approved by the Department.

8. PPLM shall maintain records for a minimum of 5 years of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

9. PPLM shall submit reports to the Department containing the information required by 40 CFR 60.7 and as required below. The Department is requiring all NO_x CEMS reports to be submitted quarterly.

   a. PPLM shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

   b. PPLM shall submit an excess emissions and monitoring systems performance report and/or a summary report form (see paragraph (c) below) to the Department. Written reports of excess emissions shall be reported in the units of the standard exceeded and shall include the following information:

i. The magnitude of excess emissions, any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions; and the process operating time during the reporting period.

ii. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility; and the nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.

iii. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.

iv. When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

c. The summary report form shall contain the information and be in the format shown in Figure 1. The summary report form shall be submitted

i. If the total duration of excess emissions for the reporting period is less than 1% of the total operating time for the reporting period and CEMS downtime for the reporting period is less than 5% of the total operating time for the reporting period, only the summary report form shall be submitted and the excess emission report described in Section (b) above need not be submitted unless requested.

ii. If the total duration of excess emissions for the reporting period is 1% or greater of the total operating time for the reporting period or the total CEMS downtime for the reporting period is 5% or greater of the total operating time for the reporting period, the summary report form and the excess emission report described in Section (b) above shall both be submitted.

Figure 1--Summary Report--Gaseous Excess Emission and Monitoring System Performance

Pollutant:
Reporting period dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total source operating time in reporting period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:
   a. Startup/shutdown.
   b. Control equipment problems.
   c. Process problems.
   d. Other known causes.
   e. Unknown causes.

2. Total duration of excess emissions.

3. Total duration of excess emissions x (100) = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

1. CEMS downtime in reporting period due to:
   a. Monitor equipment malfunctions.
   b. Non-Monitor equipment malfunctions.
   c. Quality assurance calibrations.
   d. Other known causes.
   e. Unknown causes.

2. Total CEMS Downtime when the boiler is operating (nearest quarter hour).

3. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total boiler operating time

4. Total boiler operating time (nearest quarter hour).

The quarterly reports must be postmarked by the 30th day after the end of each quarter.

10. PPLM shall submit quarterly reports to the Department containing the following information for each month of the quarter:

    a. Monthly average coal analysis;

    b. Coal consumption;

    c. Other fuels combusted and the amount;

    d. Tons of emissions calculated as the sum of $E_h=K \times C_h \times Q_h$ where E_h = emission rate (lb/hr), $K = 1.19 \times 10^{-7}$ (lb/scf)/ppm (NOx), C_h = Measured Pollutant Concentration (ppm_{wet}), and Q_h = Measured Stack Gas Flow Rate ($SCFH_{wet}$); and

e. A summary report including the information identified in 40 CFR 75.64 (a)(3) through (5) in writing which includes:

i. Average NOx emission rate (lb/mmBtu, rounded to the nearest hundredth) during the quarter and cumulative NOx emission rate for calendar year.

ii. Tons of CO_2 emitted during quarter and cumulative CO_2 for calendar year.

iii. Total heat input (mmBtu) for quarter and cumulative heat input for calendar year.

The quarterly reports must be postmarked by the 30th day after the end of the calendar quarter.

11. PPLM shall submit copies of all RATAs performed to the Department in accordance with ARM 17.8.106, Source Testing Protocol.

12. PPLM shall submit copies of each monitoring plan revision that results in the need to a recertify the CEMS.

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258
Expires 1-31-96

Phase II Permit Application

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: [X] New [ ] Revised

STEP 1
Identify the source by plant name, State, and ORIS code from NADB

Plant Name	State	ORIS Code
Colstrip Units #1 and #2	MT	6076

STEP 2
Enter the boiler ID# from NADB for each affected unit, and indicate whether a repowering plan is being submitted for the unit by entering "yes" or "no" at column c. For new units, enter the requested information in columns d and e

a	b	c	d	e
Boiler ID#	Compliance Plan: Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	Compliance Plan: Repowering Plan	New Units: Commence Operation Date	New Units: Monitor Certification Deadline
000001	(Yes)	No		
000002	(Yes)	No		
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			

STEP 3
Check the box if the response in column c of Step 2 is "Yes" for any unit

[ ] For each unit that will be repowered, the Repowering Extension Plan form is included and the Repowering Technology Petition form has been submitted or will be submitted by June 1, 1997.

EPA Form 7610-16 (rev. 12-94; previous versions obsolete)

Colstrip Units #1 and #2
Plant Name (from Step 1)

STEP 4
Read the standard requirements and certification, enter the name of the designated representative, and sign and date

Standard Requirements

Permit Requirements.

(1) The designated representative of each affected source and each affected unit at the source shall:
(i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
(2) The owners and operators of each affected source and each affected unit at the source shall:
(i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
(ii) Have an Acid Rain Permit.

Monitoring Requirements.

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR parts 74, 75, and 76.
(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
(3) The requirements of 40 CFR parts 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements.

(1) The owners and operators of each source and each affected unit at the source shall:
(i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)) not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
(ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
(2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
(3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
(i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
(ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1)(i) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
(6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or the written exemption under 40 CFR 72.7 and 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements. The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements.

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
(2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements.

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
(ii) All emissions monitoring information, in accordance with 40 CFR part 75;
(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,

Colstrip Units #1 and #2
Plant Name (from Step 1)

Recordkeeping and Reporting Requirements (cont.)

(iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability.

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities. No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;
(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Carlton D. Grimm Name	
Signature	December 20, 1995 Date

STEP 5 (optional)
Enter the source AIRS and FINDS identification numbers, if known

AIRS
FINDS

EPA Form 7610-16 (rev. 12-94; previous versions obsolete)

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258
Expires 1-31-96

Phase II Permit Application

For more information, see instructions and refer to 40 CFR 72.30 and 72.31

This submission is: [X] New [ ] Revised

STEP 1
Identify the source by plant name, State, and ORIS code from NADB

Colstrip Units #3 and #4	MT	6076
Plant Name	State	ORIS Code

STEP 2
Enter the boiler ID# from NADB for each affected unit, and indicate whether a repowering plan is being submitted for the unit by entering "yes" or "no" at column c. For new units, enter the requested information in columns d and e

a	b	c	d	e
	Compliance Plan			
Boiler ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	Repowering Plan	New Units Commence Operation Date	New Units Monitor Certification Deadline
000003	(Yes)	No		
000004	(Yes)	No		
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			
	Yes			

STEP 3
Check the box if the response in column c of Step 2 is "Yes" for any unit

[ ] For each unit that will be repowered, the Repowering Extension Plan form is included and the Repowering Technology Petition form has been submitted or will be submitted by June 1, 1997.

EPA Form 7610-16 (rev. 12-94; previous versions obsolete)

Colstrip Units #3 and #4
Plant Name (from Step 1)

STEP 4
Read the standard requirements and certification, enter the name of the designated representative, and sign and date

Standard Requirements

Permit Requirements.

(1) The designated representative of each affected source and each affected unit at the source shall:
(i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
(2) The owners and operators of each affected source and each affected unit at the source shall:
(i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
(ii) Have an Acid Rain Permit.

Monitoring Requirements.

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR parts 74, 75, and 76.
(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
(3) The requirements of 40 CFR parts 74 and 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements.

(1) The owners and operators of each source and each affected unit at the source shall:
(i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)) not less than the total annual emissions of sulfur dioxide for the previous calender year from the unit; and
(ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
(2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
(3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
(i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
(ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1)(i) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
(6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or the written exemption under 40 CFR 72.7 and 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.
(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements. The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements.

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
(2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements.

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:
(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
(ii) All emissions monitoring information, in accordance with 40 CFR part 75;
(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,

EPA Form 7610-16 (rev. 12-94; previous versions obsolete)

Colstrip Units #3 and #4
Plant Name (from Step 1)

Recordkeeping and Reporting Requirements (cont.)

(iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability.

(1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
(6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO_x averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.
(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities. No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
(2) Limiting the number of allowances a unit can hold; *provided*, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;
(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Carlton D. Grimm Name	
[signature] Signature	[illegible] Date

STEP 5 (optional)
Enter the source AIRS and FINDS identification numbers, if known

AIRS
FINDS

EPA Form 7610-16 (rev. 12-94; previous versions obsolete)

Appendix I Compliance Assurance Monitoring Plan

1. Background:

a. Emissions Unit Identification

PPL Montana, LLC
Colstrip Steam Electric Station (CSES)
Rosebud County
Colstrip, Montana
ORSIPL # 6076

Identification	Description	Primary NAICS Code	EPA FINDS #
CSES Unit 1	Tangential Coal-Fired Boiler	221112	MTD000710236
CSES Unit 2	Tangential Coal-Fired Boiler	221112	MTD000710236
CSES Unit 3	Tangential Coal-Fired Boiler	221112	MTD000710236
CSES Unit 4	Tangential Coal-Fired Boiler	221112	MTD000710236

b. Applicable Regulations, Emission Limits, and Monitoring Requirements

Unit	Regulations	Opacity		Particulate	
		Emission Limit	Compliance Method	Emission Limit	Compliance Method
1	40 CFR Part 60, Subparts A & D	20% (6-min. Avg)	COMS	0.10 lb/MMBtu	3-run RM5 Test
2	40 CFR Part 60, Subparts A & D	20% (6-min. Avg)	COMS	0.10 lb/MMBtu	3-run RM5 Test
3	40 CFR Part 60, Subparts A & D, 40 CFR 52.21, ARM 17.8.710	20% (6-min. Avg)	COMS	0.05 lb/MMBtu & 379 lb/Hr	3-run RM5 Test
4	40 CFR Part 60, Subparts A & D, 40 CFR 52.21, ARM 17.8.710	20% (6-min. Avg)	COMS	0.05 lb/MMBtu & 379 lb/Hr	3-run RM5 Test

c. Control Technology Description

Colstrip Units 1 & 2

The scrubbers at Colstrip Units 1 & 2 are three-vessel venturi and spray absorber systems. During normal full load operations all three scrubber vessels are in service, each one treating about 1/3 of the flue gas.

The flue gas enters the scrubber vessel and is accelerated by the converging surfaces of the plumb bob and venturi bowl. The flue gas and slurry meet in the venturi throat where turbulence atomizes the slurry. Acceleration of the flue gas causes particulate to collide with and be absorbed by slurry droplets.

The majority of fly ash particulate and most of the SO_2 are removed in the venturi section. The throat area of the venturi is adjusted by moving the plumb bob up or down to obtain the desired pressure drop across the plumb bob of each scrubber. The flue gas

velocity caused by this pressure drop ensures optimum fly ash removal. The slurry and collected fly ash are separated from the flue gas as it turns up to enter the absorption spray area.

The flue gas enters the absorption spray area in the annular space between the downcomer and the shell of the scrubber vessel. The flue gas is contacted with recycle slurry for additional removal of SO_2. Above the absorption section is a wash tray which uses recirculation water to contact the flue gas and remove entrained recycle slurry from the flue gas.

The flue gas then flows through the mist eliminator where entrained water droplets are removed.

After being treated, the flue gas exits the scrubber vessels. The treated gas is raised in temperature as it passes through a steam reheater and then discharged to the stack through the induced draft fan.

Colstrip Units 3 & 4

There are eight wet venturi scrubber vessels on each unit. Six to seven vessels are used during normal full load operations. A typical Units 3 & 4 scrubber vessel is illustrated in IC-2.

The flue gas enters the scrubber vessel and is accelerated by the converging surfaces of the plumb bob and venturi bowl. The flue gas and slurry meet in the venturi throat where turbulence atomizes the slurry. Acceleration of the flue gas causes particulate to collide with and be absorbed by slurry droplets.

The majority of fly ash particulate and most of the SO_2 are removed in the venturi section. The throat area of the venturi is adjusted by moving the plumb bob up or down to obtain the desired pressure drop across the plumb bob of each scrubber. The flue gas velocity caused by this pressure drop ensures optimum fly ash removal. The slurry and collected fly ash are separated from the flue gas as it turns up to enter the absorption spray area.

The flue gas enters the absorption spray area in the annular space between the downcomer and the shell of the scrubber vessel. The flue gas is contacted with recycle slurry for additional removal of SO_2. Above the absorption section is a wash tray which uses recirculation water to contact the flue gas and remove entrained recycle slurry from the flue gas.

The flue gas then flows through the mist eliminator where entrained water droplets are removed.

After being treated, the flue gas exits the scrubber vessels. The treated gas is raised in temperature as it passes through a steam reheater and then discharged to the stack through the induced draft fan.

2. Particulate CAM Plan Approach and Performance Indicators

Monitoring Approach for PM for Units 1-4		
Monitoring Indicator	**Performance Indicator Range**	**Monitoring Method**
Opacity	Daily Average <20%	COM/Continuous
Plumb Bob ΔP	Plumb Bob ΔP >17 inches water column	Plant Control Room Operator Monitor/Continuous
Venturi Spray System	Periods of scrubber operation without the venturi sprays < 1 hour	Plant Control Room Operator Monitor/Continuous

Opacity

Opacity is a key performance indicator for assuring compliance with the PM limit. Opacity is measured in the stack on a continuous basis by an opacity monitor installed on the stack. This monitor is a double-pass, two detector in-situ analyzer that utilizes an electronically modulated intensity-controlled solid state LED to ensure stable operation. Basic system components include the transmissometer, the retroreflector and control unit in the stack; and remote readout that accompanies the B&W-Enertec Data Acquisition and Handling System (DAHS) in the plant control room. Percent opacity data is recorded as minute averages in the DAHS. Six-minute, hourly, and daily opacity averages are calculated utilizing the base minute data. As stated in the PPLM CEMS QA Plan, daily COMs calibration drift checks are conducted and quarterly opacity accuracy audits are conducted. PM emissions will be considered to be in compliance with the applicable limits when the opacity is ≤ 20% as measured on a daily average. As a note, one six-minute period per hour of up to 27% opacity is allowed. Data regarding opacity monitoring is reported on a quarterly basis unless required otherwise during any excursion as required by Section V.E. of the permit. The Daily Average Opacity indicator is based on;

1. Annual performance tests have indicated that the PM standard is met when opacity is ≤ 20%. These Reference Method 5 performance tests consist of three runs conducted in a day.

2. Opacity has never exceeded 20% during a Colstrip Units 1-4 PM compliance test that demonstrated compliance with the particulate standard; therefore, it is appropriate to use a 20% daily opacity indicator as assurance that the units are in compliance with the applicable PM emission limits. Annual PM compliance testing has been conducted on Colstrip Units 1-4 since their initial commercial operations. The average results of these tests since the last revision to the CAM plan are presented in the following table.

PPL Montana Colstrip Units 1-4
Stack Particulate Emissions Tests
EPA Method 5B

Unit	Date	lb./MMBtu	lb./Hr.	%Opacity
1	05/27/04	0.026	95.2	NA
	04/15/05	0.042	139.9	14.0
	05/11/06	0.042	129.5	16.2
	05/02/07	0.049	157.6	15.3
	05/01/08	0.035	117.8	16.1
	04/22/09	0.034	110.9	17.8
	07/07/10	0.031	100.3	16.0
	10/19/11	0.027	91.6	17.3

Unit	Date	lb./MMBtu	lb./Hr.	%Opacity
2	06/14/04	0.058	208.3	NA
	04/20/05	0.045	147.0	15.9
	05/24/06	0.042	139.6	16.6
	04/25/07	0.060	189.3	18.0
	08/27/08	0.025	77.7	17.1
	04/29/09	0.033	111.2	18.0
	06/02/10	0.026	82.6	16.3
	10/27/11	0.037	118.5	18.0
3	09/15/04	0.035	276.9	NA
	04/07/05	0.033	255.0	17.4
	07/06/06	0.034	262.1	16.5
	07/19/07	0.024	186.0	15.3
	05/14/08	0.020	149.8	13.1
	05/06/09	0.018	133.5	15.6
	05/05/10	0.022	168.3	16.2
	03/17/11	0.020	155.2	14.1
4	06/30/04	0.044	306.8	NA
	02/16/05	0.034	254.4	16.6
	11/10/05	0.032	245.8	17.3
	04/05/06	0.029	210.6	14.3
	10/11/06	0.030	224.7	16.2
	04/18/07	0.032	243.8	12.4
	04/22/08	0.035	254.8	16.9
	11/24/09	0.022	169.9	17.5
	05/12/10	0.019	140.1	14.6
	04/07/11	0.031	237.5	17.7

Scrubber Plumb Bob Pressure Drop (ΔP)

A review of historical plumb bob ΔP indicates that operation of the scrubbers with plumb bob ΔP greater than 17 inches water column helps ensure compliance with the particulate standard. The control room operators monitor scrubber plumb bob ΔP on a regular basis to ensure proper operation and will take corrective action as needed to make sure the scrubber is operating at the proper plumb bob ΔP conditions. A daily average of the operating scrubber plumb bob ΔP's below 17 inches water column will be reported in the quarterly report as a CAM plan excursion.

Scrubber Venturi Sprays

The venturi spray system is designed so that when the pumps are operating, the proper spray flow is provided to the venturi section of the scrubbers. The control room operators monitor venturi spray operation on a regular basis to ensure proper scrubber operation. A venturi spray pump shutdown will alarm in the control room which helps the operator take corrective action immediately to make sure the scrubber is operating as designed. Periods of scrubber operation without the venturi sprays are expected to be infrequent and for short periods of time. Periods of individual scrubber operation without venturi sprays for more than 1 hour will be reported in the quarterly report as a CAM plan excursion.

Appendix J Mercury Emissions Monitoring System (MEMS)
(These requirements are "State Only")

MEMS

a. For each Unit 1-4, PPLM shall install, calibrate, certify, maintain, and operate an MEMS to monitor and record the rate of mercury emissions discharged into the atmosphere from all mercury emitting generating units (units) as defined in the Administrative Rules of Montana 17.8.740.

(1) The MEMS shall be comprised of equipment as required in 40 CFR 75.81(a) and defined in 40 CFR 72.2.

(2) The MEMS shall conform to all applicable requirements of 40 CFR Part 75.

(3) The MEMS data will be used to demonstrate compliance with the emission limitations contained in Section III.L.1.

b. PPLM shall prepare, maintain and submit a written MEMS Monitoring Plan to the Department.

(1) The monitoring plan shall contain sufficient information on the MEMS and the use of data derived from these systems to demonstrate that all the gaseous mercury stack emissions from each unit are monitored and reported.

(2) Whenever PPLM makes a replacement, modification, or change in a MEMS or alternative monitoring system under 40 CFR Part 75 subpart E, including a change in the automated data acquisition and handling system (DAHS) or in the flue gas handling system, that affects information reported in the monitoring plan (e.g. a change to a serial number for a component of a monitoring system), then the owner or operator shall update the monitoring plan.

(3) If any monitoring plan information requires an update pursuant to Section b.(2), submission of the written monitoring plan update shall be completed prior to or concurrent with the submittal of the quarterly report required in c. below for the quarter in which the update is required.

(4) The initial submission of the Monitoring Plan to the Department shall include a copy of a written Quality Assurance/Quality Control (QA/QC) Plan as detailed in 40 CFR Part 75 Appendix B, Section 1. Subsequently, the QA/QC Plan need only be submitted to the Department when it is substantially revised. Substantial revisions can include items such as changes in QA/QC processes resulting from rule changes, modifications in the frequency or timing of QA/QC procedures, or the addition/deletion of equipment or procedures.

(5) The Monitoring Plan shall include, at a minimum, the following information:

(a) Facility summary including:

(i) A description of each mercury-emitting generating unit at the facility.

(ii) Maximum and average loads (in megawatts (MW)) with fuels combusted and fuel flow rates at the maximum and average loads for each unit.

(iii) A description of each unit's air pollution control equipment and a description of the physical characteristics of each unit's stack.

(b) Mercury emission control summary including a description of control strategies, equipment, and design process rates.

(c) MEMS description, including:

(i) Identification and description of each monitoring component in the MEMS including manufacturer and model identifications; monitoring method descriptions; and normal operating scale and units descriptions. Descriptions of stack flow, diluent gas, and moisture monitors (if used) in the system must be described in addition to the mercury monitor or monitors.

(ii) A description of the normal operating process for each monitor including a description of all QA/QC checks.

(iii) A description of the methods that will be employed to verify and maintain the accuracy and precision of the MEMS calibration equipment.

(iv) Identification and description of the DAHS, including major hardware and software components, conversion formulas, constants, factors, averaging processes, and missing data substitution procedures.

(v) A description of all initial certification and ongoing recertification tests and frequencies; as well as all accuracy auditing tests and frequencies.

(d) The Maximum Potential Concentration (MPC), Maximum Expected Concentration (MEC), span value, and range value as applicable and as defined in 40 CFR Part 75 Appendix A, 2.1.7.

(e) Examples of all data reports required in c. below.

c. PPLM shall submit written, Quarterly Mercury Monitoring Reports. The reports shall be received by the Department within 30 days following the end of each calendar quarter, and shall include, at a minimum, the following:

(1) Mercury emissions. The reports shall include:

(a) For each Unit 1-4, the monthly average lb/TBtu mercury emission rate for each month of the quarter;

(b) For each Unit 1-4, the 12-month rolling average lb/TBtu emission rate for each month of the reporting quarter. The rolling 12-month basis is an average of the last 12 individual calendar monthly averages, with each monthly average calculated at the end of each calendar month; and

(c) For each Unit 1-4, the total heat input to the boiler (in TBtu) for each 12-month rolling period of the quarter.

(d) The 12-month facility-wide rolling average lb/TBtu mercury emission rate, calculated according to Section III.L.1, for each month of the quarter.

(2) Mercury excess emissions. The report shall describe the magnitude of excess mercury emissions experienced during the quarter, including:

(a) The date and time of commencement and completion of each period of excess emissions. Periods of excess emissions shall be defined as those emissions calculated on a rolling 12-month basis which are greater than the limitation established in Section III.L.1.

(b) The nature and cause of each period of excess emissions and the corrective action taken or preventative measures adopted in response.

(c) If no periods of excess mercury emissions were experienced during the quarter, the report shall state that information.

(3) MEMS performance. The report shall describe:

(a) The number of operating hours that the MEMS was unavailable or not operating within quality assurance limits (monitor downtime) during the reporting quarter, broken down by the following categories:

- Monitor equipment malfunctions;
- Non-Monitor equipment malfunctions;
- Quality assurance calibration;
- Other known causes; and
- Unknown causes.

(b) The percentage of unit operating time that the MEMS was unavailable or not operating within quality assurance limits (monitor downtime) during the reporting quarter. The percentage of monitor downtime in each calendar quarter shall be calculated according to the following formula:

$$MEMSDowntime\% = \left(\frac{MEMSDownHours}{OpHours} \right) \times 100 \quad \text{where}$$

MEMSDowntime% = Percentage of unit operating hours classified as MEMS monitor downtime during the reporting quarter.

MEMSDownHours = Total number of hours of MEMS monitor downtime during the reporting quarter.

OpHours = Total number of hours the unit operated during the reporting quarter.

(c) For any reporting quarter in which monitor downtime exceeds 10%, a description of each time period during which the MEMS was inoperative or operating in a manner defined in 40 CFR Part 75 as "out of control." Each description must include the date, start and end times, total downtime (in hours), the reason for the system downtime, and any necessary corrective actions that were taken. In addition, the report shall describe the values used for any periods when missing data substitution was necessary as detailed in 40 CFR 75.30.

(4) The quarterly report shall include the results of any QA/QC audits, checks, or tests conducted to satisfy the requirements of 40 CFR Part 75 Appendices A, B or K.

(5) Compliance certification. Each quarterly report shall contain a certification statement signed by the facility's responsible official based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall indicate:

(a) Whether the monitoring data submitted were recorded in accordance with the applicable requirements of 40 CFR Part 75 including the QA/QC procedures and specifications of that part and its appendices, and any such requirements, procedures and specifications of an applicable excepted or approved alternative monitoring method as represented in the approved Monitoring Plan.

(b) That for all hours where data are substituted in accordance with 40 CFR 75.38, the add-on mercury emission controls were operating within the range of parameters listed in the quality-assurance plan for the unit, and that the substitute values do not systematically underestimate mercury emissions.

(6) The format of each component of the quarterly report may be negotiated with the Department's representative to accommodate the capabilities and formats of the facility's DAHS.

(7) Each quarterly report must be received by the Department within 30 days following the end of each calendar reporting period (January-March, April-June, July-September, and October-December).

(8) The electronic data reporting detailed in 40 CFR Part 75 shall not be required unless Montana is able to receive and process data in an electronic format.

d. PPLM shall maintain a file of all measurements and performance testing results from the MEMS; all MEMS performance evaluations; all MEMS or monitoring device calibration checks and audits; and records of all adjustments and maintenance performed on these systems or devices recorded in a permanent form suitable for inspection. The file shall be retained on site for at least 5 years following the date of such measurements and reports. PPLM shall make these records available for inspection by the Department and shall supply these records to the Department upon request.

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: THE REQUEST FOR HEARING BY MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB REGARDING DEQ'S ISSUANCE OF MONTANA AIR QUALITY OPERATING PERMIT NO. OP0513-08 FOR THE COLSTRIP STEAM ELECTRIC STATION IN COLSTRIP, MT	**CASE NO. BER 2013-01 AQ**

FIRST PREHEARING ORDER

Ms. Jenny K. Harbin, Counsel for Montana Environmental Information Center and Sierra Club (hereinafter Appellants), filed a Request for Hearing appealing the decision of the Montana Department of Environmental Quality (Department) of December 4, 2013, issuing Montana Air Quality Operating Permit No. OP0513-08 for the Colstrip Steam Electric Station in Colstrip, Montana. The following guidelines and rules are provided to assist the parties in an orderly resolution of this contested case:

1. REFERENCES: This matter is governed, as far as authority to proceed, by the Montana Administrative Procedure Act, Mont. Code Ann. Tit. 2, Ch. 4, Pt. 6, and Mont. Admin. R. 17.4.101, by which the Board of Environmental Review (Board) has adopted the Attorney General's Model Rules for contested cases, Mont. Admin. R. 1.3.211 through 1.3.225; and Mont. Code Ann. § 75-2-218.

2. FILING: Except for discovery requests and responses (which are not routinely filed), **original** documents shall be sent for filing with the Board, addressed as follows:

Ms. Joyce Wittenberg
Secretary, Board of Environmental Review
Department of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901

One **copy** of each document that is filed should be sent to the Hearing Examiner addressed as follows:

KATHERINE J. ORR
Hearing Examiner
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440

Although discovery documents are not normally filed, when a motion or brief is filed making reference to discovery documents, the party filing the motion or brief should also attach the relevant discovery documents.

3. SERVICE: Copies of all documents filed with the Board and provided to the Hearing Examiner, including correspondence, must be served upon the opposing party. A certificate of service should be provided.

4. *EX PARTE* COMMUNICATIONS: The Montana Administrative Procedure Act in Mont. Code Ann. § 2-4-613, and the Attorney General's Model Rule 18 in Mont. Admin. R. 1.3.222, prohibit *ex parte* communications with a hearing examiner concerning any issue of fact or law in a contested case. In addition to observing this rule, please contact the opposing party before you communicate with the Hearing Examiner even on purely procedural matters such as the need for a continuance.

5. SCHEDULING: The undersigned requests that the parties consult with each other and propose to the undersigned a schedule upon which they agree by **January 31, 2013**. The schedule should include the following dates:

(a) for joinder/intervention of additional parties;

(b) for disclosure by each party to the other parties of: (1) the name and address of each individual likely to have discoverable information that the disclosing party may use to support its claims or defenses, and (2) a copy of, or a description by category and location of, all documents and tangible things that are in

the possession, custody, or control of the party and that the disclosing party may use to support its claims or defenses;

(c) for completion of discovery (if any party wishes to conduct discovery);

(d) for exchange of lists of witnesses and copies of documents that each party intends to offer at the hearing;

(e) for submitting any motions and briefs in support;

(f) for a prehearing conference to hear argument on any motions and resolve other prehearing matters; and,

(g) for the contested case hearing, as well as the place of hearing.

6. A copy of this First Prehearing Order is being provided to the permit applicant, PPL Montana, LLC. No separate motion to intervene is required if the permit applicant complies with this Order and proposes a schedule for further proceedings after consultation with the other parties. The permit applicant shall be considered to have intervened in these contested case proceedings by timely submitting a proposed schedule.

DATED this 10th day of January, 2013.

KATHERINE J. ORR
Hearing Examiner
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and accurate copy of the foregoing First Prehearing Order to be mailed to:

Ms. Joyce Wittenberg
Secretary, Board of Environmental Review
Department of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901
(original)

Mr. Norm Mullen
Legal Counsel
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Mr. David Klemp, Bureau Chief
Air Resources Management Bureau
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Ms. Jenny K. Harbine
Ms. Laura D. Beaton
Earthjustice
313 East Main Street
Bozeman, MT 59715

Mr. James M. Parker
PPL Montana, LLC
303 N. Broadway, Suite 400
Billings, MT 59101

DATED: January 10, 2013

Montana Department of
ENVIRONMENTAL QUALITY

MEMO

TO: Katherine Orr, Hearing Examiner
Board of Environmental Review

FROM: Joyce Wittenberg, Board Secretary
Board of Environmental Review
P.O. Box 200901
Helena, MT 59620-0901

DATE: January 7, 2013

SUBJECT: Board of Environmental Review Case No. BER 2013-02 AQ

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW

OF THE STATE OF MONTANA

IN THE MATTER OF: THE REQUEST FOR HEARING BY MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB REGARDING DEQ'S ISSUANCE OF MONTANA AIR QUALITY OPERATING PERMIT NO. OP2953-07 FOR THE JE CORETTE STEAM ELECTRIC STATION IN BILLINGS, MT.	Case No. BER 2013-02 AQ

The BER has received the attached request for hearing. Also attached is DEQ's administrative document(s) relating to this request.

Please serve copies of pleadings and correspondence on me and on the following DEQ representatives in this case.

Norman Mullen
Legal Counsel
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

David Klemp, Bureau Chief
Air Resources Management Bureau
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Attachments
c: Jenny K. Harbine and Laura D. Beaton, Earthjustice, for Appellants

Jenny K. Harbine
Laura D. Beaton
Earthjustice
313 East Main Street
Bozeman, MT 59715
(406) 586-9699
Fax: (406) 596-9695
jharbine@earthjustice.org
lbeaton@earthjustice.org

Counsel for Appellants Montana Environmental Information Center and Sierra Club

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: MONTANA AIR QUALITY OPERATING PERMIT NUMBER OP2953-07 FOR THE JE CORETTE STEAM ELECTRIC STATION, BILLINGS, MONTANA	Case No. BER 2013-02 AQ **REQUEST FOR HEARING**

Pursuant to Mont. Code Ann. § 75-2-218(5), Montana Environmental Information Center and Sierra Club ("Appellants") hereby request a hearing before the Board of Environmental Review. Appellants and their respective members are adversely affected by the Department of Environmental Quality's ("DEQ") December 4, 2012, decision to issue an Air Quality Operating Permit for the JE Corette Steam Electric Station in Billings, Montana. As provided by Mont. Code Ann. § 75-2-218(5), together with this request for hearing, Appellants are filing an affidavit setting forth the grounds for this request.

Respectfully requested this 3rd day of January, 2013,

Jenny K. Harbine
On behalf of Appellants

CERTIFICATE OF SERVICE

I hereby certify that I caused complete and accurate copies of the foregoing Request for Hearing and Affidavit to be served on the following persons this 3rd day of January, 2013, by first class United States mail, postage prepaid, and electronic mail:

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BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: MONTANA AIR QUALITY OPERATING PERMIT NUMBER OP2953-07 FOR THE JE CORETTE STEAM ELECTRIC STATION, BILLINGS, MONTANA	Case No. BER 2013-02 AQ **AFFIDAVIT OF MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB**

Pursuant to Mont. Code Ann. § 75-2-218(5), Appellants Montana Environmental Information Center and Sierra Club ("Appellants") hereby submit an affidavit setting forth the grounds for their request for hearing, which is timely filed with this affidavit.

On behalf of Appellants, Anne Hedges declares as follows:

1. Appellants seek review of the Department of Environmental Quality's ("DEQ") Air Quality Operating Permit (OP2953-07) for the JE Corette coal-fired power plant ("Corette" or "Corette plant"), dated December 4, 2012. See Air Quality Operating Permit OP2953-07 (Dec. 4, 2012) ("Permit"), available at http://deq.mt.gov/AirQuality/ARMpermits/OP2953-07_DEC.pdf, excerpts attached as Exhibit 1. The Permit is subject to review by the Board of Environmental Review pursuant to Mont. Code Ann. § 75-2-218(5).

INTRODUCTION

2. The Corette plant, located on the banks of the Yellowstone River in Billings, Montana, is a coal-fired power plant with a capacity of approximately 153 megawatts. The burning of coal at the plant releases many harmful air pollutants into the urbanized Billings area, including particulate matter, sulfur dioxide, nitrogen oxides, mercury, and other hazardous air pollutants. These air pollutants can harm public health, impair visibility, and cause acid rain.

3. PPL Montana recently announced its intent to place the Corette plant on "reserve" status—also called "mothballing"—in April, 2015, to avoid upgrading the facility to comply with new federal standards designed to protect the public from exposure to air toxics. Despite this announcement, PPL Montana has not committed to closing the plant, and thus, the plant's operating permit must include all applicable requirements that will apply to the facility during the Permit's five-year duration.

4. DEQ recently renewed Corette's operating permit, as required by Title V of the federal Clean Air Act, 42 U.S.C. §§ 7661-7661f, and the Clean Air Act of Montana, Mont. Code Ann. § 75-2-217. Title V operating permits must specify all of the requirements to which a source is subject, including not just emission limits, but also monitoring and recordkeeping requirements sufficient to determine whether a source is complying with those limits. See Mont. Admin. R. 17.8.1211-1213. The purpose of the permit is to enable regulators, source operators, and the public to easily identify and understand all applicable requirements and to ensure that such requirements are enforceable.

5. DEQ's permit for Corette fails at this basic task. Although coal plant emission limits that the U.S. Environmental Protection Agency ("EPA") adopted through the hazardous air pollutant standards and the Montana regional haze plan are "applicable requirements" that must be included in operating permits under Title V of the Clean Air Act and the Clean Air Act of

Montana, DEQ omitted any mention of them in the Corette Permit. When confronted with this failure, DEQ's only response was to state that it will reopen the Permit in the future to incorporate these clear requirements. However, DEQ's promise to comply with the law in the future does not remedy its failure to comply with the law at the time it issued the Permit, and thus the Permit does not allow the public or the source operator to know and understand applicable requirements.

6. Further, the Permit fails to clearly identify the applicable sulfur dioxide ("SO_2") emissions limits for Corette. Instead, the Permit merely provides a reference to another document, which is not attached to the Permit and which establishes a variable SO_2 limit based on an equation, rather than a clear and fixed emission limit. Worse, the equation requires values that are known only to PPL Montana, Corette's operator, making it impossible for the public, or even DEQ, to know Corette's SO_2 emission limit at any given time. This approach defeats the operating permit's purposes of clarifying the source's requirements and enabling enforcement.

7. DEQ also failed to include monitoring provisions sufficient to demonstrate compliance with particulate matter ("PM") emission limits. Specifically, the Permit requires monitoring of PM for only three hours, twice per year, and thus fails to require monitoring frequent enough to assure compliance with hourly limits on PM emissions.

8. DEQ's failure to include essential emission limits and monitoring requirements in the Corette operating permit may preclude effective state or citizen enforcement of these limits, potentially allowing greater pollution of the air that Montanans breathe.

9. This appeal seeks to require DEQ to comply with its obligations under the state's operating permit program and the federal Clean Air Act to include all "applicable requirements" in the Corette Title V operating permit.

THE AIR QUALITY OPERATING PERMIT PROGRAM

10. Congress created the federal Clean Air Act to address growing public health and welfare concerns raised by the rapid increase of air pollution brought by widespread urbanization and industrial development in the latter half of the twentieth century. See 42 U.S.C. § 7401(a). A key component of the Clean Air Act is the Title V operating permit program, which requires that major stationary sources of air pollution—such as coal-fired power plants—obtain permits that clearly identify all requirements to which the source is subject, including applicable emission limits, monitoring and record-keeping requirements, and other operating limits. See id. § 7661c; Mont. Code Ann. § 75-2-217. Thus, the Title V operating permit program enables "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." U.S. EPA, Final Rule: Operating Permit Program, 57 Fed. Reg. 32,250, 32,251 (July 21, 1992). Operating permits are generally issued by the state permitting authority—in Montana, DEQ—but EPA has the right to reject to any permit that does not comply with the federal Clean Air Act. See 42 U.S.C. § 7661d(b).

11. An operating permit must include all of a pollution source's "applicable requirements." 42 U.S.C. § 7661c(a). "Applicable requirements" include all provisions of applicable state or federal implementation plans, any Prevention of Significant Deterioration or New Source Review requirements, and any standard or requirement under Clean Air Act sections 111, 112, 114(a)(3), or 504. Mont. Admin. R. 17.8.1201(10); 40 C.F.R. § 70.2. Applicable requirements include "requirements that have been promulgated or approved [by DEQ or EPA] through rulemaking at the time of issuance of the air quality operating permit, but have future-effective compliance dates." Mont. Admin. R. 17.8.1201(10); see also 40 C.F.R. § 70.2. Thus,

the operating permit lists all federally enforceable emissions limits applicable to polluting source.

12. In addition to emission limits, operating permits also must specify monitoring, recordkeeping, and reporting requirements that are "sufficient to assure compliance with the terms and conditions of the permit." 40 C.F.R. § 70.6(c)(1); Mont. Admin. R. 17.8.1212.

13. Operating permits serve an essential role by enabling the source and the public to understand the requirements to which the source is subject and enabling regulators and the public to enforce those requirements. As EPA explained in the preamble to its Title V regulations, "regulations are often written to cover broad source categories" leaving it "unclear which, and how, general regulations apply to a source." U.S. EPA, Operating Permit Program, 57 Fed. Reg. at 32,251. Operating permits bridge this gap by "clarify[ing] and mak[ing] more readily enforceable a source's pollution control requirements," including making clear how general regulatory provisions apply to specific sources. Clean Air Act Amendments of 1989, S. Rep. 101-228, reprinted in 1990 U.S.C.C.A.N. 3385, 3730 (Dec. 20, 1989). In short, operating permits are supposed to link general regulatory provisions to a specific source to provide a way "to establish whether a source is in compliance." U.S. EPA, Operating Permit Program, 57 Fed. Reg. at 32,251.

THE CORETTE OPERATING PERMIT

14. DEQ issued an operating permit for the Corette facility on December 4, 2012—more than two-and-a-half years after Corette's prior operating permit (OP2953-05) expired on August 25, 2010.

15. After receiving PPL Montana's application for renewal of its Corette operating permit on April 16, 2010, DEQ began work on revising and renewing the permit. DEQ published the first draft permit for the Corette plant on May 16, 2011. DEQ allowed thirty days

for public comment, and Appellants submitted timely comments on June 16, 2011. DEQ issued a second draft permit and announced a new public comment period on August 10, 2012. Appellants submitted timely comments on this second draft of the permit on September 24, 2012.

16. Despite DEQ's lengthy delay in renewing the Corette operating permit, and detailed comments from Appellants informing DEQ of deficiencies in the draft permit, DEQ's final Corette Permit failed to comply with basic requirements of the federal and state operating permit programs. The Permit omits recently adopted emission limits that are "applicable requirements" under the federal Clean Air Act and the Clean Air Act of Montana and fails to require adequate monitoring of particulate matter.

17. The omitted requirements include critical environmental safeguards. First, the Permit excludes hazardous air pollutant limits recently adopted by EPA at levels that it deemed necessary to protect human health. As described below in Claim One, the National Emission Standards for Hazardous Air Pollutants require installation of "Maximum Achievable Control Technology" to control emissions of hazardous air pollutants such as mercury, acid gases (or SO_2 as a surrogate), and metallic hazardous air pollutants (or PM as a surrogate) by April 16, 2015.

18. Likewise, DEQ failed to include nitrogen oxide ("NO_x"), SO_2, and PM emission limits that EPA recently finalized in its regional haze plan for Montana, described below in Claim Two. EPA established these new limits to comply with its Clean Air Act obligation to adopt measures to remedy impairment of visibility in national parks and wilderness areas, see 42 U.S.C. § 7491(a), and specifically to require the nation's oldest and dirtiest large sources of air pollution to install state-of-the-art technology to eliminate or reduce their contribution to visibility impairment, see id. § 7491(b)(2)(A).

19. DEQ also failed to clearly identify SO_2 emission limits. Instead, the Permit cross-references a separate document, which is not attached to the Permit, that describes SO_2 limits as an equation based on the plant's "buoyancy flux" at any given time. Because the public and regulators have no way of knowing what Corette's buoyancy flux is at any given moment (or even what "buoyancy flux" is), it is impossible for them to understand Corette's SO_2 emission limit, let alone ascertain whether Corette is in compliance with this limit, as described below in Claim Three. By any measure, this approach does not satisfy the operating permit program's purpose of clarifying the requirements to which a source is subject. The Permit's opaque SO_2 limit is particularly troubling given the historically unhealthful ambient levels of SO_2 in Yellowstone County, where Corette is located. See Mont. DEQ, Citizens' Guide to Air Quality in Montana, http://deq.mt.gov/airmonitoring/citguide/understanding.mcpx (last visited Jan. 3, 2013); see also U.S. EPA, Currently Designated Nonattainment Areas for All Criteria Pollutants, http://www.epa.gov/oaqps001/greenbk/ancl.html (last visited Jan. 3, 2013). This history emphasizes the need for clear and enforceable SO_2 emission limits in Corette's operating permit.

20. Finally, DEQ failed to require sufficient monitoring to demonstrate compliance with existing permit limits on PM emissions, as described below in Claim Four. The Permit requires only semiannual "stack tests"—which measure PM emissions for only three hours—to monitor PM emissions. This infrequent monitoring is insufficient for assuring compliance with continuous PM limits applicable to Corette. Such compliance is essential to protecting public health, as PM pollution can cause respiratory problems, particularly for those with asthma; heart problems; and premature death. See U.S. EPA, Particulate Matter (PM): Health, http://www.epa.gov/pm/health.html (last visited Jan. 2, 2013).

21. DEQ provided a copy of the draft permit to the EPA on October 17, 2012. During the forty-five days afforded to EPA to review the Permit, see 42 U.S.C. § 7661d(b)(2), EPA took no action on the Permit, and on December 4, 2012, DEQ issued the Permit that is the subject of this appeal.

HARM TO APPELLANTS

22. Appellant Montana Environmental Information Center ("MEIC") is a member-supported advocacy and public education organization based in Helena, Montana, that works to protect and restore Montana's natural environment. MEIC is a Montana nonprofit corporation, founded in 1973 by Montanans concerned with protecting and restoring Montana's natural environment. MEIC has worked extensively on addressing the impacts of air pollution in Montana. As a government agency watchdog, MEIC routinely reviews agency actions to assure that agencies and regulated entities comply with federal laws and regulations. MEIC and its membership are intensively involved in monitoring state and federal actions regarding the regulation of emissions from coal-fired power plants. MEIC also has a long history of advocating for state enforcement of air pollution-control laws at Corette, including by commenting on the draft operating permit for the plant. In short, MEIC has a deep institutional commitment to protecting and restoring air quality in and around the Corette plant.

23. Appellant Sierra Club is a nationwide conservation organization with more than 1.3 million members and supporters, approximately 2,000 of whom belong to the Montana Chapter. Sierra Club has advocated for regulation and prevention of air pollution from coal-fired power plants at both the federal level and in Montana. Sierra Club also advocates for regulation of air pollution associated with the Corette plant, including by attending public hearings, submitting public comments, and engaging in efforts to educate Montana residents about the health and ecological dangers of air pollution from coal-fired power plants.

24. Appellants submitted comments on the draft operating permit on June 16, 2011, and September 24, 2012. Appellants' members live and work in areas reached by air pollution from the Corette plant. Air pollution originating from the Corette coal-fired power plant threatens the health, livelihood, and enjoyment of Appellants' members in the Billings area and in other areas of Montana impacted by emissions from the Corette plant.

FIRST CLAIM
(Failure to Assure Compliance with Hazardous Air Pollutant Standards)

25. Corette's operating permit fails to assure compliance with all applicable requirements because it does not include emission limits and related requirements established by recently promulgated hazardous air pollutant emission standards contained at 40 C.F.R. Part 63, Subpart UUUUU. See 40 C.F.R. § 70.1(b) ("All sources subject to these regulations shall have a permit to operate that assures compliance by the source with all applicable requirements."); ARM 17.8.1211-.1213 (enumerating requirements for air quality operating permit).

26. The National Emission Standards for Hazardous Air Pollutants ("NESHAPs") for coal-fired power plants were promulgated and became effective on April 16, 2012. See NESHAPs from Coal- and Oil-Fired Electric Utility Steam Generating Units, 77 Fed. Reg. 9,304, 9,304 (Feb. 16, 2012).

27. Pursuant to these standards, Corette must comply with limits on emissions of hazardous air pollutants such as mercury, acid gases (or SO_2 as a surrogate), and non-mercury metallic hazardous air pollutants (or PM as a surrogate) by April 16, 2015. 40 C.F.R. §§ 63.9984, 63.9991.

28. This compliance deadline falls within the five-year period covered by Corette's new operating permit. As such, the mercury and air toxics standards qualify as "applicable

requirement[s]" under Mont. Admin. R. 17.8.1201(10), and the Permit thus must have specifically required that Corette come into compliance with the standards by April 16, 2015.

29. Several of the new hazardous air pollutant standards may significantly affect Corette. For example, updated particulate matter controls will be necessary at Corette to meet EPA's PM limit for non-mercury metal hazardous air pollutants. Specifically, EPA has adopted a PM limit of 0.03 lb/MMBtu as a surrogate for non-mercury metal hazardous air pollutants. Corette's current PM limit is expressed as an equation, $0.882*H^{-0.1664}$, where H is the heat input capacity in MMBtu per hour. Permit at 16 (condition G.2). Assuming a representative heat input capacity of 1,940 MMBtu/hr, this current limit translates to approximately 0.25 lb/MMBtu, nearly nine times greater than the new surrogate PM limit of 0.03 lb/MMBtu under the new hazardous air pollutant standards. Corette must meet this significantly more stringent limit in 2015.

30. Further, the new mercury and air toxics standards establish an acid gas limit for HCl of 0.002 lb/MMBtu, or, alternatively, a facility can elect to comply with a surrogate limit on SO_2 of 0.20 lb/MMBtu. DEQ must identify the acid gas or surrogate limit applicable to Corette and assure compliance with the new limit by or before the standards' effective date of April 15, 2015.

31. DEQ erroneously claims that it has "up to 18 months following promulgation to have the permit reopened and revised." Mont. DEQ, Operating Permit Technical Review Document for the Corette Steam Electric Station, at 45 (Dec. 4, 2012) ("TRD"), available at http://deq.mt.gov/AirQuality/ARMpermits/TRD2953-07_DEC.pdf, excerpts attached as Exhibit 2. The hazardous air pollutant standards were promulgated months before the Permit issued. Because the federal standards are "requirements that have been promulgated or approved by

[DEQ or EPA] through rulemaking at the time of issuance of the air quality operating permit," DEQ was required to include in Corette's Permit the mercury and air toxics emission limits and associated monitoring, recordkeeping, and reporting requirements. The provision allowing reopening and revision of an existing permit when a new requirement is promulgated is inapplicable here because the applicable requirements—the hazardous air pollutant standards—had already been promulgated before the permit issued. See Mont. Admin. R. 17.8.1228(1)(a); see also 40 C.F.R. § 70.7(f)(1)(i); U.S. EPA, Questions and Answers on the Requirements of Operating Permits Program Regulations at 7-3 (July 7, 1993) ("Operating Permit Q & A"), available at http://www.epa.gov/region07/air/title5/t5memos/bbrd_qa1.pdf, excerpts attached as Exhibit 3 (When an applicable requirement "is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance.") (emphasis added).

32. The Corette Permit failed to include provisions needed to make enforceable the requirement that the Corette plant comply with the hazardous air pollutant standards, and thus the Permit unlawfully fails to "assure compliance" with all applicable requirements. See 42 U.S.C. § 7661c(a), (c); 40 C.F.R. § 70.6(c)(1).

33. DEQ's failure to include applicable hazardous air pollutant limits and associated monitoring, reporting, and recordkeeping requirements in the Corette Permit is arbitrary, capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permitting program.

SECOND CLAIM
(Failure to Assure Compliance with Montana's Regional Haze Federal Implementation Plan)

34. Corette's operating permit also fails to assure compliance with all applicable requirements because it does not include emission limits and related requirements established by Montana's regional haze federal implementation plan. See 40 C.F.R. § 70.1(b); Mont. Admin. R. 17.8.1211-.1213 (enumerating requirements for air quality operating permit).

35. EPA signed a final rule promulgating Montana's regional haze plan on August 15, 2012, and published it in the Federal Register on September 18, 2012. See Approval and Promulgation of Implementation Plans, 77 Fed. Reg. 57,864 (Sept. 18, 2012). EPA's final rule was promulgated prior to DEQ's issuance of the Corette operating permit.

36. EPA adopted the regional haze plan to satisfy the federal Clean Air Act's requirement that EPA address and prevent visibility impairment at federal Class I air visibility areas. 42 U.S.C. § 7410(c). Thus, the plan's conditions are applicable requirements pursuant to Mont. Admin. R. 17.8.1201(10)(b) and 40 C.F.R. § 70.2.

37. The Montana regional haze plan established new emission limits for Corette, specifically: 0.26 lbs/MMBtu of PM; 0.57 lbs/MMBtu of SO_2; and 0.35 lbs/MMBtu of NO_x. 40 C.F.R. § 52.1396(c).

38. The regional haze plan requires compliance with PM limits by November 17, 2012. Id. § 52.1396(d).

39. The regional haze plan requires compliance with SO_2 and NO_x limits within 180 days of October 18, 2012, unless installation of additional emission controls is necessary to comply with the plan's emission limitations, in which case compliance is required within five years of October 18, 2012. Id.

40. Although some of these regional haze requirements have future-effective compliance dates, the regional haze PM limit is already in effect, and the SO_2 and NO_x deadlines

are fast approaching. Further, all regional haze requirements will apply to Corette within the five-year duration of Corette's Permit and therefore must be incorporated into the Permit, along with all monitoring, recordkeeping, and reporting requirements outlined in the regional haze plan. See Mont. Admin. R. 17.8.1201(10); see also 40 C.F.R. § 70.2.

41. DEQ did not include the applicable requirements of the regional haze plan in Corette's operating permit.

42. In its Technical Review Document supporting the Corette Permit, DEQ recognized that the regional haze plan establishes requirements that are applicable to the Corette plant. TRD at 44. DEQ provided two justifications for nonetheless failing to incorporate those requirements into the final Permit; however, neither justification supports DEQ's omission.

43. First, DEQ claimed that it was unnecessary to include the PM, SO_2, and NO_x limits established by the regional haze plan because DEQ "has 18 months after promulgation to complete a reopening of the permit." TRD at 44. However, DEQ misapplies the cited regulation, which states that "[a]dditional applicable requirements under the [federal Clean Air Act] become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement." Mont. Admin. R. 17.8.1228(1)(a); see also 40 C.F.R. § 70.7(f)(1)(i). This provision applies only to permits that have already been issued at the time a new applicable requirement arose. Indeed, EPA has clarified that if an applicable requirement "is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance." Operating Permit Q & A at 7-3.

44. Second, DEQ erroneously opined that it was unnecessary to include the plan's PM limits in the Permit because the Corette plant's actual PM emissions were lower than the regional haze plan's applicable limits. TRD at 44. Likewise, DEQ claimed that because "EPA has indicated that no additional controls will be necessary at [Corette] to meet an SO_2 limit of 0.57 lbs/MMBtu and a NO_x limit of 0.35 lbs/MMBtu," the plant will be in compliance with the terms of the regional haze plan. Id. However, where Corette is not limited under the operating permit to its current emissions, there is no legal constraint to prevent those emissions from increasing. Furthermore, DEQ may not choose to leave any applicable requirements out of the operating permit, even if the plant is already operating with lower actual emissions than the limit established by the applicable requirement. DEQ is required to include in the permit "a specific description with appropriate references of the origin of, and authority for, each term or condition contained in the permit." Mont. Admin. R. 17.8.1211(1)(b) (emphasis added); see also 40 C.F.R. § 70.6(a)(1)(i). Corette's Permit nowhere references the applicable regional haze requirement.

45. DEQ's failure to include the regional haze plan's applicable requirements in the Corette Permit is arbitrary, capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

THIRD CLAIM
(Failure to Include in the Permit Clear SO_2 Emission Limits)

46. DEQ also failed to clearly identify in Corette's operating permit SO_2 emission limits that would enable the source, regulating agencies, and the public to understand the requirements to which the plant is subject and whether the plant is meeting those requirements.

47. Condition G.7 of Corette's operating permit states that Corette "shall not emit SO_2 ... in excess of the sum of all of the three-hour emission limitations pursuant to the SO_2 SIP

Appendix, Stipulation, Exhibit A, Section 3(A)(1)(a)." Permit at 16 (condition G.7). The Permit does not identify a limit on SO_2 emissions; it merely references the SIP Appendix. The SIP Appendix is not attached to the Permit. Instead, DEQ references an EPA website and instructs that interested parties may view the SIP Appendix on the Internet or may contact DEQ for a copy. Permit at I-1. Such incorporation by reference is improper, as the operating permit must clearly identify all applicable requirements.

48. Furthermore, even the referenced SIP Appendix does not clearly identify the applicable SO_2 emission limit, which is expressed as an equation that depends upon the "buoyancy flux" of the plant's exhaust gas, which is variable. Because the public (or even DEQ) has no means to identify the buoyancy flux of Corette's exhaust, this limit cannot possibly "enable the ... States, EPA, and the public to understand better the requirements to which the source is subject, and whether the source is meeting those requirements." U.S. EPA, Final Rule: Operating Permit Program, 57 Fed. Reg. at 32,251.

49. Thus, DEQ's failure to clearly establish Corette's SO_2 emission limits in the Permit is arbitrary, capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

FOURTH CLAIM
(Failure to Require Sufficient Monitoring of Particulate Matter Emissions)

50. The Corette Permit fails to require monitoring sufficient to assure compliance with PM emission limits because semiannual testing will not assure compliance with the Permit's limits for PM.

51. The Permit incorporates the Corette plant's current PM emissions limit, expressed as an equation, of $0.882*H^{-0.1664}$, which is approximately 0.25 lb/MMBtu, with no specified averaging time. See Permit at 16 (condition G.2).

52. The Permit requires PM-emissions monitoring to occur twice per year by Method 5 or 5b in conjunction with Method 202, which respectively measure filterable and condensable PM, thereby providing a measure of the source's total PM emissions. See id. at 17 (condition G.16).

53. Montana's regulations specifically require "periodic monitoring sufficient to yield reliable data from the relevant time period that are representative of the source's compliance with the air quality operating permit .... Such monitoring requirements shall assure use of terms, test methods, units, averaging periods, and other statistical conventions consistent with the applicable requirement." Mont. Admin. R. 17.8.1212(1)(b) (emphasis added). The frequency of monitoring must bear some relationship to the time period for the emission limits established in the permit. See Sierra Club v. U.S. Envtl. Prot. Agency, 536 F.3d 673, 675 (D.C. Cir. 2008).

54. A three-hour stack test conducted only twice per year is insufficient to demonstrate compliance with the Permit's continuous PM limit. Because a semiannual stack test does not bear a relationship to a continuous emission limit, it is insufficient to assure compliance with the Permit's terms for the 8,754 hours of the year when PM emissions are not being monitored.

55. DEQ's failure to require monitoring of PM sufficient to assure compliance with Corette's PM limits is arbitrary, capricious, and violates DEQ's obligations under the federal Clean Air Act, the Clean Air Act of Montana, and DEQ regulations implementing Montana's operating permit program.

REQUEST FOR RELIEF

Based on the foregoing legal violations, Appellants request that the Board of Environmental Review:

1. Declare that DEQ violated the state and federal Clean Air Acts by failing to include all applicable requirements in the Corette Steam Electric Station's Title V operating permit and by failing to include monitoring requirements sufficient to assure compliance with the applicable requirements;

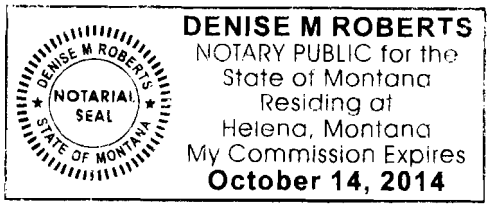
2. Set aside the Corette Title V operating permit and remand it to DEQ to include all applicable requirements; and

3. Order such other relief as the Board deems just and proper.

Respectfully submitted on this 3rd day of January, 2013,

Anne Hedges
On behalf of Appellants Montana Environmental Information Center and Sierra Club

Subscribed and sworn before me this 3rd day of January, 2013,



Notary Public for the State of Montana
Residing at Helena
My commission expires:

Exhibit 1

State of Montana
Department of Environmental Quality
Helena, Montana 59620

AIR QUALITY OPERATING PERMIT NUMBER OP2953-07

Renewal Application Received: April 16, 2010
Application Deemed Administratively Complete: May 17, 2010
Application Deemed Technically Complete: June 15, 2010
AFS Number: 030-111-0015A

Draft Issue Date #OP2953-06: May 16, 2011
Draft Issue Date #OP2953-07: August 10, 2012
Proposed Issue Date: October 17, 2012
End of EPA 45-day Review: December 3, 2012
Date of Decision: December 4, 2012
Effective Date: January 4, 2013
Expiration Date: January 4, 2018

In accordance with the Montana Code Annotated (MCA) Sections 75-2-217 and 218, and the Administrative Rules of Montana (ARM) Title 17, Chapter 8, Subchapter 12, Operating Permit Program, ARM 17.8.1201, *et seq.*,

PPL Montana, LLC – JE Corette Steam Electric Station
Section 2, Township 1 South, Range 26 East, Yellowstone County, Montana
301 Charlene Street
Billings, MT 59107

hereinafter referred to as "PPLM", is authorized to operate a stationary source of air contaminants consisting of the emission units described in this permit. Until this permit expires, is modified, or revoked, PPLM is allowed to discharge air pollutants in accordance with the conditions of this permit. All conditions in this permit are federally and state enforceable unless otherwise specified. Requirements that are only state enforceable are identified in the permit. A copy of this permit must be kept on site at the above-named facility.

Permit Issuance and Appeal Processes: In accordance with ARM 17.8.1232, the Department of Environmental Quality (Department) provided at least 30 days for public comment on the draft permit. With the issuance of Draft Operating Permit #OP2953-07, the Department provided a 30-day public comment period from August 10, 2012, to September 10, 2012. Following receipt of a request to extend the originally allotted 30-day comment period, the Department granted the request and approved a 14-day extension. The extension allowed for comments to be received until September 24, 2012. All comments received by the Department regarding this permit have been summarized in the attached technical review document. The Department provided a 45-day review period on the proposed permit to the United States Environmental Protection Agency (EPA). No comments were received from the EPA. In accordance with Section 75-2-218, MCA, the Department's decision regarding issuance of an operating permit is not effective until 30 days have elapsed from the date of the decision. The decision may be appealed to the Board of Environmental Review (Board) by filing a request for a hearing within 30 days after the date of decision. The filing of a request for hearing does not stay the Department's decision, unless the Board orders a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-218(6)(b), MCA. If no stay is ordered, the Department's decision on the application is final 30 days after the decision is made. For more information please contact the Department at (406) 444-3490.

Conditions

G.1. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes (ARM 17.8.304 and ARM 17.8.749).

G.2. Emissions shall not exceed the value calculated using $E = 0.882 * H^{-0.1664}$, where H is the heat input capacity in MMBtu per hour and E is the maximum allowable particulate emissions rate in lbs per MMBtu (ARM 17.8.309).

G.3. PPLM shall not burn liquid or solid fuels containing sulfur in excess of 1lb/MMBtu fired (ARM 17.8.322(4)).

G.4. PPLM shall not burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions (ARM 17.8.322(5)).

G.5. PPLM shall not emit SO_2 in excess of the 9,999,000 lb/calendar year (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.6. PPLM shall not, except as provided in the SO_2 SIP Appendix, Stipulation, Exhibit A, Section 2(A)(7), have a Buoyancy Flux of less than 144.6 m^4/sec^3 or in excess of 448.57 m^4/sec^3 at any time (Billings/Laurel SO_2 Control Plan approved into the SIP by EPA on May 2, 2002).

G.7. PPLM shall not emit SO_2 from the J.E. Corette boiler in excess of the sum of all of the three-hour emission limitations pursuant to the SO_2 SIP Appendix, Stipulation, Exhibit A, Section 3(A)(1)(a) (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.8. PPLM shall conduct annual emission testing to determine the sulfur dioxide emission rate in pounds per hour (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.9. PPLM shall comply with all requirements in the Acid Rain Appendix H of this permit including the operation and maintenance of the SO_2 and NO_x Continuous Emissions Monitoring System (CEMS) (ARM 17.8.1210(3)).

G.10. Emissions shall not be permitted in excess of any allowances that PPLM lawfully holds under Title IV of the FCAA or the regulations promulgated thereunder (ARM 17.8.1210(3)(a)).

a. A permit revision is not required for increases in emissions authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a permit revision under any other applicable requirement (ARM 17.8.1210(3)(b)).

b. The permittee may not use allowances as a defense to noncompliance with any other applicable requirement (ARM 17.8.1210(3)(c)).

c. Any allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the FCAA (ARM 17.8.1210(3)(d)).

G.11. Pursuant to 40 CFR §76.7(a)(1), PPLM shall not discharge, or allow to be discharged, emissions of NO_x to the atmosphere in excess of 0.4 lb/MMBtu on an annual average basis.

G.12. PPLM shall provide a reasonable assurance of compliance with emission limitations or standards for PM for the anticipated range of operations of the Tangential Coal-Fired Boiler (ARM 17.8.1504).

G.13. Beginning January 1, 2010, emissions of mercury from the boiler shall not exceed 0.9 pounds mercury per trillion British thermal units (lb/TBtu), calculated as a rolling 12-month average (ARM 17.8.771, this requirement is "State Only").

G.14. PPLM shall install a mercury control system that oxidizes and sorbs emissions of mercury. PPLM shall implement the operation and maintenance of the mercury control system on or before January 1, 2010 (ARM 17.8.771, this requirement is "State Only").

Compliance Demonstration

G.15. As required by the Department and Section III.A.1, PPLM shall perform a Method 9 test or another method approved by the Department to monitor compliance with the opacity limitation. Method 9 source tests must be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1213, ARM 17.8.106).

G.16. PPLM shall perform a Method 5 or 5B particulate matter test in conjunction with a Method 202 condensable particulate matter test semiannually during periods the equipment is in operation to monitor compliance with the particulate matter limit in Sections III.G.2. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual. Heat input shall be calculated in accordance with 40 CFR Part 75 Appendix F, Subsection 5 – Procedures for Heat Input (ARM 17.8.1213 and ARM 17.8.106).

G.17. PPLM shall, when a malfunction of the electrostatic precipitator occurs which results in the failure of a bank or a portion of a bank, reduce the load to 150GMW and schedule particulate emission compliance source testing within 40 hours. Those tests would take place at four different loads (140, 145, 150, and 155GMW). PPLM would then operate at the highest load where all three runs in a test series demonstrate compliance with ARM 17.8.309 (previously ARM 16.8.1402). If all tests indicate emissions above the standard, PPLM would reduce load to 135 GMW and schedule another series of particulate emission compliance source testing within 40 hours. It is recognized that as a result of the testing to determine compliance described above, PPLM will be altering the load of the Corette Plant, which will affect the rate of particulate emissions, and that emissions in excess of the standard in ARM 17.8.309 (previously ARM 16.801402) are possible. Such testing to determine compliance is necessary for PPLM to derive an operational strategy to respond to the malfunction of the electrostatic precipitator (See ¶ 6.B. of Consent Decree in State of Montana v. Montana Power Co., Cause No. DV 91-696, Montana 13th Judicial District Court for Yellowstone County, Dec. 23, 1991).

G.18. Compliance with the sulfur in coal limit in Section III.G.3 shall be based on available composite coal samples as measured by 40 CFR Part 60, Appendix A Method 19, for every train load of coal received or another sampling schedule as approved by the Department (ARM 17.8.1213).

G.19. PPLM shall operate, calibrate and maintain CEMS for the following (ARM 17.8.1213):

a. A CEMS for the measurement of SO_2 shall be operated on the stack (ARM 17.8.340 and 40 CFR 60.45);

b. A CEMS for the measurement of NO_x shall be operated on the stack (ARM 17.8.340 and 40 CFR 60.45);

Appendix I SO_2 SIP

Although the hard copy of Appendix I has been removed from the permit, the contents of Appendix I, SO_2 Control Plan remain as applicable requirements as stated in the Title V Operating Permit OP2953-07. To receive a copy of this appendix, please see the following website:

Internet link to the final copy of the SIP located on EPA's web page:
PPLM Corette SIP (See Yellowstone County)

The following is intended to help guide the reader to the SIP documents on this web page.
STEP 1 - Click the link and scroll down to the bottom of the page where you will see "Yellowstone County"
STEP 2 – Click the "Yellowstone County tab"
STEP 3 – Click the "Sulfur Dioxide – Board Orders, Stipulations, Exhibits and Attachments" tab
STEP 4 – Click the "Montana Power June 12, 1998 Board Order and Stipulation In the Matter of the Application..." tab
STEP 5 – Scroll to the bottom of the page and you will see tabs one for the Stipulation and one for the Board Order to connect you to either of these documents

Next go back and complete STEP 3
STEP 6 – Click the "Montana Power June 12, 1998 Exhibit A..." tab
STEP 7 – Scroll to the bottom of the page and you will see a tab for the Exhibit A document

or contact the Department:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
1520 E. Sixth Ave.
P.O. Box 200901
Helena, Montana 59620-0901
Bureau Phone: (406) 444-3490

Exhibit 2

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT

Permitting and Compliance Division
1520 E. Sixth Avenue
P.O. Box 200901
Helena, Montana 59620-0901

PPL Montana, LLC
JE Corette Steam Electric Station
Section 2, Township 1 South, Range 26 East, Yellowstone County, Montana
301 Charlene St.
Billings, MT 59107

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		Method 5, Method 6, Method 9
Ambient Monitoring Required		X	
COMS Required	X		OP2953-07 Appendix E
CEMS Required	X		OP2953-07 Appendix F and Appendix G
Mercury Emissions Monitoring System (MEMS) Required	X		
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 #2953-00
New Source Performance Standards (NSPS)		X	
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	No, Except for 40 CFR 61, Subpart M
National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines	X		40 CFR 63, Subpart ZZZZ
Maximum Achievable Control Technology (MACT)		X	
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR	X		Facility is a major stationary source, but has not gone through NSR permitting
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV	X		OP2953-07, Appendix H
Compliance Assurance Monitoring (CAM)	X		OP2953-07, Appendix K
State Implementation Plan (SIP)	X		General SIP and SO_2 SIP, Appendix I

apply to Corette within the 5-year duration of Corette's Title V permit and therefore must be incorporated, along with all monitoring, record-keeping, and reporting requirements outlined in the FIP. See ARM 17.8.1201(10); see also 40 C.F.R. § 70.2.
[Earthjustice (MEIC/Sierra Club) 9/24/2012]

DEPARTMENT RESPONSE: The Department certainly acknowledges the applicability of the future limitations set forth for PPLM as a result of Montana's Regional Haze FIP.

The limitation listed as Best Available Retrofit Technology (BART) for PM is 0.26 lb/MMBtu with a compliance timeframe of 30 days after the effective date of the FIP. The final rule is effective October 18, 2012 (77 FR 57864, Sep. 18, 2012). Compliance with the PM limitations must be achieved by November 17, 2012 rather than the November 15, 2012 date indicated by the commenter. In the latest particulate emission test, PPLM's actual PM emissions were 0.167 lb/MMBtu. No changes to the Operating Permit appear to be necessary.

As the commenter has reiterated, compliance with the SO_2 and NOx limitations set forth within the Montana's Regional Haze FIP must be achieved within 180 days after the effective date of the Montana's Regional Haze FIP where installation of additional controls is not necessary to comply with the BART limit; otherwise the compliance deadline is five years after the effective date of the FIP. EPA has indicated that no additional controls will be necessary at PPLM to meet an SO_2 limit of 0.57 lbs/MMBtu and a NOx limit of 0.35 lbs/MMBtu, thus the compliance date will be within 180 days after the effective date.

The commenter is reminded that the effective date of the rule is October 18, 2012. As stated in ARM 17.8.1228, "Additional applicable requirements under the FCAA become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement." Although the requirements contained within Montana's Regional Haze FIP are applicable requirements, the Department has 18 months after promulgation to complete a reopening of the permit. Inserting limitations required under Montana's Regional Haze FIP within the Title V operating permit is unnecessary at this time.

The Department has included a statement within Section V of the TRD of this proposed permit for OP2953-07 listing applicability of the Regional Haze FIP requirements as a future consideration.

3. "The revised draft Title V permit fails to include all applicable requirements. The Corette Title V permit must include specific provisions to assure compliance with Hazardous Air Pollutant Standards."

COMMENT:
The draft operating permit likewise fails to assure compliance with 40 C.F.R. 63, Subpart UUUUU – National Emission Standards for Hazardous Air Pollutants ("NESHAPs") from Coal- and Oil-Fired Electric Generating Units. DEQ acknowledges that the NESHAPs are an applicable requirement, as the technical review document identifies "Maximum Achievable Control Technology (MACT)" pursuant to 40 C.F.R. 63, Subpart UUUUU, as an "applicable air quality program." TRD0513-08, p.1. However, DEQ has failed to specifically identify MACT emission limits in the draft permit.
The NESHAPs have already been promulgated, with an effective date of April 16, 2012. 77 Fed. Reg. 9,304 (Feb. 16, 2012). Pursuant to these standards, the Colstrip units must comply with limits on the emissions of hazardous air pollutants such as mercury, acid gases (or SO2 as a surrogate), and metallic hazardous air pollutants (or particulate matter as a surrogate) by April 16, 2015. 40 C.F.R. §§ 63.9984, 63.9991. This compliance deadline falls within the five-year period that would be covered by any final operating permit issued here. As such, the NESHAPs qualify as an "applicable requirement," ARM 17.8.1201(10), and the draft permit must be revised to specifically require that each of the Corette generating units come into compliance with the NESHAPs by April 15, 2015.

In addition, the Draft Permit must be revised to include provisions needed to make the requirement to comply with the NESHAPs enforceable. For example, utilities have choices under the NESHAPs as to whether to satisfy limits for specific hazardous air pollutants or for other pollutants that are purportedly surrogates for those hazardous air pollutants. By identifying in the permit the specific emission limits and standards that Corette will need to satisfy to comply with the NESHAPs, the Title V permit would "clarify and make more readily enforceable a source's pollution control requirements," including making clear how general regulatory provisions apply to specific sources. S. Rep. 101-228, 1990 USCAAN 3385, 3730 (Dec. 20, 1989). Without such provisions, the permit would unlawfully fail to "assure compliance" with all applicable requirements. 42 U.S.C. § 7661c(a),(c); 40 C.F.R. § 70.6(c)(1).

Updated particulate matter ("PM") controls will be necessary at Corette to meet EPA's PM limit for non-mercury metal hazardous air pollutants. Specifically, EPA has adopted a filterable PM limit of 0.03 lb/MMBtu as a surrogate for non-mercury metal hazardous air pollutants. Further, the NESHAPs establish an acid gas limit for HCl of 0.002 lb/MMBtu or, alternatively, utilities can elect to comply with a surrogate limit on SO_2 of 0.20 lb/MMBtu. DEQ must revise the draft operating permit to incorporate specific NESHAPs emission limits and associated monitoring, record-keeping, and reporting requirements.
[Earthjustice (MEIC/Sierra Club) 9/24/2012]

DEPARTMENT RESPONSE: The Department acknowledges the applicability of the future limitations set forth for PPLM as a result of 40 CFR 63, Subpart UUUUU – National Emission Standards for Hazardous Air Pollutants ("NESHAPs") for Coal and Oil-Fired Electric Generating Units, which was published as final in the Federal Register on February 16, 2012, with an effective date of April 16, 2012. The Department is assuming the commenter intended to reference the TRD2953-07 in which the Department acknowledges the applicability of this regulation.

As required under 40 CFR 63, Subpart UUUUU, an existing EGU (i.e. PPLM Corette) must comply with the subpart no later than April 16, 2015, unless an extension is granted per 40 CFR 63.6(i). As stated in ARM 17.8.1228, "Additional applicable requirements under the FCAA become applicable to a major source holding a permit with a remaining term of three or more years. Reopening and revision of the permit shall be completed not later than 18 months after promulgation of the applicable requirement.". Although the requirements contained within 40 CFR 63, Subpart UUUUU are applicable requirements, PPLM has up to 18 months following promulgation to have the permit reopened and revised. In addition, and as mentioned by the commenter, because of the multiple compliance options available with respect to different pollutants (for example, compliance with standards for acid gas hazardous air pollutants can be met using a hydrochloric acid or SO_2 emission limit), adding specific limits at this time would be premature. Therefore, inserting limitations required under 40 CFR 63, Subpart UUUUU within the Title V operating permit is unnecessary at this time.

4. **"The permit must clarify applicable SO_2 emissions limits and monitoring requirements."**

COMMENT:
The draft permit still fails to clearly identify SO2 emissions limits that "enable the source, States, EPA, and the public to understand better the requirements to which the source is subject, and whether the source is meeting those requirements." 57 Fed. Reg. 32,250, 32,251 (July 21, 1992). As observed in MEIC and Sierra Club's June 11, 2012 comments, the draft permit references applicable SO2 limits contained in the "SO_2 SIP Appendix, Stipulation, Exhibit A, Section 3(A)(1)(a)," but fails to identify those requirements in the draft permit. Likewise, the draft permit references monitoring requirements from the "SO_2 SIP Appendix I" to the draft permit, but does not restate those monitoring requirements in the permit conditions. See Draft Permit, Conditions G.23 & G.24. Compounding the lack of clarity in the permit, the referenced SO_2 SIP is not even attached to the permit in the referenced appendix, but instead, is retrievable from an EPA website (if the user can successfully navigate the website to locate the appropriate document among the dozens listed).

Exhibit 3

QUESTIONS AND ANSWERS ON THE REQUIREMENTS OF OPERATING PERMITS PROGRAM REGULATIONS

Prepared By:

The U. S. Environmental Protection Agency

July 7, 1993

Yes, but the minimum notice periods specified in Part 70 must be met.

7.7 Renewals

7.8 Reopenings

1. Title V permits must include all applicable requirements of the Act. When must a newly promulgated NESHAP be incorporated into the Title V permit?

It must be incorporated into the permit at least at renewal time, even if the compliance date is in the future. In addition, a permit may need to be reopened earlier, depending on the compliance date specified in the NESHAP and the amount of time left to run on the permit term [see section 502(b)(9) of the Act regarding reopening of major source permits with three or more years remaining on their terms]. If the NESHAP is promulgated while a draft permit is being processed, the permitting authority must revise the permit to include the new requirements prior to issuance.

2. If a permit is reopened, is public participation required?

Yes, public participation is required for all permit reopenings.

3. If a permit is reopened, is the entire permit reviewed, or only those provisions that caused the permit to be reopened?

The review need cover only those provisions that caused the permit to be reopened or that are affected by it.

4. When a permit has been reopened, when does the new permit take effect?

The permit is effective upon issuance, just as for any permit issuance, renewal, or significant modification. The old permit terms remain in effect until the reopening process is completed (i.e., the revised permit is issued).

7.9 Title I Modifications

7.10 Permit Denial

7.11 Temporary Sources

Montana Department of
ENVIRONMENTAL QUALITY
Steve Bullock, Governor

P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

January 7, 2013

James M. Parker
PPL Montana, LLC
303 N Broadway, Suite 400
Billings, MT 59101

RE: Final Title V Operating Permit #OP2953-07

Dear Mr. Parker:

The Department of Environmental Quality has prepared the enclosed Final Operating Permit #OP2953-07, for PPL Montana, LLC, JE Corette Steam Electric Station located in Section 2, Township 1 South, Range 26 East, Yellowstone County, Montana. Please review the cover page of the attached permit for information pertaining to the action taking place on Permit #OP2953-07.

If you have any questions, please contact Vickie Walsh, the permit writer, at (406) 444-9741 or by email at viwalsh@mt.gov.

Sincerely,

Charles Homer Manager, Air Permitting,
Compliance and Registration Air Resources
Management Bureau
(406) 444-5279

Vickie Walsh
Environmental Engineer
Air Resources Management Bureau
(406) 444-9741

CH: VW
Enclosure
cc: DJ Law, US EPA Region VIII 8P-AR (via email)
Carson Coate, USEPA Region 8 - Montana Operations (via email)
Stephen J. Christian, PPLM Montana, LLC, Alternative Responsible Official (via email)
Tom Olson, PPLM Montana, LLC, Facility Contact Person (via email)
Jay Littlewolf, Tse' tsehestahese (Northern Cheyenne) Environmental Protection Department (via email)
Myron Shield, Apsaalooke Environmental Department
Lori Bocchino, Operating Permit Program Manager, Wyoming DEQ (via email)
Tom Bachman, ND Department of Health, Division of Air Quality (via email)
Brian Gustafson, Administrator, SD DENR (via email)
Jenny Harbine, Earth Justice (via email)

State of Montana
Department of Environmental Quality
Helena, Montana 59620

AIR QUALITY OPERATING PERMIT NUMBER OP2953-07

Issued to: **PPL Montana, LLC**
JE Corette Steam Electric Station
301 Charlene Street
Billings, MT 59107

Final Date: **January 4, 2013**
Expiration Date: **January 4, 2018**

Effective Date: **January 4, 2013**
Date of Decision: **December 4, 2012**
End of EPA 45-day Review: **December 3, 2012**
Proposed Issue Date: **October 17, 2012**
Draft Issue Date #OP2953-07: **August 10, 2012**
Draft Issue Date #OP2953-06: **May 16, 2011**

Application Deemed Technically Complete: **June 15, 2010**
Application Deemed Administratively Complete: **May 17, 2010**
Renewal Application Received: **April 16, 2010**
AFS Number: 030-111-**0015A**

Permit Issuance and Appeal Processes: In accordance with ARM 17.8.1232, the Department of Environmental Quality (Department) provided at least 30 days for public comment on the draft permit. With the issuance of Draft Operating Permit #OP2953-07, the Department provided a 30-day public comment period from August 10, 2012, to September 10, 2012. Following receipt of a request to extend the originally allotted 30-day comment period, the Department granted the request and approved a 14-day extension. The extension allowed for comments to be received until September 24, 2012. All comments received by the Department regarding this permit have been summarized in the attached technical review document. The Department provided a 45-day review period on the proposed permit to the United States Environmental Protection Agency (EPA). No comments were received from the EPA. The Department's decision was issued on December 4, 2012. In accordance with Section 75-2-218, MCA, the Department's decision regarding issuance of an operating permit is not effective until 30 days have elapsed from the date of the decision.

In accordance with Montana Code Annotated (MCA) Sections 75-2-217 and 218 and the Administrative Rules of Montana (ARM), ARM Title 17, Chapter 8, Subchapter 12, Operating Permit Program, this operating permit is hereby issued by the Department of Environmental Quality (Department) as effective and final on January 4, 2013. This permit must be kept on-site at the above named facility.

Terms not otherwise defined in this permit or in the Definitions and Abbreviations Appendix of this permit have the meaning assigned to them in the referenced regulations.

SECTION I. GENERAL INFORMATION

The following general information is provided pursuant to ARM 17.8.1210(1).

Company Name: PPL Montana, LLC (PPLM)

Mailing Address: 303 N Broadway, Suite 400

City: Billings **State**: MT **Zip**: 59101

Plant Name: JE Corette Steam Electric Station

Plant Location: Section 2, Township 1South, Range 26 East, Yellowstone County, Montana
301 Charlene Street, Billings, Montana

Plant Mailing Address: 303 N Broadway, Suite 400, Billings. MT 59101

Responsible Official: James M. Parker **Phone**: (406) 237-6932
Alternative Responsible Official: Stephen J. Christian **Phone**: (406) 748-5019

Facility Contact Person: Tom Olson **Phone:** (406) 896-4704

Facility Technical Contact: Stephen J. Christian **Phone**: (406) 748-5019

Primary SIC Code: 4911, Electric Services (NAICS Code: 221112)

Nature of Business: Coal-fired thermal power generation

Description of Process: A tangential coal-fired boiler and associated equipment for generation of electricity.

SECTION II. SUMMARY OF EMISSION UNITS

The emission units regulated by this permit are the following (ARM 17.8.1211):

Emissions Unit ID	Description	Pollution Control Device/Practice
EU1	Fly Ash Handling System	Dust collection equipment: dustless ash loading system, or contained railcars and trucks
EU2	Auxiliary Boiler	None
EU3	Coal Handling System	Dust suppression chemicals (foam);Water on Conveyor # 3; covered conveyors, telescopic chute; or dust collectors
EU4	Coal Storage Piles	Sealant (dead storage piles) and water and dust suppressant application (active piles)
EU5	Gasoline Storage Tank	None
EU7	J.E. Corette Boiler	Electrostatic Precipitator, Oxidizer/Sorbent Injection, low sulfur coal
EU8	Plant Roads	Washed and cleaned with dust suppressant, water application
EU9	Process Ponds	Wet material
EU10	Diesel Tank	None
EU11	Mercury Oxidizer/Sorbent Handling System	Bin Vent Filter

SECTION III. PERMIT CONDITIONS

The following requirements and conditions are applicable to the facility or to specific emission units located at the facility (ARM 17.8.1211, 1212, and 1213).

A. Facility-Wide

Conditions	Rule Citation	Rule Description	Pollutant/Parameter	Limit
A.1	ARM 17.8.105	Testing Requirements	Testing Requirements	------
A.2	ARM 17.8.304(1)	Visible Air Contaminants	Opacity	40%
A.3	ARM 17.8.304(2)	Visible Air Contaminants	Opacity	20%
A.4	ARM 17.8.308(1)	Particulate Matter, Airborne	Fugitive Opacity	20%
A.5	ARM 17.8.308(2)	Particulate Matter, Airborne	Reasonable Precautions	-------
A.6	ARM 17.8.308	Particulate Matter, Airborne	Reasonable Precaution, Construction	20%
A.7	ARM 17.8.309	Particulate Matter, Fuel Burning Equipment	Particulate Matter	$E= 0.882 * H^{-0.1664}$ or $E= 1.026 * H^{-0.233}$
A.8	ARM 17.8.310	Particulate Matter, Industrial Processes	Particulate Matter	$E= 4.10 * P^{0.67}$ or $E= 55 * P^{0.11} - 40$
A.9	ARM 17.8.322(4)	Sulfur Oxide Emissions, Sulfur in Fuel	Sulfur in Fuel (liquid or solid fuels)	1 lb/MMBtu fired
A.10	ARM 17.8.322(5)	Sulfur Oxide Emissions, Sulfur in Fuel	Sulfur in Fuel (gaseous)	50 gr/100 CF
A.11	ARM 17.8.324(3)	Hydrocarbon Emissions, Petroleum Products	Gasoline Storage Tanks	-------
A.12	ARM 17.8.324	Hydrocarbon Emissions, Petroleum Products	65,000 Gallon Capacity	-------
A.13	ARM 17.8.324	Hydrocarbon Emissions, Petroleum Products	Oil-effluent Water Separator	-------
A.14	ARM 17.8.342	NESHAPs General Provisions	SSM Plan	Submittal
A.15	ARM 17.8.1211(1)(c) and 40 CFR Part 98	Greenhouse Gas Reporting	Reporting	-------
A.16	SIP	SIP	Sulfur Bearing Gases	
A.17	ARM 17.8.1212	Reporting Requirements	Prompt Deviation Reporting	-------
A.18	ARM 17.8.1212	Reporting Requirements	Compliance Monitoring	-------
A.19	ARM 17.8.1207	Reporting Requirements	Annual Certification	-------

Conditions

A.1. Pursuant to ARM 17.8.105, 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.

Compliance demonstration frequencies that list "as required by the Department" refer to ARM 17.8.105. In addition, for such sources, compliance with limits and conditions listing "as required by the Department" as the frequency, is verified annually using emission factors and engineering

calculations by the Department's compliance inspectors during the annual emission inventory review; in the case of Method 9 tests, compliance is monitored during the regular inspection by the compliance inspector.

A.2. Pursuant to ARM 17.8.304(1), PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes unless otherwise specified by rule or in this permit.

A.3. Pursuant to ARM 17.8.304(2), PPLM shall not 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 6 consecutive minutes unless otherwise specified by rule or in this permit.

A.4. Pursuant to ARM 17.8.308(1), PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of particulate matter are taken. Such emissions of airborne particulate matter from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes unless otherwise specified by rule or in this permit.

A.5. Pursuant to ARM 17.8.308(2), PPLM 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 unless otherwise specified by rule or in this permit.

A.6. Pursuant to ARM 17.8.308, PPLM shall not operate a construction site or demolition project unless reasonable precautions are taken to control emissions of airborne particulate matter. Such emissions of airborne particulate matter from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes unless otherwise specified by rule or in this permit.

A.7. Pursuant to ARM 17.8.309, unless otherwise specified by rule or in this permit, PPLM shall not cause or authorize particulate matter caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of the maximum allowable emissions of particulate matter for existing fuel burning equipment and new fuel burning equipment calculated using the following equations:

For existing fuel burning equipment (installed before November 23, 1968):
$E = 0.882 * H^{-0.1664}$

For new fuel burning equipment (installed on or after November 23, 1968):
$E = 1.026 * H^{-0.233}$

Where H is the heat input capacity in million British Thermal Units (MMBtu) per hour and E is the maximum allowable particulate emissions rate in pounds per MMBtu.

A.8. Pursuant to ARM 17.8.310, unless otherwise specified by rule or in this permit, PPLM shall not cause or authorize particulate matter to be discharged from any operation, process, or activity into the outdoor atmosphere in excess of the maximum hourly allowable emissions of particulate matter calculated using the following equations:

For process weight rates up to 30 tons per hour: $E = 4.10 * P^{0.67}$
For process weight rates in excess of 30 tons per hour: $E = 55.0 * P^{0.11} - 40$

Where E = rate of emissions in pounds per hour and P = process weight rate in tons per hour.

A.9. Pursuant to ARM 17.8.322(4), PPLM shall not burn liquid or solid fuels containing sulfur in excess of one (1) pound per MMBtu fired, unless otherwise specified by rule or in this permit. This rule shall be interpreted to allow for a daily deviation of 0.1 pound of sulfur per MMBtu fired. The rule shall be interpreted to allow the blending of all fuels burned in a plant during a given time period in determining the aggregate sulfur content for purposes of the rule, and it shall not be construed to require blending or physical mixing of fuels at any given furnace or heater within the plant complex (April 1978 Billings/Laurel Plan that included the Board of Health and Environmental Sciences Order).

A.10. Pursuant to ARM 17.8.322(5), PPLM shall not burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions, unless otherwise specified by rule or in this permit.

A.11. Pursuant to ARM 17.8.324(3), PPLM shall not 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 is equipped with a vapor loss control device or is a pressure tank as described in ARM 17.8.324(1), unless otherwise specified by rule or in this permit.

A.12. Pursuant to ARM 17.8.324, unless otherwise specified by rule or in this permit, PPLM shall not place, store or hold in any stationary tank, reservoir or other container of more than 65,000 gallon capacity any crude oil, gasoline or petroleum distillate having a vapor pressure of 2.5 pounds per square inch absolute or greater under actual storage conditions, unless such tank, reservoir or other container is a pressure tank maintaining working pressure sufficient at all times to prevent hydrocarbon vapor or gas loss to the atmosphere, or is designed and equipped with a vapor loss control device, properly installed, in good working order and in operation.

A.13. Pursuant to ARM 17.8.324, unless otherwise specified by rule or in this permit, PPLM shall not use any compartment of any single or multiple-compartment oil-effluent water separator, which compartment receives effluent water containing 200 gallons a day or more of any petroleum product from any equipment processing, refining, treating, storing or handling kerosene or other petroleum product of equal or greater volatility than kerosene, unless such compartment is equipped with a vapor loss control device, constructed so as to prevent emission of hydrocarbon vapors to the atmosphere, properly installed in good working order and in operation.

A.14. Pursuant to ARM 17.8.342 and 40 CFR 63.6, PPLM shall submit to the Department a copy of any startup, shutdown, and malfunction (SSM) plan required under 40 CFR 63.6(e)(3) within 30 days of the effective date of this operating permit (if not previously submitted), within 30 days of the compliance date of any new National Emission Standard for Hazardous Air Pollutants (NESHAPs) or Maximum Achievable Control Technology (MACT) standard, and within 30 days of the revision of any such SSM plan, when applicable. The Department requests submittal of such plans in electronic form, when possible.

A.15. Pursuant to ARM 17.8.1211(1)(c) and 40 CFR Part 98, PPLM shall comply with requirements of 40 CFR Part 98 – Mandatory Greenhouse Gas Reporting, as applicable (ARM 17.8.1211(1)(c), NOT an applicable requirement under Title V).

A.16. PPLM shall utilize appropriate maintenance, repair, and operating practices to control emissions of sulfur bearing gases from minor sources such as ducts, stacks, valves, vents, vessels, and flanges that are not otherwise covered in the SO_2 SIP Appendix (Billings/Laurel SO_2 Control Plan approved into the SIP by EPA on May 2, 2002).

A.17. PPLM shall promptly report deviations from permit requirements including those attributable to upset conditions, as upset is defined in the permit. To be considered prompt, deviations shall be reported to the Department using the schedul$_e$ and content as described in Section V.E (unless otherwise specified in an applicable requirement) (ARM 17.8.1212).

A.18. On or before February 15 and August 15 of each year, PPLM shall submit to the Department the compliance monitoring reports required by Section V.D. These reports must contain all information required by Section V.D, as well as the information required by each individual emissions unit. For the reports due by February 15 of each year, PPLM may submit a single report, provided that it contains all the information required by Section V.B & V.D. Per ARM 17.8.1207,

> *any application form, report or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12 (including semiannual monitoring reports), shall contain certification by a responsible official of truth, accuracy and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12, shall state that,* ***"based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete."***

A.19. By February 15 of each year, PPLM shall submit to the Department the compliance certification required by Section V.B. The annual certification required by Section V.B must include a statement of compliance based on the information available which identifies any observed, documented or otherwise known instance of noncompliance for each applicable requirement. Per ARM 17.8.1207,

> *any application form, report, or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12 (including annual certifications), shall contain certification by a responsible official of truth, accuracy and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12, shall state that,* ***"based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete."***

B. EU1 – Fly Ash Handling System

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration		Reporting Requirements
			Method	Frequency	
B.1., B.4., B.8., B.9., B.12., B.13., B.14	Opacity	20%	Visual Survey on system (other than the baghouse, bag filter or bin vent)/ Method 9	Weekly	Semiannual
B.2., B.5., B.6., B.10., B.13, B.14.	Opacity	Reasonable Precautions	Use of enclosed trucks or use of dustless ash loading system	When ash is being unloaded	Semiannual
B.3., B.7., B.11., B.13., B.14.	Opacity	40%	Operation of Baghouse, Bag Filter, or Bin Vent	When ash handling system is operating	Semiannual

Conditions

B.1. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

B.2. PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of airborne particulate matter are taken (ARM 17.8.308).

B.3. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any baghouse, bag filter, or bin vent associated with the fly ash handling system that exhibit opacity of 40% or greater averaged over 6 consecutive minutes (ARM 17.8.304).

Compliance Demonstration

B.4. PPLM shall conduct a weekly visual survey of visible emissions on the Fly Ash Handling System (other than the baghouse, bag filter or bin vent). Once per calendar week, during daylight hours, PPLM shall visually survey the Fly Ash Handling System (other than the baghouse, bag filter or bin vent) for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) in a log, including any corrective action taken. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

B.5. When loading ash into an enclosed truck or enclosed railcar, PPLM shall use an appropriate method of conveying (e.g., pneumatic transfer, dustless slide, etc.) the ash to control fugitive dust (ARM 17.8.1213).

B.6. When loading ash to an open truck or open railcar, PPLM shall apply water to the ash prior to load-out. A load-out chute with an intact skirt shall be used for loading all open railcars and open trucks (ARM 17.8.1213).

B.7. A fabric filter control shall be used to contain dust from the loading and unloading of each of the following tanks: 2,000-ton tank, 1,500-ton tank, and 300-ton tank (ARM 17.8.1213).

Recordkeeping

B.8. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

B.9. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

B.10. PPLM shall maintain on site a log of the date and time when enclosed trucks, water, and load-out chute skirt were not used while the emissions unit was operating. The log must include the reason the method of controlling was not operated and the type of truck or railcar loaded (ARM 17.8.1212).

B.11. PPLM shall maintain on site a log of the date, time, and duration if bag filters were not operated while the emissions unit was operating. The log must include the reason the bag filters were not in operation (ARM 17.8.1212).

Reporting

B.12. Any compliance source test reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

B.13. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

B.14. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of all visual observations monitoring compliance with the visual survey requirement(s);

b. A summary of the log of date, time, duration, and reason if water and/or the load-out chute skirt were not used while emissions units were operating during that semiannual period; and

c. A summary of the log of date, time, duration, and reason if the bag filters were not operated while emissions units were operating during that semiannual period.

C. EU2 – Auxiliary Boiler

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
C.1., C.4., C.5., C.6., C.7	Opacity	20%	Pipeline Quality Natural Gas	Ongoing	Semiannual
C.2., C.4., C.5., C.6.; C.7	PM	$E = 0.882 * H^{-0.1664}$	Pipeline Quality Natural Gas	Ongoing	Semiannual
C.3., C.4., C.5., C.6., C.7	Sulfur in fuel	50 grains of sulfur/100 cubic feet of gaseous fuel	Pipeline Quality Natural Gas	Ongoing	Semiannual

Conditions

C.1. PPLM may not cause or authorize to be discharged into the atmosphere from the boiler, when in operation, visible emissions that exhibit an opacity of 20% or greater, unless specified elsewhere in this permit (ARM 17.8.304).

C.2. When the boiler is in operation, particulate matter emissions from the boiler shall not exceed $E = 0.882 * H^{-0.1664}$ (ARM 17.8.309).

C.3. PPLM shall not fire in the boiler liquid or solid fuels containing sulfur in excess of 50 grains of sulfur/100 cubic feet of gaseous fuel (ARM 17.8.322).

Compliance Demonstration

C.4. PPLM shall burn pipeline quality natural gas in the auxiliary boiler while in operation to monitor compliance with the limits in Sections III.C.1, III.C.2, and III.C.3 (ARM 17.8.1213).

Recordkeeping

C.5. PPLM shall maintain on site copies of the supplier's fuel analysis. The analysis may be based on an average fuel produced by the supplier over a period of time (ARM 17.8.1212).

Reporting

C.6. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

C.7. The semiannual monitoring report shall provide a summary of fuel analyses and fuel receipts showing that pipeline quality natural gas was used in the boiler (ARM 17.8.1212).

D. EU3 – Coal Handling System

Condition	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Frequency
D.1., D.5., D.8., D.9., D.11., D.12., D.13	Opacity	20%	Visual Survey/Method 9	Weekly	Semiannual
D.2., D.6., D.10., D.12., D13	Opacity	Reasonable Precautions	Use of telescopic spout	Ongoing	Semiannual
D.3., D.7., D.10., D.12., D.13.	Opacity	40%	Operation of bag filters	Ongoing	Semiannual
D.4., D.5., D.8., D.9., D.11., D.12., D.13,.	PM	$E=55 * p^{0.11} - 40$	Visual Survey/Method 9	Weekly	Semiannual

Conditions

D.1. PPLM shall not cause or authorize emissions from the Coal Handling Systems to be discharged into the outdoor atmosphere that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

D.2. PPLM shall not cause or authorize the production, handling transportation, or storage of any material unless reasonable precautions to control emissions of particulate matter are taken. Such emissions of airborne particulate from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308(1)).

D.3. PPLM shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any baghouse, bag filter, or bin vent associated with coal handling system that exhibit opacity of 40% or of greater (ARM 17.8.304).

D.4. The particulate emissions from process weight shall not exceed the value calculated using $E = 55.0 * P^{0.11} - 40$, where E = emissions in pounds per hour and P = process weight rate in tons per hour (ARM 17.8.310).

Compliance Demonstration

D.5. PPLM shall conduct a weekly visual survey of visible emissions on the Coal Handling System. Once per calendar week, during daylight hours, PPLM shall visually survey the Coal Handling System for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) in a log, including any corrective action taken. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

D.6. PPLM shall use a load-out chute with telescopic spout during loading and unloading of coal (ARM 17.8.1213).

D.7. A fabric filter control shall be used to contain dust when transferring coal to the silos (ARM 17.8.1213).

Recordkeeping

D.8. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

D.9. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

D.10. A log shall be kept including the date, time, and duration when a fabric filter control and a telescopic spout for unloading and transferring coal were not operated while the emissions units were operating. The log must include the reason the method of control was not in operation (ARM 17.8.1212).

Reporting

D.11. Any compliance source test reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

D.12. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

D.13. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of all visual observations monitoring compliance with the visual survey requirement(s); and

b. A summary of the log of date, time, duration, and reason if the filter fabric control and telescopic spout were not used while emissions units were operating during that semiannual period.

E. EU4 – Coal Storage Piles – Active and Reserve (Wind Erosion)

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Frequency
E.1., E.2., E.3., E.4., E 5., E.6., E.7. E.8.	Opacity	20%	Visual Survey/ Method 9	Weekly	Semi-Annual
			Reasonable Precautions	Ongoing	Annual

Conditions

E.1. PPLM may not cause or authorize the emissions from the Coal Storage Piles to be discharged into the outdoor atmosphere that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

E.2. PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of particulate matter are taken. Such emissions of airborne particulate from any stationary source shall not exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.308).

Compliance Demonstration

E.3. PPLM shall conduct a weekly visual survey of visible emissions on Coal Storage Piles. Once per calendar week, during daylight hours, PPLM shall visually survey the Coal Storage Piles for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) in a log, including any corrective action taken. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

E.4. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

E.5. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

E.6. Any compliance source test reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

E.7. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

E.8. The semiannual report shall provide a summary of all visual observations monitoring compliance with the visual survey requirement(s) (ARM 17.8.1212).

F. EU5 – Gasoline Storage Tank

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
F.1., F.2., F.3., F.4., F.5.	Gasoline storage tank	250 gallons or > gasoline in tank	Submerged fill pipe	Ongoing/when unloading	Semiannual

Conditions

F.1. PPLM shall not 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 is equipped with a vapor loss control device or is a pressure tank (ARM 17.8.324(3)).

Compliance Demonstration

F.2. PPLM shall use a submerged fill pipe during the loading of gasoline into any stationary tank unless the tank is equipped with a vapor loss control device or is a pressure tank as required in section III.F.1 (ARM 17.8.749 and ARM 17.8.1213).

Recordkeeping

F.3. PPLM shall maintain on site a log to monitor continuous use of the submerged fill pipe by maintaining a log of tank loading. The log shall include the date and time of loading (ARM 17.8.1212).

Reporting

F.4. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

F.5. The semiannual report shall provide a summary of the log of the gasoline storage tank loading during that semiannual period as specified (ARM 17.8.1212).

G. EU7 – J.E. Corette Boiler

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration		Reporting Requirements
			Method	Frequency	
G.1., G.15., G.19., G.29.,G.38., G.42., G.45., G.46	Opacity	40%	CEMS	Ongoing	Quarterly
			Method 9	As required by the Department and Section III.A.1	Semiannual
G.2., G.16., G.17., G.29., G.38., G.45., G.46	PM	$E=0.882*H^{-0.1664}$	Method 5 or 5B & Method 202	Semiannual	Semiannual
G.3., G.18., G.30., G.39., G.45., G.46	Sulfur in Fuel	1lb of sulfur/ MMBtu	Short Proximate Coal Analysis	Ongoing	Quarterly
G.4., G.21., G.33., G.45., G.46	Sulfur in Fuel	50 grains of sulfur/100 cubic feet of gaseous fuel	Combustion of Natural Gas or Propane	Semiannual	Semiannual
G.5., G.19., G.31., G.34., G.45., G.46	SO_2	9,999,000 lb/calendar year	CEMS and SIP	Ongoing	Quarterly
G.6., G.19., G.23., G.31., G.34., G.44., G.45., G.46.	Buoyancy Flux	144.6 through 448.57 m^4/sec^2	CEMS (flow monitoring system) and SIP	Ongoing	Quarterly
G.7.,G.19., G.24., G.31., G.34., G.44., G.45., G.46.	SO_2	Calculated Limit Three Hour Emission Limitation	CEMS and SIP	Ongoing	Quarterly
G.8.,G.20., G.29., G.38., G.44., G.45., G.46.	SO_2	Calculated emission rate in lb/hr	Method 6 or 6c and SIP	Annual	Semiannual
G.9., G.10., G.19., G.35., G.43., G.45., G.46.	Acid Rain Provisions	40 CFR 72-78	40 CFR 72-78	40 CFR 72-78	Semiannual
G.11., G.19., G.22., G.32., G.35., G.43., G.45., G.46..	NOx	0.40 lb/MMBtu (average annual)	CEMS	Ongoing	Quarterly
G.12., G.25., G.36., G.45., G.46.	PM CAM Plan	ARM 17.8.1506	Provisions from CAM Plan, Appendix K	Ongoing	Semiannual
G.13., G.14., G.26., G.27., G.28., G.37., G.40., G.41., G.45., G.46.	Mercury	0.9 lb/TBtu and Installation/ Operation of Mercury Control System	MEMS	Ongoing	Quarterly

Conditions

G.1. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed on or before November 23, 1968, that exhibit an opacity of 40% or greater averaged over 6 consecutive minutes (ARM 17.8.304 and ARM 17.8.749).

G.2. Emissions shall not exceed the value calculated using $E = 0.882 * H^{-0.1664}$, where H is the heat input capacity in MMBtu per hour and E is the maximum allowable particulate emissions rate in lbs per MMBtu (ARM 17.8.309).

G.3. PPLM shall not burn liquid or solid fuels containing sulfur in excess of 1lb/MMBtu fired (ARM 17.8.322(4)).

G.4. PPLM shall not burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions (ARM 17.8.322(5)).

G.5. PPLM shall not emit SO_2 in excess of the 9,999,000 lb/calendar year (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.6. PPLM shall not, except as provided in the SO_2 SIP Appendix, Stipulation, Exhibit A, Section 2(A)(7), have a Buoyancy Flux of less than 144.6 m^4/sec^3 or in excess of 448.57 m^4/sec^3 at any time (Billings/Laurel SO_2 Control Plan approved into the SIP by EPA on May 2, 2002).

G.7. PPLM shall not emit SO_2 from the J.E. Corette boiler in excess of the sum of all of the three-hour emission limitations pursuant to the SO_2 SIP Appendix, Stipulation, Exhibit A, Section 3(A)(1)(a) (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.8. PPLM shall conduct annual emission testing to determine the sulfur dioxide emission rate in pounds per hour (Billings/Laurel SO_2 Control Plan, approved into the SIP by EPA on May 2, 2002).

G.9. PPLM shall comply with all requirements in the Acid Rain Appendix H of this permit including the operation and maintenance of the SO_2 and NO_x Continuous Emissions Monitoring System (CEMS) (ARM 17.8.1210(3)).

G.10. Emissions shall not be permitted in excess of any allowances that PPLM lawfully holds under Title IV of the FCAA or the regulations promulgated thereunder (ARM 17.8.1210(3)(a)).

a. A permit revision is not required for increases in emissions authorized by allowances acquired pursuant to the acid rain program, provided that such increases do not require a permit revision under any other applicable requirement (ARM 17.8.1210(3)(b)).

b. The permittee may not use allowances as a defense to noncompliance with any other applicable requirement (ARM 17.8.1210(3)(c)).

c. Any allowances shall be accounted for according to the procedures established in regulations promulgated under Title IV of the FCAA (ARM 17.8.1210(3)(d)).

G.11. Pursuant to 40 CFR §76.7(a)(1), PPLM shall not discharge, or allow to be discharged, emissions of NO_x to the atmosphere in excess of 0.4 lb/MMBtu on an annual average basis.

G.12. PPLM shall provide a reasonable assurance of compliance with emission limitations or standards for PM for the anticipated range of operations of the Tangential Coal-Fired Boiler (ARM 17.8.1504).

G.13. Beginning January 1, 2010, emissions of mercury from the boiler shall not exceed 0.9 pounds mercury per trillion British thermal units (lb/TBtu), calculated as a rolling 12-month average (ARM 17.8.771, this requirement is "State Only").

G.14. PPLM shall install a mercury control system that oxidizes and sorbs emissions of mercury. PPLM shall implement the operation and maintenance of the mercury control system on or before January 1, 2010 (ARM 17.8.771, this requirement is "State Only").

Compliance Demonstration

G.15. As required by the Department and Section III.A.1, PPLM shall perform a Method 9 test or another method approved by the Department to monitor compliance with the opacity limitation. Method 9 source tests must be performed in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.1213, ARM 17.8.106).

G.16. PPLM shall perform a Method 5 or 5B particulate matter test in conjunction with a Method 202 condensable particulate matter test semiannually during periods the equipment is in operation to monitor compliance with the particulate matter limit in Sections III.G.2. The testing shall be performed in accordance with the Montana Source Test Protocol and Procedures Manual. Heat input shall be calculated in accordance with 40 CFR Part 75 Appendix F, Subsection 5 – Procedures for Heat Input (ARM 17.8.1213 and ARM 17.8.106).

G.17. PPLM shall, when a malfunction of the electrostatic precipitator occurs which results in the failure of a bank or a portion of a bank, reduce the load to 150GMW and schedule particulate emission compliance source testing within 40 hours. Those tests would take place at four different loads (140, 145, 150, and 155GMW). PPLM would then operate at the highest load where all three runs in a test series demonstrate compliance with ARM 17.8.309 (previously ARM 16.8.1402). If all tests indicate emissions above the standard, PPLM would reduce load to 135 GMW and schedule another series of particulate emission compliance source testing within 40 hours. It is recognized that as a result of the testing to determine compliance described above, PPLM will be altering the load of the Corette Plant, which will affect the rate of particulate emissions, and that emissions in excess of the standard in ARM 17.8.309 (previously ARM 16.801402) are possible. Such testing to determine compliance is necessary for PPLM to derive an operational strategy to respond to the malfunction of the electrostatic precipitator (See ¶ 6.B. of Consent Decree in State of Montana v. Montana Power Co., Cause No. DV 91-696, Montana 13th Judicial District Court for Yellowstone County, Dec. 23, 1991).

G.18. Compliance with the sulfur in coal limit in Section III.G.3 shall be based on available composite coal samples as measured by 40 CFR Part 60, Appendix A Method 19, for every train load of coal received or another sampling schedule as approved by the Department (ARM 17.8.1213).

G.19. PPLM shall operate, calibrate and maintain CEMS for the following (ARM 17.8.1213):

a. A CEMS for the measurement of SO_2 shall be operated on the stack (ARM 17.8.340 and 40 CFR 60.45);

b. A CEMS for the measurement of NO_x shall be operated on the stack (ARM 17.8.340 and 40 CFR 60.45);

c. A CEMS for the measurement of opacity shall be operated on the stack (ARM 17.8.340 and 40 CFR 60.45); and

d. Continuous monitoring for stack gas temperature, stack gas moisture (where necessary), megawatt production, and Btu per hour shall be performed.

G.20. PPLM shall conduct a Method 6, 6c, or another method approved by the Department annually to monitor compliance with the condition in Section III.G.8. The tests shall be conducted in accordance with the SO_2 CEMS Appendix F of this permit.

Pursuant to the SO_2 SIP Appendix, the annual or semiannual Relative Accuracy Test Audits (RATA) may be substituted for the annual source tests provided that the flow rate RATA and the concentration RATA are performed simultaneously and additional calculations are made to determine and report the data in pounds per hour of sulfur dioxide (ARM 17.8.1213 and SIP Appendix I).

G.21. PPLM shall monitor compliance with the emissions limit in condition III.G.4 by burning pipeline quality natural gas or propane (ARM 17.8.1213).

G.22. PPLM shall monitor compliance with the emission limitation in Section III.G.11 by following the requirements of 40 CFR Part 75, 40 CFR Part 76, and in accordance with the NOx CEMS Appendix (ARM 17.8.1213).

G.23. PPLM shall monitor compliance with the limitation in Section III.G.6 in accordance with the SO_2 SIP Appendix I of this permit through use of the Flow Monitoring System required by 40 CFR Part 75 and the SO_2 SIP Appendix except that the references on page 56.9.3.12(41) to 40 CFR Part 60 Appendix A, Section 6.0 and 40 CFR Part 60, Appendix B, Section 2.3 shall be changed to 40 CFR Part 75, Appendix A, Section 6.0 and 40 CFR Part 75, Appendix B, Section 2.3, respectively. This includes the use of the temperature probe to determine hourly average stack gas temperature and the flow monitor to determine hourly average stack gas exit velocity (ARM 17.8.1213 and Appendix I).

G.24. PPLM shall monitor compliance with the limitation in Section III.G.7 pursuant to the SO_2 SIP Appendix I of this permit except that the references on page 56.9.3.12(41) to 40 CFR Part 60, Appendix A, Section 6.0 and 40 CFR 60, Appendix B, Section 2.3 shall be changed to 40 CFR Part 75, Appendix A Section 6.0 and 40 CFR Part 75, Appendix B, Section 2.3, respectively (ARM 17.8.1213 and Appendix I).

G.25. PPLM shall monitor compliance by following the Compliance Assurance Monitoring (CAM) Plan (Appendix K) (ARM 17.8.1503 and ARM 17.8.1213).

G.26. PPLM shall comply with all applicable standards and limitations, and the applicable operating, reporting, recordkeeping, and notification requirements contained in 40 CFR Part 75 (ARM 17.8.771, this requirement is "State Only").

G.27. Enforcement of Section III.G.13., where applicable, shall be determined by utilizing data taken from a Mercury Emission Monitoring System (MEMS). The MEMS shall be comprised of equipment as required in 40 CFR 75.81(a) and defined in 40 CFR 72.2. The above does not relieve PPLM from meeting any applicable requirements of 40 CFR Part 75. Testing requirements shall be as specified in 40 CFR Part 75, and shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.771, this requirement is "State Only").

G.28. A MEMS shall be installed, certified, and operating on the boiler stack outlet on or before January 1, 2010. Said monitor shall comply with the applicable provisions of 40 CFR Part 75. The monitors shall also conform with requirements included in Appendix L (ARM 17.8.771, this requirement is "State Only").

Recordkeeping

G.29. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

G.30. PPLM shall maintain, on site, a log of the results of the composite coal samples as required by Section III.G.18 and submit them to the Department upon request (ARM 17.8.1212).

G.31. Records shall be prepared and data kept in accordance with the SO_2 CEMS Appendix F of this permit (ARM 17.8.1212).

G.32. Records shall be prepared and data kept in accordance with 40 CFR Part 75 and the NOx CEMS Appendix G of this permit (ARM 17.8.1212).

G.33. PPLM shall maintain, on site, a log verifying the use of pipeline quality natural gas (ARM 17.8.1212).

G.34. Records shall be prepared and data kept in accordance with the SO_2 SIP Appendix I of this permit (ARM 17.8.1212).

G.35. PPLM shall complete all recordkeeping for Section III.G.9, G.10, and III.G.11 as required by the Acid Rain Appendix H of this permit (ARM 17.8.1212).

G.36. Records shall be prepared and data kept in accordance with ARM 17.8 Subchapter 15 and the CAM plan, Appendix K of this permit (ARM 17.8.1212 and ARM 17.8.1513).

G.37. PPLM shall conduct recordkeeping pursuant to Appendix L (ARM 17.8.771 and ARM 17.8.1212, this requirement is "State Only").

Reporting

G.38. The testing results shall be submitted to the Department in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

G.39. Quarterly, PPL shall submit a summary of the composite coal samples conducted in accordance with Section III.G.18 (ARM 17.8.1212).

G.40. The owner or operator of any mercury-emitting generating unit shall report to the Department within 30 days after the end of each calendar quarter, as described in Appendix L (ARM 17.8.749, this requirement is "State Only"):

a. The monthly average lb/TBtu mercury emission rate, for each month of the quarter;

b. The 12-month rolling average lb/TBtu emission rate for each month of the reporting quarter; and

c. Number of operating hours that the MEMS was unavailable or not operating within quality assurance limits (monitor downtime).

G.41. The first quarterly report must be received by the Department by April 30, 2010, but shall not include 12-month rolling averages. The first quarterly report to include 12-month rolling averages must be received by the Department by January 30, 2011 (ARM 17.8.749).

G.42. Excess emissions and monitoring systems performance reports shall be submitted in accordance with the Opacity CEMS Appendix E (ARM 17.8.1212).

G.43. Reports shall be submitted in accordance with 40 CFR Parts 72 through 78. PPLM shall also submit to the Department the information required in the NOx CEMS Appendix G of this permit (ARM 17.8.1212).

G.44. PPLM shall submit reports in accordance with the SO_2 SIP Appendix I of this permit (ARM 17.8.1212).

G.45. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

G.46. The semiannual report shall provide (ARM 17.8.1212):

a. A summary of results of any Method 9, Method 5 or 5B, Method 202, Method 6 or 6A, and any additional method tests conducted that semiannual period. The actual test reports for Method 9 need only be submitted to the Department, upon request, as specified by Section III.G.16;

b. A summary of submittal of excess emissions and monitoring systems performance reports in accordance with the Opacity CEMS Appendix E, the SO_2 Appendix F, and the NO_x CEMS Appendix G,;

c. A summary of compliance with 40 CFR Part 75 and Acid Rain Appendix H;

d. A summary of the log required by Section III.G.33; and

e. A summary of compliance with CAM provisions, Appendix K of this permit.

H. EU8 – Plant Roads

Condition(s)	Pollutant/ Parameter	Permit Limit	Method of Compliance	Frequency of Method	Reporting Requirements
H.1., H.2., H.3., H.4., H.5., H.6, H.7., H.8.	Opacity	20%	Visual Surveys	Weekly	Semiannual
			Reasonable Precautions	Ongoing	Semiannual

Conditions

H.1. PPLM may not cause or authorize emissions from the Plant Roads to be discharged into the outdoor atmosphere that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

H.2. PPLM shall not cause or authorize the production, handling, transportation, or storage of any material unless reasonable precautions to control emissions of airborne particulate matter are taken (ARM 17.8.308(1)).

Compliance Demonstration

H.3. PPLM shall conduct a weekly visual survey of visible emissions on the Plant Roads. Once per calendar week, during daylight hours, PPLM shall visually survey the Plant Roads for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) in a log, including any corrective action taken. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

H.4. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

H.5. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

H.6. Any compliance source test reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

H.7. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

H.8. The semiannual report shall provide a summary of all visual observations monitoring compliance with the visual survey requirement(s) (ARM 17.8.1212).

I. EU9 – Emergency Diesel Generators

Condition(s)	Pollutant/Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
I.1., I.5., I.9., I.13., I.14., I.15.	Opacity	20%	Visual Survey/Method 9	Weekly, during times of generator operation	Semiannual
I.2., I.6., I.10., I.13., I.14., I.15.	Particulate from fuel combustion	$E=1.026*H^{-0.233}$	Method 5	As required by the Department and Section III.A.1	Semiannual
I.3., I.7., I.11., I.14., I.15.	Hours of Operation	Operations Limited to Specific Situations	Operating Log	Monthly	Semiannually
I.4, I.8, I.12, I.14., I.15., I.16.	40 CFR 63, Subpart ZZZZ	40 CFR 63, Subpart ZZZZ	40 CFR 63, Subpart ZZZZ	40 CFR 63, Subpart ZZZZ	40 CFR 63, Subpart ZZZZ

Conditions

I.1. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

I.2. PPLM shall not cause or authorize particulate matter caused by the combustion of fuel to be discharged from any stack or chimney into the outdoor atmosphere in excess of $E = 1.026 * H^{-0.233}$, where H is the heat input capacity in MMBtu per hour and E is the maximum allowable particulate emissions rate in pounds per MMBtu (ARM 17.8.309).

I.3. PPLM shall limit the use of the emergency diesel generators to times of need for emergency power generation (ARM 17.8.756).

I.4. PPLM shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR 63, Subpart ZZZZ, *National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines*, for any applicable diesel engine (ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ).

Compliance Demonstration

I.5. Only in times of generator operations, PPLM shall conduct a weekly visual survey (during daylight hours) of visible emissions on the emergency diesel generators. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) and any corrective action taken in a log. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

I.6. As required by the Department and Section III.A.1, PPLM shall perform a Method 5 in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

I.7. Compliance with the limits in Section III.I.3 shall be demonstrated by logging the date, time, hours of operation, reason for use, and operator's initials whenever the emergency diesel generators are utilized for emergency power generation (ARM17.8.1213).

I.8. Compliance monitoring shall be performed in accordance with 40 CFR 63, Subpart ZZZZ, as appropriate (ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ).

Recordkeeping

I.9. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

I.10. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

I.11. PPLM shall maintain on site a log as described in Section III.I.7. PPLM shall include in that log the fuel type used whenever the emergency generators are used for emergency power generation. In addition, PPLM shall log the monthly sum of the total hours of operation of the emergency generators for the previous rolling 12-month time period (ARM 17.8.1212).

I.12. Recordkeeping shall be performed in accordance with 40 CFR 63, Subpart ZZZZ, as appropriate (ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ).

Reporting

I.13. All source test reports must be submitted to the Department in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

I.14. The annual compliance certification report required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

I.15. The semiannual monitoring report shall provide (ARM 17.8.1212):

a. A summary of all visual observations monitoring compliance with the visual survey requirement(s);

b. A summary of any Method 5 tests that were conducted; and

c. A summary of emergency generator use including a summary of hours used and reason for use.

I.16. Reporting shall be performed in accordance with 40 CFR 63, Subpart ZZZZ, as appropriate (ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ).

J. EU11 – Mercury Oxidizer/Sorbent Handling System

Condition(s)	Pollutant/ Parameter	Permit Limit	Compliance Demonstration Method	Compliance Demonstration Frequency	Reporting Requirements
J.1., J.3., J.4., J.5., J.6., J.7., J.8.	Opacity	20%	Visual Survey/ Method 9	Weekly	Semiannual
J.2., J.3., J.4., J.5., J.6., J.7., J.8.	Oxidizer/Sorbent Handling System	Operate/ maintain bin vent			Semiannual

Conditions

J.1. PPLM may not cause or authorize emissions to be discharged into the outdoor atmosphere from any source that exhibits an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304(2)).

J.2. PPLM shall operate and maintain the mercury oxidizer/sorbent handling system, including the bin vent filter system, to provide the maximum air pollution control for that which the system was designed (ARM 17.8.749).

Compliance Demonstration

J.3. PPLM shall conduct a weekly visual survey of visible emissions on the Mercury Oxidizer/ Sorbent Handling System. Once per calendar week, during daylight hours, PPLM shall visually survey the Mercury Oxidizer/Sorbent Handling System for any visible emissions. If visible emissions are observed during the visual survey, PPLM must conduct a Method 9 source test. The Method 9 source test must begin within one hour of any observation of visible emissions. If visible emissions meet or exceed 15% opacity based on the Method 9 source test, PPLM shall immediately take corrective action to contain or minimize the source of emissions. If corrective actions are taken, then PPLM shall immediately conduct a subsequent visual survey (and subsequent Method 9 source test if visible emissions remain) to monitor compliance. The person conducting the visual survey shall record the results of the survey (including the results of any Method 9 source test performed) in a log, including any corrective action taken. Conducting a visual survey does not relieve PPLM of the liability for a violation determined using Method 9 (ARM 17.8.1213).

Recordkeeping

J.4. All source test recordkeeping shall be performed in accordance with the test method used and the Montana Source Test Protocol and Procedures Manual, and shall be maintained on site. The reports must be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).

J.5. PPLM shall maintain on-site a log containing all visual observations monitoring compliance with the visual survey requirement(s). The log shall include, at a minimum, the required information, the date, the time, and the initials of the documenting personnel (ARM 17.8.1212).

Reporting

J.6. All method reports shall be submitted in accordance with the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106 and ARM 17.8.1212).

J.7. The annual compliance certification required by Section V.B must contain a certification statement for the above applicable requirements (ARM 17.8.1212).

J.8. The semiannual report shall provide a summary of all visual observations monitoring compliance with the visual survey requirement(s) (ARM 17.8.1212).

SECTION IV. NON-APPLICABLE REQUIREMENTS

Air Quality Administrative Rules of Montana (ARM) and Federal Regulations identified as not applicable to the facility or to a specific emissions unit at the time of the permit issuance are listed below (ARM 17.8.1214). The following list does not preclude the need to comply with any new requirements that may become applicable during the permit term.

A. Facility-Wide

The following table contains non-applicable requirements, which are administrated by the Air Resources Management Bureau of the Department of Environmental Quality.

Rule Citation	Reason
	These requirements are not applicable because the facility is not an affected source as defined in these regulations.
40 CFR 60, SUBPART B	
40 CFR 60, SUBPART C	
40 CFR 60, SUBPART Ca	
40 CFR 60, SUBPART Cb	
40 CFR 60, SUBPART D	
40 CFR 60, SUBPART Da	
40 CFR 60, SUBPART Db	
40 CFR 60, SUBPART Dc	
40 CFR 60, SUBPART E	
40 CFR 60, SUBPART Ea	
40 CFR 60, SUBPART Eb	
40 CFR 60, SUBPART F	
40 CFR 60, SUBPART G	
40 CFR 60, SUBPART H	
40 CFR 60, SUBPART I	
40 CFR 60, SUBPART J	
40 CFR 60, SUBPART K	
40 CFR 60, SUBPART L	
40 CFR 60, SUBPART M	
40 CFR 60, SUBPART N	
40 CFR 60, SUBPART O	
40 CFR 60, SUBPART P	
40 CFR 60, SUBPART Q	
40 CFR 60, SUBPART R	
40 CFR 60, SUBPART S	
40 CFR 60, SUBPART T	
40 CFR 60, SUBPART U	
40 CFR 60, SUBPART V	
40 CFR 60, SUBPART W	
40 CFR 60, SUBPART X	
40 CFR 60, SUBPART Y	
40 CFR 60, SUBPART Z	
40 CFR 60, SUBPART AA	
40 CFR 60, SUBPART AAA	
40 CFR 60, SUBPART BB	
40 CFR 60, SUBPART CC	
40 CFR 60, SUBPART DD	
40 CFR 60, SUBPART EE	
40 CFR 60, SUBPART GG	
40 CFR 60, SUBPART HH	

Rule Citation	Reason
40 CFR 60, SUBPART KK	
40 CFR 60, SUBPART LL	
40 CFR 60, SUBPART MM	
40 CFR 60, SUBPART NN	
40 CFR 60, SUBPART PP	
40 CFR 60, SUBPART QQ	
40 CFR 60, SUBPART RR	
40 CFR 60, SUBPART SS	
40 CFR 60, SUBPART TT	
40 CFR 60, SUBPART UU	
40 CFR 60, SUBPART VV	
40 CFR 60, SUBPART WW	
40 CFR 60, SUBPART XX	
40 CFR 60, SUBPART BBB	
40 CFR 60, SUBPART DDD	
40 CFR 60, SUBPART FFF	
40 CFR 60, SUBPART GGG	
40 CFR 60, SUBPART HHH	
40 CFR 60, SUBPART III	
40 CFR 60, SUBPART JJJ	
40 CFR 60, SUBPART KKK	
40 CFR 60, SUBPART LLL	
40 CFR 60, SUBPART NNN	
40 CFR 60, SUBPART OOO	
40 CFR 60, SUBPART PPP	
40 CFR 60, SUBPART QQQ	
40 CFR 60, SUBPART RRR	
40 CFR 60, SUBPART SSS	
40 CFR 60, SUBPART TTT	
40 CFR 60, SUBPART UUU	
40 CFR 60, SUBPART VVV	
40 CFR 61, SUBPART B	
40 CFR 61, SUBPART C	
40 CFR 61, SUBPART D	
40 CFR 61, SUBPART E	
40 CFR 61, SUBPART F	
40 CFR 61, SUBPART H	
40 CFR 61, SUBPART I	
40 CFR 61, SUBPART J	
40 CFR 61, SUBPART K	
40 CFR 61, SUBPART L	
40 CFR 61, SUBPART N	
40 CFR 61, SUBPART O	
40 CFR 61, SUBPART P	
40 CFR 61, SUBPART Q	
40 CFR 61, SUBPART R	
40 CFR 61, SUBPART T	
40 CFR 61, SUBPART V	
40 CFR 61, SUBPART W	
40 CFR 61, SUBPART Y	
40 CFR 61, SUBPART BB	
40 CFR 61, SUBPART FF	
40 CFR 63, SUBPART F	
40 CFR 63, SUBPART G	

Rule Citation	Reason
40 CFR 63, SUBPART H	
40 CFR 63, SUBPART I	
40 CFR 63, SUBPART L	
40 CFR 63, SUBPART M	
40 CFR 63, SUBPART N	
40 CFR 63, SUBPART O	
40 CFR 63, SUBPART Q	
40 CFR 63, SUBPART R	
40 CFR 63, SUBPART T	
40 CFR 63, SUBPART W	
40 CFR 63, SUBPART Z	
40 CFR 63, SUBPART EE	
40 CFR 82, SUBPART A	The facility does not conduct the activities addressed by these regulations.
40 CFR 82, SUBPART C	
40 CFR 82, SUBPART D	
40 CFR 82, SUBPART E	
40 CFR 82, SUBPART G	

B. Emission Units

EU1 – Fly Ash Handling System

Rule Citation	Reason
ARM 17.8.309	This rule is not applicable because this emissions unit is not fuel-burning equipment.
ARM 17.8.322	This rule is not applicable because the pollutant regulated by this rule is not emitted from this emissions unit.
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under the Acid Rain Program.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

EU2 – Auxiliary Boiler

Rule Citation	Reason
ARM 17.8.310	This rule is not applicable to particulate matter emitted from fuel-burning equipment.
40 CFR 82,SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under acid rain.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

EU3 – Coal Handling System

Rule Citation	Reason
ARM 17.8.309	This rule is not applicable because this emissions unit is not fuel-burning equipment.
ARM 17.8.322	This regulation is not applicable because the pollutant regulated by this rule is not emitted from this emissions unit.
ARM 17.8, Subchapter 7	No MAQP is required to date for the emissions unit. Future changes may trigger applicability of the requirement.
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under acid rain.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

EU4 – Coal Storage Piles

Rule Citation	Reason
ARM 17.8.309	This rule is not applicable because this emissions unit is not fuel-burning equipment.
ARM 17.8.322	This regulation is not applicable because the pollutant regulated by this rule is not emitted from this emissions unit.
ARM 17.8, Subchapter 7	No MAQP is required to date for the emissions unit. Future changes may trigger applicability of the requirement.
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 82, SUBPART F	
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under the acid rain program.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

EU5 – Gasoline Storage Tank
None requested.

EU7 – J. E. Corette Boiler

Rule Citation	Reason
ARM 17.8.310	This rule is not applicable to particulate matter emitted from fuel-burning equipment
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 82, SUBPART F	
40 CFR 73, SUBPART G	These regulations are not applicable because the facility does not conduct the activities addressed by this rule.

EU8 – Plant Roads

Rule Citation	Reason
ARM 17.8.304	This emissions unit is regulated by ARM 17.8.308.
ARM 17.8.309	This rule is not applicable because this emissions unit is not fuel-burning equipment.
ARM 17.8.322	This rule is not applicable because the pollutant regulated by this rule is not emitted from this emissions unit.
ARM 17.8, Subchapter 7	No MAQP required to date for the emissions unit. Future changes may trigger applicability of the requirement.
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 82, SUBPART F	
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under the acid rain program.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

EU9 – Emergency Diesel Generators

Rule Citation	Reason
ARM 17.8.310	This rule is not applicable to particulate matter emitted from fuel-burning equipment
ARM 17.8, Subchapter 7	No MAQP required to date for the emissions unit. Future changes may trigger applicability of the requirement.
40 CFR 82, SUBPART B	These regulations are not applicable because the activities identified are not conducted as part of this emissions unit.
40 CFR 82, SUBPART F	
40 CFR 72	These regulations are not applicable because the emissions unit is not an affected facility under acid rain.
40 CFR 73	
40 CFR 75	
40 CFR 76	
40 CFR 77	
40 CFR 78	

SECTION V GENERAL PERMIT CONDITIONS

A. Compliance Requirements

ARM 17.8, Subchapter 12, Operating Permit Program, §1210 (2)(a)-(c) & (e), §1206(6)(c)&(b)

1. The permittee must comply with all conditions of the permit. Any noncompliance with the terms or conditions of the permit constitutes a violation of the Montana Clean Air Act, and may result in enforcement action, permit modification, revocation and reissuance, or termination, or denial of a permit renewal application under ARM Title 17, Chapter 8, Subchapter 12.

2. 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.

3. It shall not be a defense for a 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 the permit. If appropriate, this factor may be considered as a mitigating factor in assessing a penalty for noncompliance with an applicable requirement if the source demonstrates that both the health, safety, or environmental impacts of halting or reducing operations would be more serious than the impacts of continuing operations, and that such health, safety, or environmental impacts were unforeseeable and could not have otherwise been avoided.

4. The permittee shall furnish to the Department, within a reasonable time set by the Department (not to be less than 15 days), any information that the Department may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. Upon request, the permittee shall also furnish to the Department copies of those records that are required to be kept pursuant to the terms of the permit. This subsection does not impair or otherwise limit the right of the permittee to assert the confidentiality of the information requested by the Department, as provided in 75-2-105, MCA.

5. Any schedule of compliance for applicable requirements with which the source is not in compliance at the time of permit issuance shall be supplemental to, and shall not sanction noncompliance with the applicable requirements on which it was based.

6. For applicable requirements that will become effective during the permit term, the source shall meet such requirements on a timely basis unless a more detailed plan or schedule is required by the applicable requirement or the Department.

B. Certification Requirements

ARM 17.8 Subchapter 12 Operating Permit Program §1207 and §1213(7)(a)&(c)-(d)

1. Any application form, report, or compliance certification submitted pursuant to ARM Title 17, Chapter 8, Subchapter 12 shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under ARM Title 17, Chapter 8, Subchapter 12 shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

2. Compliance certifications shall be submitted by February 15 of each year, or more frequently if otherwise specified in an applicable requirement or elsewhere in the permit. Each certification must include the required information for the previous calendar year (i.e., January 1 – December 31).

3. Compliance certifications shall include the following:

   a. The identification of each term or condition of the permit that is the basis of the certification;

   b. The identification of the method(s) or other means used by the owner or operator for determining the status of compliance with each term and condition during the certification period, consistent with ARM 17.8.1212;

   c. The status of compliance with each term and condition of the permit for the period covered by the certification, *including whether compliance during the period was continuous or intermittent* (based on the method or means identified in ARM 17.8.1213(7)(c)(ii), as described above); and

   d. Such other facts as the Department may require to determine the compliance status of the source.

4. All compliance certifications must be submitted to the Environmental Protection Agency, as well as to the Department, at the addresses listed in the Notification Addresses Appendix of this permit.

C. Permit Shield
ARM 17.8 Subchapter 12 Operating Permit Program §1214(1)-(4)

1. The applicable requirements and non-federally enforceable requirements are included and specifically identified in this permit and the permit includes a precise summary of the requirements not applicable to the source. Compliance with the conditions of the permit shall be deemed compliance with any applicable requirements and any non-federally enforceable requirements as of the date of permit issuance.

2. The permit shield described in 1 above shall remain in effect during the appeal of any permit action (renewal, revision, reopening, or revocation and reissuance) to the Board of Environmental Review (Board), until such time as the Board renders its final decision.

3. Nothing in this permit alters or affects the following:

   a. The provisions of 42 U.S.C. Sec. §7603 of the FCAA, including the authority of the administrator 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 42 U.S.C. Sec. 7651g(a) of the FCAA;

   d. The ability of the administrator to obtain information from a source pursuant to 42 U.S.C. Sec. 7414 of the FCAA;

   e. The ability of the Department to obtain information from a source pursuant to the Montana Clean Air Act, Title 75, Chapter 2, MCA;

   f. The emergency powers of the Department under the Montana Clean Air Act, Title 75, Chapter 2 MCA; and

g. The ability of the Department to establish or revise requirements for the use of Reasonably Available Control Technology (RACT) as defined in ARM Title 17, Chapter 8. However, if the inclusion of a RACT into the permit pursuant to ARM Title 17, Chapter 8, Subchapter 12 is appealed to the Board, the permit shield as it applies to the source's existing permit shall remain in effect until such time as the Board has rendered its final decision.

4. Nothing in this permit alters or affects the ability of the Department to take enforcement action for a violation of an applicable requirement or permit term or condition demonstrated pursuant to ARM 17.8.106, Source Testing Protocol.

5. Pursuant to ARM 17.8.132, for the purpose of submitting a compliance certification, nothing in these rules shall preclude the use, including the exclusive use, of any credible evidence or information relevant to whether a source would have been in compliance. However, when compliance or noncompliance is demonstrated by a test or procedure provided by permit or other applicable requirements, the source shall then be presumed to be in compliance or noncompliance unless that presumption is overcome by other relevant credible evidence.

6. The permit shield will not extend to minor permit modifications or changes not requiring a permit revision (see Sections I & J).

7. The permit shield will extend to significant permit modifications and transfer or assignment of ownership (see Sections K & O).

D. Monitoring, Recordkeeping, and Reporting Requirements
ARM 17.8, Subchapter 12, Operating Permit Program, §1212(2) &(3)

1. Unless otherwise provided in this permit, the permittee shall maintain compliance monitoring records that include the following information:

   a. The date, place as defined in the permit, and time of sampling or measurement;

   b. The date(s) analyses were performed;

   c. The company or entity that performed the analyses;

   d. The analytical techniques or methods used;

   e. The results of such analyses; and

   f. The operating conditions at the time of sampling or measurement.

2. The permittee shall retain records of all required monitoring data and support information 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 and all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by the permit. All monitoring data, support information, and required reports and summaries may be maintained in computerized form at the plant site if the information is made available to Department personnel upon request, which may be for either hard copies or computerized format. Strip-charts must be maintained in their original form at the plant site and shall be made available to Department personnel upon request.

3. The permittee shall submit to the Department, at the addresses located in the Notification Addresses Appendix of this permit, reports of any required monitoring by February 15 and August 15 of each year, or more frequently if otherwise specified in an applicable requirement or elsewhere in the permit. The monitoring report submitted on February 15 of each year must include the required monitoring information for the period of July 1 through December 31 of the previous year. The monitoring report submitted on August 15 of each year must include the required monitoring information for the period of January 1 through June 30 of the current year. All instances of deviations from the permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official, consistent with ARM 17.8.1207.

E. Prompt Deviation Reporting
ARM 17.8, Subchapter 12, Operating Permit Program §1212(3)(c)

The permittee shall promptly report deviations from permit requirements, including those attributable to upset conditions as defined in the permit, the probable cause of such deviations, and any corrective actions or preventive measures taken. To be considered prompt, deviations shall be reported to the Department within the following timeframes (unless otherwise specified in an applicable requirement):

1. For deviations which may result in emissions potentially in violation of permit limitations:

   a. An initial phone notification (or faxed or electronic notification) describing the incident within 24 hours (or the next business day) of discovery; and,

   b. A follow-up written, faxed, or electronic report within 30 days of discovery of the deviation that describes the probable cause of the reported deviation and any corrective actions or preventative measures taken.

2. For deviations attributable to malfunctions, deviations shall be reported to the Department in accordance with the malfunction reporting requirements under ARM 17.8.110; and

3. For all other deviations, deviations shall be reported to the Department via a written, faxed, or electronic report within 90 days of discovery (as determined through routine internal review by the permittee).

Prompt deviation reports do not need to be resubmitted with regular semiannual (or other routine) reports, but may be referenced by the date of submittal.

F. Emergency Provisions
ARM 17.8, Subchapter 12, Operating Permit Program, §1201(13) and §1214(5), (6)&(8)

1. An "emergency" means any situation arising from sudden and reasonably unforeseeable events beyond the control of the source, including acts of God, which situation requires immediate corrective action to restore normal operation, and that causes the source to exceed a technology-based emission limitation under this permit due to unavoidable increases in emissions attributable to the emergency. An emergency shall not include noncompliance to the extent caused by improperly designed equipment, lack of reasonable preventive maintenance, careless or improper operation, or operator error.

2. An emergency constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the permittee demonstrates through properly signed, contemporaneous logs, or other relevant evidence that:

a. An emergency occurred and that the permittee can identify the cause(s) of the emergency;

b. The permitted facility was at the time being properly operated;

c. During the period of the emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards, or other requirements in the permit; and

d. The permittee submitted notice of the emergency to the Department within 2 working days of the time when emission limitations were exceeded due to the emergency. This notice fulfills the requirements of ARM 17.8.1212(3)(c). This notice must contain a description of the emergency, any steps taken to mitigate emissions, and corrective actions taken.

3. These emergency provisions are in addition to any emergency, malfunction or upset provision contained in any applicable requirement.

G. Inspection and Entry

ARM 17.8, Subchapter 12, Operating Permit Program §1213(3)&(4)

1. Upon presentation of credentials and other requirements as may be required by law, the permittee shall allow the Department, the administrator or an authorized representative (including an authorized contractor acting as a representative of the Department or the administrator) to perform the following:

   a. Enter the premises where a source required to obtain a permit is located or emissions-related activity is conducted, or where records must be kept under the conditions of the permit;

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

   c. Inspect at reasonable times any facilities, emission units, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under the permit; and

   d. As authorized by the Montana Clean Air Act and rules promulgated thereunder, sample or monitor at reasonable times any substances or parameters at any location for the purpose of assuring compliance with the permit or applicable requirements.

2. The permittee shall inform the inspector of all applicable workplace safety rules or requirements at the time of the inspection. This section shall not limit in any manner the Department's statutory right of entry and inspection as provided for in 75-2-403, MCA.

H. Fee Payment

ARM 17.8, Subchapter 12, Operating Permit Program, §1210(2)(f), and ARM 17.8, Subchapter 5, Air Quality Permit Application, Operation and Open Burning Fees §505(3)-(5) (STATE ONLY)

1. The permittee must pay application and operating fees, pursuant to ARM Title 17, Chapter 8, Subchapter 5.

2. Annually, the Department shall provide the permittee with written notice of the amount of the fee and the basis for the fee assessment. The air quality operation fee is due 30 days after receipt of the notice, unless the fee assessment is appealed pursuant to ARM 17.8.511. If any portion of the

fee is not appealed, that portion of the fee that is not appealed is due 30 days after receipt of the notice. Any remaining fee, which may be due after completion of an appeal, is due immediately upon issuance of the Board's decision or upon completion of any judicial review of the Board's decision.

3. If the permittee fails to pay the required fee (or any required portion of an appealed fee) within 90 days of the due date of the fee, the Department may impose an additional assessment of 15% of the fee (or any required portion of an appealed fee) or $100, whichever is greater, plus interest on the fee (or any required portion of an appealed fee) computed at the interest rate established under 15-31-510(3), MCA.

I. Minor Permit Modifications
ARM 17.8, Subchapter 12, Operating Permit Program, §1226(3)&(11)

1. An application for a minor permit modification need only address in detail those portions of the permit application that require revision, updating, supplementation, or deletion, and may reference any required information that has been previously submitted.

2. The permit shield under ARM 17.8.1214 will not extend to any minor modifications processed pursuant to ARM 17.8.1226.

J. Changes Not Requiring Permit Revision
ARM 17.8, Subchapter 12, Operating Permit Program, §1224(1)-(3), (5)&(6)

1. The permittee is authorized to make changes within the facility as described below, provided the following conditions are met:

   a. The proposed changes do not require the permittee to obtain a Montana Air Quality Permit under ARM Title 17, Chapter 8, Subchapter 7;

   b. The proposed changes are not modifications under Title I of the FCAA, or as defined in ARM Title 17, Chapter 8, Subchapters 8, 9 or 10;

   c. The emissions resulting from the proposed changes do not exceed the emissions allowable under this permit, whether expressed as a rate of emissions, or in total emissions;

   d. The proposed changes do not alter permit terms that are necessary to enforce applicable emission limitations on emission units covered by the permit; and

   e. The facility provides the administrator and the Department with written notification at least 7 days prior to making the proposed changes.

2. The permittee and the Department shall attach each notice provided pursuant to 1.e. above, to their respective copies of this permit.

3. Pursuant to the conditions above, the permittee is authorized to make Sec. 502(b)(10) changes, as defined in ARM 17.8.1201(30), without a permit revision. For each such change, the written notification required under 1.e above, shall include a description of the change within the source, the date on which the change will occur, any change in emissions, and any permit term or condition that is no longer applicable as a result of the change.

4. The permittee may make a change not specifically addressed or prohibited by the permit terms and conditions without requiring a permit revision, provided the following conditions are met:

   a. Each proposed change does not weaken the enforceability of any existing permit conditions;

   b. The Department has not objected to such change;

   c. Each proposed change meets all applicable requirements and does not violate any existing permit term or condition; and

   d. The permittee provides contemporaneous written notice to the Department and the administrator of each change that is above the level for insignificant emission units as defined in ARM 17.8.1201(22) and 17.8.1206(3), and the written notice describes each such change, including the date of the change, any change in emissions, pollutants emitted, and any applicable requirement that would apply as a result of the change.

5. The permit shield authorized by ARM 17.8.1214 shall not apply to changes made pursuant to ARM 17.8.1224(3) and (5), but is applicable to terms and conditions that allow for increases and decreases in emissions pursuant to ARM 17.8.1224(4).

K. Significant Permit Modifications
ARM 17.8, Subchapter 12, Operating Permit Program, §1227(1), (3)&(4)

1. The modification procedures set forth in 2 below, must be used for any application requesting a significant modification of this permit. Significant modifications include the following:

   a. Any permit modification that does not qualify as either a minor modification or as an administrative permit amendment;

   b. Every significant change in existing permit monitoring terms or conditions;

   c. Every relaxation of permit reporting or recordkeeping terms or conditions that limits the Department's ability to determine compliance with any applicable rule, consistent with the requirements of the rule; or

   d. Any other change determined by the Department to be significant.

2. Significant modifications shall meet all requirements of ARM Title 17, Chapter 8, including those for applications, public participation, and review by affected states and the administrator, as they apply to permit issuance and renewal, except that an application for a significant permit modification need only address in detail those portions of the permit application that require revision, updating, supplementation, or deletion.

3. The permit shield provided for in ARM 17.8.1214 shall extend to significant modifications.

L. Reopening for Cause
ARM 17.8, Subchapter 12, Operating Permit Program, §1228(1)&(2)

1. This permit may be reopened and revised under the following circumstances:

   a. Additional applicable requirements under the FCAA become applicable to the facility when the permit has a remaining term of 3 or more years. Reopening and revision of the permit shall be completed no later than 18 months after promulgation of the applicable requirement.

No reopening is required under ARM 17.8.1228(1)(a) if the effective date of the applicable requirement is later than the date on which the permit is due to expire, unless the original permit or any of its terms or conditions have been extended pursuant to ARM 17.8.1220(12) or 17.8.1221(2);

b. Additional requirements (including excess emissions requirements) become applicable to an affected source under the Acid Rain Program. Upon approval by the administrator, excess emissions offset plans shall be deemed to be incorporated into the permit;

c. The Department or the administrator determines that the permit contains a material mistake or that inaccurate statements were made in establishing the emission standards or other terms or conditions of the permit; or

d. The administrator or the Department determines that the permit must be revised or revoked and reissued to ensure compliance with the applicable requirements.

M. Permit Expiration and Renewal

ARM 17.8., Subchapter 12, Operating Permit Program, §1210(2)(g), §1220(11)&(12), and, §1205(2)(d)

1. This permit is issued for a fixed term of 5 years.

2. Renewal of this permit is subject to the same procedural requirements that apply to permit issuance, including those for application, content, public participation, and affected state and administrator review.

3. Expiration of this permit terminates the permittee's right to operate unless a timely and administratively complete renewal application has been submitted consistent with ARM 17.8.1221 and 17.8.1205(2)(d). If a timely and administratively complete application has been submitted all terms and conditions of the permit, including the application shield, remain in effect after the permit expires until the permit renewal has been issued or denied.

4. For renewal, the permittee shall submit a complete air quality operating permit application to the Department not later than 6 months prior to the expiration of this permit, unless otherwise specified. If necessary to ensure that the terms of the existing permit will not lapse before renewal, the Department may specify in writing to the permittee a longer time period for submission of the renewal application. Such written notification must be provided at least one year before the renewal application due date established in the existing permit.

N. Severability Clause

ARM 17.8, Subchapter 12, Operating Permit Program, §1210(2)(i)&(l)

1. The administrative appeal or subsequent judicial review of the issuance by the Department of an initial permit under this subchapter shall not impair in any manner the underlying applicability of all applicable requirements, and such requirements continue to apply as if a final permit decision had not been reached by the Department.

2. If any provision of a permit is found to be invalid, all valid parts that are severable from the invalid part remain in effect. If a provision of a permit is invalid in 1 or more of its applications, the provision remains in effect in all valid applications that are severable from the invalid applications.

O. Transfer or Assignment of Ownership
ARM 17.8, Subchapter 12, Operating Permit Program, §1225(2)&(4)

1. If an administrative permit amendment involves a change in ownership or operational control, the applicant must include in its request to the Department a written agreement containing a specific date for the transfer of permit responsibility, coverage, and liability between the current and new permittee.

2. The permit shield provided for in ARM 17.8.1214 shall not extend to administrative permit amendments.

P. Emissions Trading, Marketable Permits, Economic Incentives
ARM 17.8, Subchapter 12, Operating Permit Program, §1226(2)

Notwithstanding ARM 17.8.1226(1) and (7), minor air quality operating permit modification procedures may be used for permit modifications involving the use of economic incentives, marketable permits, emissions trading, and other similar approaches, to the extent that such minor permit modification procedures are explicitly provided for in the Montana State Implementation Plan or in applicable requirements promulgated by the administrator.

Q. No Property Rights Conveyed
ARM 17.8, Subchapter 12, Operating Permit Program, §1210(2)(d)

This permit does not convey any property rights of any sort, or any exclusive privilege.

R. Testing Requirements
ARM 17.8, Subchapter 1, General Provisions, §105

The permittee shall comply with ARM 17.8.105.

S. Source Testing Protocol
ARM 17.8, Subchapter 1, General Provisions, §106

The permittee shall comply with ARM 17.8.106.

T. Malfunctions
ARM 17.8, Subchapter 1, General Provisions §110

The permittee shall comply with ARM 17.8.110.

U. Circumvention
ARM 17.8, Subchapter 1, General Provisions §111

The permittee shall comply with ARM 17.8.111.

V. Motor Vehicles
ARM 17.8, Subchapter 3, Emission Standards, §325

The permittee shall comply with ARM 17.8.325.

W. Annual Emissions Inventory

ARM 17.8, Subchapter 5, Air Quality Permit Application, Operation and Open Burning Fees, §505 (STATE ONLY)

The permittee shall supply the Department with annual production and other information for all emission units necessary to calculate actual or estimated actual amount of air pollutants emitted during each calendar year. Information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the emission inventory request, unless otherwise specified in this permit. Information shall be in the units required by the Department.

X. Open Burning

ARM 17.8, Subchapter 6, Open Burning, §604, 605 and 606

The permittee shall comply with ARM 17.8.604, 605, and 606.

Y. Montana Air Quality Permits (MAQP)

ARM 17.8, Subchapter 7, Permit, Construction and Operation of Air Contaminant Sources §745 and 764 (ARM 17.8.745(1) and 764(1)(b) are STATE ENFORCEABLE ONLY until approval by the EPA as part of the SIP)

1. Except as specified, no person shall construct, install, modify or use any air contaminant source or stack associated with any source without first obtaining a permit from the Department or Board. A permit is not required for the sources or stacks listed in ARM 17.8.744(1)(a)-(k).

2. The permittee shall comply with ARM 17.8.743, 744, 745, 748, and 764.

3. ARM 17.8.745(1) states that a Montana air quality permit is not required for de minimis changes such as construction or changed conditions of operation at a facility holding a Montana Air Quality Permit (MAQP) issued under Chapter 8 that do not increase the facility's potential to emit by more than 5 tons per year of any pollutant, except (STATE ENFORCEABLE ONLY until approved by the EPA as part of the SIP):

   a. Any construction or changed condition that would violate any condition in the facility's existing MAQP or any applicable rule contained in Chapter 8 is prohibited, except as provided in ARM 17.8.745(2);

   b. Any construction or changed conditions of operation that would qualify as a major modification under Subchapters 8, 9 or 10 of Chapter 8;

   c. Any construction or changed condition of operation that would affect the plume rise or dispersion characteristic of emissions that would cause or contribute to a violation of an ambient air quality standard or ambient air increment as defined in ARM 17.8.804;

   d. Any construction or improvement project with a potential to emit more than 5 tons per year may not be artificially split into smaller projects to avoid Montana Air Quality Permitting; or

   e. Emission reductions obtained through offsetting within a facility are not included when determining the potential emission increase from construction or changed conditions of operation, unless such reductions are made federally enforceable.

4. Any facility making a de minimis change pursuant to ARM 17.8.745(1) shall notify the Department if the change would include a change in control equipment, stack height, stack diameter, 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, 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) (STATE ENFORCEABLE ONLY until approval by the EPA as part of the SIP).

Z. National Emission Standard for Asbestos
40 CFR Part 61, Subpart M

The permittee shall not conduct any asbestos abatement activities except in accordance with 40 CFR Part 61, Subpart M (National Emission Standard for Hazardous Air Pollutants for Asbestos).

AA. Asbestos
ARM 17.74, Subchapter 3, General Provisions, and Subchapter 4, Fees

The permittee shall comply with ARM 17.74.301, *et seq.* and ARM 17.74.401, *et seq.* (State only)

BB. Stratospheric Ozone Protection – Servicing of Motor Vehicle Air Conditioners
40 CFR Part 82, Subpart B

If the permittee performs a service on motor vehicles and this service involves ozone-depleting substance/refrigerant in the motor vehicle air conditioner (MVAC), the permittee is subject to all the applicable requirements as specified in 40 CFR Part 82, Subpart B.

CC. Stratospheric Ozone Protection – Recycling and Emissions Reductions
40 CFR Part 82, Subpart F

The permittee shall comply with the standards for recycling and emissions reduction in 40 CFR Part 82, Subpart F, except as provided for MVACs in Subpart B.

1. Persons opening appliances for maintenance, service, repair or disposal must comply with the required practices pursuant to §82.156;

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

3. Persons performing maintenance, service, repair or disposal of appliances must be certified by an approved technical certification program pursuant to §82.161;

4. Persons disposing of small appliances, MVACs, and MVAC-like (as defined at §82.152) appliances must comply with recordkeeping requirements pursuant to §82.166;

5. Persons owning commercial or industrial process refrigeration equipment must comply with the leak repair requirements pursuant to §82.156; and,

6. Owners/operators of appliances normally containing 50 or more pounds of refrigerant must keep records of refrigerant purchased and added to such appliances pursuant to §82.166.

DD. Emergency Episode Plan

The permittee shall comply with the requirements contained in Chapter 9.7 of the State of Montana Air Quality Control Implementation Plan.

Each major source emitting 100 tons per year located in a Priority I Air Quality Control Region shall submit to the Department a legally enforceable Emergency Episode Action Plan (EEAP) that details how the source will curtail emissions during an air pollutant emergency episode. The industrial EEAP shall be in accordance with the Department's EEAP and shall be submitted according to a timetable developed by the Department, following Priority I reclassification.

EE. Definitions

Terms not otherwise defined in this permit or in the Definitions and Abbreviations Appendix of this permit shall have the meaning assigned to them in the referenced regulations.

APPENDICES

Appendix A INSIGNIFICANT EMISSION UNITS

Disclaimer: The information in this appendix is not State or Federally enforceable but is presented to assist the permittee, the permitting authority, inspectors, and the public.

Pursuant to ARM 17.8.1201(22)(a), an insignificant emissions unit means any activity or emissions unit located within a source that: (i) 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 42 U.S.C. Section 7412 (b) of the FCAA; and (iv) is not regulated by an applicable requirement, other than a generally applicable requirement that applies to all emission units subject to Subchapter 12.

List of Insignificant Activities:

The following table of insignificant sources and/or activities was provided by PPLM.

Emissions Unit ID	Description
IEU11	Process Tank Vents
IEU12	Carbon dioxide System Safety Valves & Vents
IEU10	1,000 Gallon Diesel Tank

Appendix B DEFINITIONS and ABBREVIATIONS

"Act" means the federal Clean Air Act, as amended, 42 U.S.C. §§ 7401-7671.

"Administrative permit amendment" means an air quality operating permit revision that:

(a) corrects typographical errors;

(b) identifies a change in the name, address or phone number of any person identified in the air quality operating permit, or identifies a similar minor administrative change at the source;

(c) requires more frequent monitoring or reporting by PPLM;

(d) requires changes in monitoring or reporting requirements that the Department deems to be no less stringent than current monitoring or reporting requirements;

(e) allows for a change in ownership or operational control of a source if the Department has determined that no other change in the air quality operating permit is necessary, consistent with ARM 17.8.1225; or

(f) incorporates any other type of change which the Department has determined to be similar to those revisions set forth in (a)-(e), above.

"Applicable requirement" means all of the following as they apply to emission units in a source requiring an air quality operating permit (including requirements that have been promulgated or approved by the Department or the administrator through rule making at the time of issuance of the air quality operating permit, but have future-effective compliance dates, provided that such requirements apply to sources covered under the operating permit):

(a) any standard, rule, or other requirement, including any requirement contained in a consent decree or judicial or administrative order entered into or issued by the Department, that is contained in the Montana state implementation plan approved or promulgated by the administrator through rule making under Title I of the FCAA;

(b) any federally enforceable term, condition or other requirement of any Montana Air Quality Permit issued by the Department under Subchapters 7, 8, 9 and 10 of this chapter, or pursuant to regulations approved or promulgated through rule making under Title I of the FCAA, including parts C and D;

(c) any standard or other requirement under 42 U.S.C. Sec. 7411 of the FCAA, including Sec. 7411(d);

(d) any standard or other requirement under 42 U.S.C. Sec. 7412 of the FCAA, including any requirement concerning accident prevention under 42 U.S.C. Sec. 7412(r)(7), but excluding the contents of any risk management plan required under 42 U.S.C. Sec. 7412(r);

(e) any standard or other requirement of the acid rain program under Title IV of the FCAA or regulations promulgated thereunder;

(f) any requirements established pursuant to 42 U.S.C. Sec. 7661c(b) or Sec. 7414(a)(3) of the FCAA;

(g) any standard or other requirement governing solid waste incineration, under 42 U.S.C. Sec. 7429 of the FCAA;

(h) any standard or other requirement for consumer and commercial products, under 42 U.S.C. Sec. 7511b(e) of the FCAA;

(i) any standard or other requirement for tank vessels, under 42 U.S.C. Sec. 7511b(f) of the FCAA;

(j) any standard or other requirement of the regulations promulgated to protect stratospheric ozone under Title VI of the FCAA, unless the administrator determines that such requirements need not be contained in an air quality operating permit;

(k) any national ambient air quality standard or increment or visibility requirement under part C of Title I of the FCAA, but only as it would apply to temporary sources permitted pursuant to 42 U.S.C. Sec. 7661c(e) of the FCAA; or

(l) any federally enforceable term or condition of any air quality open burning permit issued by the Department under Subchapter 6.

"Department" means the Montana Department of Environmental Quality.

"Emissions unit" means any part or activity of a stationary source that emits or has the potential to emit any regulated air pollutant or any pollutant listed under 42 U.S.C. Sec. 7412(b) of the FCAA. This term is not meant to alter or affect the definition of the term "unit" for purposes of Title IV of the FCAA.

"FCAA" means the Federal Clean Air Act, as amended.

"Federally enforceable" means all limitations and conditions which are enforceable by the administrator, including those requirements developed pursuant to 40 CFR Parts 60 and 61, requirements within the Montana state implementation plan, and any permit requirement established pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR 51, Subpart I, including operating permits issued under an EPA approved program that is incorporated into the Montana state implementation plan and expressly requires adherence to any permit issued under such program.

"Fugitive emissions" means those emissions which could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

"General air quality operating permit" or **"general permit"** means an air quality operating permit that meets the requirements of ARM 17.8.1222, covers multiple sources in a source category, and is issued in lieu of individual permits being issued to each source.

"Hazardous air pollutant" means any air pollutant listed as a hazardous air pollutant pursuant to 42 U.S.C. Sec. 7412(b) of the FCAA.

"Non-federally enforceable requirement" means the following as they apply to emission units in a source requiring an air quality operating permit:

(a) any standard, rule, or other requirement, including any requirement contained in a consent decree, or judicial or administrative order entered into or issued by the Department, that is not contained in the Montana state implementation plan approved or promulgated by the administrator through rule making under Title I of the FCAA

(b) any term, condition or other requirement contained in any Montana Air Quality Permit issued by the Department under Subchapters 7, 8, 9 and 10 of this chapter that is not federally enforceable.

(c) does not include any Montana ambient air quality standard contained in Subchapter 2 of this chapter.

"Permittee" means the owner or operator of any source subject to the permitting requirements of this subchapter, as provided in ARM 17.8.1204, that holds a valid air quality operating permit or has submitted a timely and complete permit application for issuance, renewal, amendment, or modification pursuant to this subchapter.

"Regulated air pollutant" means the following:

(a) nitrogen oxides or any volatile organic compounds;

(b) any pollutant for which a national ambient air quality standard has been promulgated;

(c) any pollutant that is subject to any standard promulgated under Sec. 7411 of the FCAA;

(d) any Class I or II substance subject to a standard promulgated under or established by Title VI of the FCAA; or

(e) any pollutant subject to a standard or other requirement established or promulgated under 42 U.S.C. Sec. 7412 of the FCAA, including but not limited to the following;

(i) any pollutant subject to requirements under 42 U.S.C. Sec. 7412(j) of the FCAA. If the administrator fails to promulgate a standard by the date established in Sec. 7412(e) of the FCAA, any pollutant for which a subject source would be major shall be considered to be regulated on the date 18 months after the applicable date established in 42 U.S.C. Sec. 7412(e) of the FCAA;

(ii) any pollutant for which the requirements of 42 U.S.C. Sec. 7412(g)(2) of the FCAA have been met but only with respect to the individual source subject to the 42 U.S.C. Sec. 7412(g)(2) requirement.

"Responsible official" means one of the following:

(a) For a corporation: a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:

(i) the facilities employ more than 250 persons or have gross annual sales or expenditures exceeding $25 million (in second quarter 1980 dollars); or

(ii) the delegation of authority to such representative is approved in advance by the Department.

(b) For a partnership or sole proprietorship: a general partner or the proprietor respectively.

(c) For a municipality, state, federal, or other public agency: either a principal executive officer or ranking elected official. For the purposes of this part, a principal executive officer of a federal agency includes the chief executive officer having responsibility for the overall operations of a principal geographic unit of the agency (e.g., a regional administrator of the environmental protection agency).

(d) For affected sources: the designated representative in so far as actions, standards, requirements, or prohibitions under Title IV of the FCAA or the regulations promulgated thereunder are concerned, and the designated representative for any other purposes under this subchapter.

Abbreviations:

ARM	Administrative Rules of Montana
ASTM	American Society of Testing Materials
BACT	Best Available Control Technology
BDT	bone dry tons
BTU	British Thermal Unit
CFR	Code of Federal Regulations
CO	carbon monoxide
DEQ	Department of Environmental Quality
dscf	dry standard cubic foot
dscfm	dry standard cubic foot per minute
EEAP	Emergency Episode Action Plan
EPA	U.S. Environmental Protection Agency
EPA Method	Test methods contained in 40 CFR 60, Appendix A
EU	emissions unit
FCAA	Federal Clean Air Act
gr	grains
HAP	hazardous air pollutant
Hg	mercury
IEU	insignificant emissions unit
MAQP	Montana Air Quality Permit
Mbdft	thousand board feet
MEMS	Mercury Emission Monitoring System
Method 5	40 CFR 60, Appendix A, Method 5
Method 9	40 CFR 60, Appendix A, Method 9
MMbdft	million board feet
MMBTU	million British Thermal Units
NOx	oxides of nitrogen
NO_2	nitrogen dioxide
O_2	oxygen
Pb	lead
PM	particulate matter
PM10	particulate matter less than 10 microns in size
psi	pounds per square inch
scf	standard cubic feet
SIC	Source Industrial Classification
SO_2	sulfur dioxide
SOx	oxides of sulfur
TBtu	trillion British Thermal Units
tpy	tons per year
U.S.C.	United States Code
VE	visible emissions
VOC	volatile organic compound

Appendix C NOTIFICATION ADDRESSES

Compliance Notifications:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901
Helena, MT 59620-0901

United States EPA
Air Program Coordinator
Region VIII, Montana Office
10 West 15th Street, Suite 3200
Helena, MT 59626

Permit Modifications:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901
Helena, MT 59620-0901

Office of Partnerships and Regulatory Assistance
Air and Radiation Program
US EPA Region VIII 8P-AR
1595 Wynkoop Street
Denver, CO 80202-1129

Appendix D AIR QUALITY INSPECTOR INFORMATION

Disclaimer: The information in this appendix is not State or Federally enforceable but is presented to assist the permittee, permitting authority, inspectors, and the public.

1. Directions to Plant:

Exit on 27th Street Interchange from I-90 in Billings. Travel east paralleling Interstate 90 on the south side to Charlene Street and turn right. The plant gate is two blocks away on the right.

2. Safety Equipment Required:

The following safety guidelines were submitted by, PPL Montana, LLC.

GENERAL SAFETY GUIDELINES FOR THE J.E. CORETTE PLANT

The following are the general safety rules for visitors at the J.E. Corette Plant. In all instances, visitors will be escorted by a company employee.

SAFETY GLASSES AND HARD HATS

All visitors are required to wear hard hats and safety glasses in the plant area, except when in the offices, lunchrooms, or other protected areas.

PROPER CLOTHING

Clothing and shoes that are suitable for the particular type of work and existing weather conditions shall be worn. Dresses, or other loose clothing, are not recommended.

PROTECTIVE FOOTWEAR

Closed-toe (no sandals), low-heeled shoes shall be worn. High-heel shoes with a heel less than 1 and ½ inches in diameter are not allowed.

SIGNS

Special instruction signs are for the safety of employees, visitors, and equipment. These instructions shall be observed at all times.

- **Caution signs (Black and Yellow)**

  Indicate a possible hazard against which proper precaution should be taken. Caution signs warn against potential hazards or caution against an unsafe practice.

- **Danger Signs (Red, Black, and White)**

  Indicate immediate danger, and special precautions are necessary. Entry by Authorized Persons Only.

- **Safety Instruction Signs (Green and White)**

  Provide general instructions and for suggestive information.

- **Radiation Warning Signs (Reddish Purple and Yellow)**

  Warn of a radiation hazard only. Special precautions and equipment are necessary.

- **Direction Signs (Black and White)**

  Ensure the safe and efficient flow of vehicles and pedestrian traffic.

- **Fire Prevention and Location Signs (Red and White)**

  Inform of the location and give special instructions for fire prevention. All "NO SMOKING" and other fire protection signs shall be observed.

Vision, Hearing and respiratory protection signs, where posted, shall be observed.

HORSEPLAY

Scuffling and practical jokes are dangerous and are strictly forbidden.

SMOKING POLICY

Smoking is not allowed inside any plant building.

SEAT BELTS

Where seat belts are provided in vehicles and equipment, they shall be used at all times while the vehicle or equipment is being operated.

DRUGS AND ALCOHOL

The use of intoxicating beverages on Company premises is strictly forbidden.

The use of any drug on Company property, except those prescribed by competent medical authority, is strictly forbidden by Company Policy.

3. Facility Plot Plan:

The facility plot plan was submitted to the Department with the original operating permit application submitted for Operating Permit #OP2953-00. The facility plot plan is on file with the Department.

Appendix E OPACITY CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Pursuant to 40 CFR Part 75, the permittee shall calibrate, maintain, and operate continuous monitoring systems.

   Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR 60.13(d), 40 CFR Part 75 and the accuracy audits required below, all continuous monitoring systems shall be in continuous operation.

   The permittee shall conduct annual accuracy audits using a calibration jig and NBS-traceable neutral density filters on the continuous monitoring system.

2. The permittee shall maintain records for a minimum of five years of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

3. The permittee shall submit reports to the Department containing the information required by 40 CFR 60.7 and as explained below, except that all reports shall only be required Semiannual for each six-month period.

   a. The permittee shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affect facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

   b. The permittee shall submit an excess emissions and monitoring systems performance report and/or a summary report form (see paragraph (c) below) to the Department. Written reports of reportable excess emissions greater than 40% (6-minute average), 23% (1-hour average), or 17% (24-hour average) shall include the following information:

      i. The magnitude of excess emissions, any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions. The process operating time during the reporting period.

      ii. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility. The nature and cause of any malfunction (if known), the corrective action taken or preventative measures adopted.

      iii. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs or adjustments.

      iv. When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

   c. The summary report form shall contain the information and be in the format shown in Figure 1. The summary report form shall be submitted;

      i. If the total duration of excess emissions for the reporting period is less than one percent (1%) of the total operating time for the reporting period and CEMS down time for the reporting period is less than five percent (5%) of the total operating time for the reporting period, only the summary report form shall be submitted and the excess emission report described in section (b) above need not be submitted unless requested.

ii. If the total duration of excess emissions for the reporting period is one percent (1%) or greater of the total operating time for the reporting period or the total CEMS downtime for the reporting period is five percent (5%) or greater of the total operating time for the reporting period, the summary report form and the excess emission report described in section (b) above shall both be submitted.

Figure 1 – Summary Report – Excess Emission and Monitoring System Performance

Pollutant:
Reporting Period Dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total Source Operating Time in Reporting Period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:

   a. Startup/shutdown.
   b. Control equipment problems.
   c. Process problems.
   d. Other known causes.
   e. Unknown causes.

2. Total duration of excess emissions.

3. Total duration of excess emissions x 100 = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

3. CEMS downtime in reporting period due to:

   a. Monitor equipment malfunctions.
   b. Non-monitoring equipment malfunctions.
   c. Quality assurance calibrations.
   d. Other known causes.
   e. Unknown causes.

4. Total CEMS Downtime when the boiler is operating (nearest quarter hour).

5. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total Boiler Operating Time

6. Total boiler operating time (nearest quarter hour).

The semiannual reports must be postmarked by the 30th day after the end of each six-month period.

Appendix F SO_2 CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Pursuant to 40 CFR Part 75, the permittee shall calibrate, maintain, and operate continuous monitoring systems. Heat input shall be determined as required in the 40 CFR Part 75, Appendix F and the NOx CEMS Appendix.

   Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR Part 75, all continuous monitoring systems shall be in continuous operation.

2. The permittee shall maintain records for a minimum of five years of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

3. The permittee shall submit reports to the Department containing the information:

   a. The permittee shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

   b. The permittee shall submit an excess emissions and monitoring systems performance report and/or a summary report form (see paragraph (c) below) to the Department. Written reports of excess emissions greater than 2 lbs of SO_2/mmBtu shall include the following information:

      i. The magnitude of excess emissions, any conversion factor(s) used, and the date and time of commencement and completion of each time period of excess emissions. The process operating time during the reporting period.

      ii. Any periods of time when the monitor range is exceeded. This shall include the date and time of commencement and completion of each time period the monitor is exceeding the range. The process operating time during the reporting period. These periods shall be considered periods of excess emissions.

      iii. Specific identification of each period of excess emissions that occurs during startups, shutdowns, and malfunctions of the affected facility. The nature and cause of any malfunctions (if known), the corrective action taken or preventative measures adopted.

      iv. The date and time identifying each period during which the continuous monitoring system was inoperative except for zero and span checks and the nature of the system repairs and adjustments.

      v. When no excess emissions have occurred or the continuous monitoring system(s) have not been inoperative, repaired, or adjusted, such information shall be stated in the report.

   c. The summary report form shall contain the information and be in the format shown in Figure 1. The summary report form shall be submitted:

      i. If the total duration of excess emissions for the reporting period is less than one percent (1%) of the total operating time for the reporting period and CEMS downtime for the reporting period is less than five percent (5%) of the total operating time for the reporting period, only the summary report form shall be submitted and the excess emission report described in section (b) above need not be submitted unless requested.

ii. If the total duration of excess emissions for the reporting period is one percent (1%) or greater of the total operating time for the reporting period or the total CEMS downtime for the reporting period is five percent (5%) or greater of the total operating time for the reporting period, the summary report form and the excess emission report described in section (b) above shall both be submitted.

Figure 1 – Summary Report – Gaseous Excess Emission and Monitoring System Performance

Pollutant:
Reporting Period Dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total Source Operating Time in Reporting Period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:

   f. Startup/shutdown.
   g. Control equipment problems.
   h. Process problems.
   i. Other known causes.
   j. Unknown causes.

2. Total duration of excess emissions.

3. Total duration of excess emissions x 100 = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

1. CEMS downtime in reporting period due to:

   f. Monitor equipment malfunctions.
   g. Non-monitoring equipment malfunctions.
   h. Quality assurance calibrations.
   i. Other known causes.
   j. Unknown causes.

2. Total CEMS Downtime when the boiler is operating (nearest quarter hour).

3. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total Boiler Operating Time

4. Total boiler operating time (nearest quarter hour).

The semiannual reports must be postmarked by the 30th day after the end of each six-month period.

4. The permittee shall submit quarterly reports to the Department containing the following information for each month of the quarter:

   a. Tons of emissions calculated as the sum of $E_h = K \times C_h \times Q_h$, where E_h = emission rate (lb/hr), K = 1.66×10^{-7} (lb/scf)/ppm(SO_2), C_h = measured pollutant concentration (ppm_{wet}), and Q_h = measured stack gas flow rate ($SCFH_{wet}$); and

   b. A summary report including the information identified in 40 CFR 75.64(a)(2) in writing, which includes:

      - Tons (rounded to the nearest tenth) of SO_2 emitted during the quarter and cumulative SO_2 emissions for calendar year.

   The quarterly reports must be postmarked by the 30th day after the end of the calendar quarter.

5. The permittee shall submit copies of all RATAs performed to the Department in accordance with ARM 17.8.106, Source Testing Protocol.

6. The permittee shall submit copies of each monitoring plan revision, which results in the need to recertify the CEMS.

Appendix G NOx CEMS

Nothing in this appendix is intended to alter the requirements in the Acid Rain Appendix.

1. Except for system breakdowns, repairs, calibration checks, and zero and span adjustments required pursuant to 40 CFR Part 75, all continuous monitoring systems shall be in continuous operation.

2. The permittee shall conduct a "Standard Practice for Ultimate Analysis of Coal and Coke", ASTM D5291-92, at a minimum of once per year for each type of coal used.

3. The permittee shall determine the gross calorific value (GCV) of the fuels using ASTM D2015-91, "Standard Test Method for Gross Calorific Value of Coal and Coke by the Adiabatic Bomb Calorimeter" or other method as identified in 40 CFR Part 75, Appendix F, 3.3.6.2, at a minimum of once per year for each type of coal used.

4. The permittee shall conduct a weekly fuel analysis using ASTM D4239-85 or other method approved by the Department.

5. The permittee shall maintain records for a minimum of five years of the log sheets, computerized data, analysis, and calculations used to prepare the required reports.

6. The permittee shall submit reports to the Department containing the following information:

    a. The permittee shall maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility; any malfunction of the air pollution control equipment; or any periods during which the continuous monitoring system is inoperative.

    b. The permittee shall submit a monitoring system performance report to the Department in the format shown in Figure 1.

Figure 1 – Summary Report – Gaseous Excess Emission and Monitoring System Performance

Pollutant:
Reporting Period Dates: From _____ to _____
Emission Limitation:
Monitor Manufacturer and Model No.:
Date of Latest CEMS Certification or Audit:
Process Unit(s) Description:
Total Source Operating Time in Reporting Period:

Emission Data Summary

1. Duration of excess emission in reporting period due to:

   k. Startup/shutdown.
   l. Control equipment problems.
   m. Process problems.
   n. Other known causes.
   o. Unknown causes.

2. Total duration of excess emissions.

3. Total duration of excess emissions x 100 = % excess emissions
   Total Boiler Operating Time

CEMS Performance Summary

1. CEMS downtime in reporting period due to:

   k. Monitor equipment malfunctions.
   l. Non-monitoring equipment malfunctions.
   m. Quality assurance calibrations.
   n. Other known causes.
   o. Unknown causes.

2. Total CEMS Downtime when the boiler is operating (nearest quarter hour).

3. Total CEMS downtime when the boiler is operating x 100 = % downtime
   Total Boiler Operating Time

4. Total boiler operating time (nearest quarter hour).

The reports shall only be required Semiannual for each six-month period. The semiannual reports must be postmarked by the 30th day after the end of each six-month period.

7. The permittee shall submit quarterly reports to the Department containing the following information for each month of the quarter:

   a. Monthly average coal analysis

   b. Coal consumption

c. Other fuels combusted and the amount

d. Tons of emissions calculated as the sum of $E_h = K \times C_h \times Q_h$, where E_h = emission rate (lb/hr), K = 1.19×10^{-7} (lb/scf)/ppm (NOx), C_h = measured pollutant concentration (ppm_{wet}), and Q_h = measured stack gas flow rate ($SCFH_{wet}$); and

e. A summary report including the information identified in 40 CFR 75.64(a)(3) through (5) in writing which includes:

   i. Average NOx emission rate (lbs/mmBtu, rounded to the nearest hundredth) during the quarter and cumulative NOx emission rate for calendar year.
   ii. Tons of CO_2 emitted during quarter and cumulative CO_2 for calendar year.
   iii. Total heat input (mmBtu) for quarter and cumulative heat input for calendar year.

The quarterly reports must be postmarked by the 30th day after the end of the calendar quarter.

8. The permittee shall submit copies of all RATAs performed to the Department in accordance with ARM 17.8.106, Source Testing Protocol.

9. The permittee shall submit copiers of each monitoring plan revision, which results in the need to recertify the CEMS.

United States
Environmental Protection Agency
Acid Rain Program

OMB No. 2060-0258
Approval expires 11/30/2012

Phase II NO_x Compliance Plan

For more information, see instructions and refer to 40 CFR 76.9
This submission is: ☐ New ☒ Revised

Page 1 of 2

STEP 1
Indicate plant name, State, and ORIS code from NADB, if applicable

Plant Name	State	ORIS Code
JE Corette Plant	MT	2187

STEP 2

Identify each affected Group 1 and Group 2 boiler using the boiler ID# from NADB, if applicable. Indicate boiler type: "CB" for cell burner, "CY" for cyclone, "DBW" for dry bottom wall-fired, "T" for tangentially fired, "V" for vertically fired, and "WB" for wet bottom. Indicate the compliance option selected for each unit.

	ID# 00002 Type T	ID# Type	ID# Type	ID# Type	ID# Type	ID# Type
(a) Standard annual average emission limitation of 0.50 lb/mmBtu (for Phase I dry bottom wall-fired boilers)	☐	☐	☐	☐	☐	☐
(b) Standard annual average emission limitation of 0.45 lb/mmBtu (for Phase I tangentially fired boilers)	☐	☐	☐	☐	☐	☐
(c) EPA-approved early election plan under 40 CFR 76.8 through 12/31/07 (also indicate above emission limit specified in plan)	☐	☐	☐	☐	☐	☐
(d) Standard annual average emission limitation of 0.46 lb/mmBtu (for Phase II dry bottom wall-fired boilers)	☐	☐	☐	☐	☐	☐
(e) Standard annual average emission limitation of 0.40 lb/mmBtu (for Phase II tangentially fired boilers)	xxx	☐	☐	☐	☐	☐
(f) Standard annual average emission limitation of 0.68 lb/mmBtu (for cell burner boilers)	☐	☐	☐	☐	☐	☐
(g) Standard annual average emission limitation of 0.86 lb/mmBtu (for cyclone boilers)	☐	☐	☐	☐	☐	☐
(h) Standard annual average emission limitation of 0.80 lb/mmBtu (for vertically fired boilers)	☐	☐	☐	☐	☐	☐
(i) Standard annual average emission limitation of 0.84 lb/mmBtu (for wet bottom boilers)	☐	☐	☐	☐	☐	☐
(j) NO_x Averaging Plan (include NO_x Averaging form)	☐	☐	☐	☐	☐	☐
(k) Common stack pursuant to 40 CFR 75.17(a)(2)(i)(A) (check the standard emission limitation box above for most stringent limitation applicable to any unit utilizing stack)	☐	☐	☐	☐	☐	☐
(l) Common stack pursuant to 40 CFR 75.17(a)(2)(i)(B) with NO_x Averaging (check the NO_x Averaging Plan box and include NO_x Averaging form)	☐	☐	☐	☐	☐	☐

EPA Form 7610-28 (Revised 12-2009)

Plant Name (from Step 1) JE Corette Plant

STEP 2, cont'd.

	ID# / Type	ID# / Type	ID# / Type	ID# / Type	ID# / Type	ID# / Type
(m) EPA-approved common stack apportionment method pursuant to 40 CFR 75.17(a)(2)(i)(C), (a)(2)(ii)(B), or (b)(2)	☐	☐	☐	☐	☐	☐
(n) AEL (include Phase II AEL Demonstration Period, Final AEL Petition, or AEL Renewal form as appropriate)	☐	☐	☐	☐	☐	☐
(o) Petition for AEL demonstration period or final AEL under review by U.S. EPA or demonstration period ongoing	☐	☐	☐	☐	☐	☐
(p) Repowering extension plan approved or under review	☐	☐	☐	☐	☐	☐

STEP 3
Read the standard requirements and certification, enter the name of the designated representative, sign &

Standard Requirements

General. This source is subject to the standard requirements in 40 CFR 72.9 (consistent with 40 CFR 76.8(e)(1)(i)). These requirements are listed in this source's Acid Rain Permit.

Special Provisions for Early Election Units

Nitrogen Oxides. A unit that is governed by an approved early election plan shall be subject to an emissions limitation for NO_x as provided under 40 CFR 76.8(a)(2) except as provided under 40 CFR 76.8(e)(3)(iii).
Liability. The owners and operators of a unit governed by an approved early election plan shall be liable for any violation of the plan or 40 CFR 76.8 at that unit. The owners and operators shall be liable, beginning January 1, 2000, for fulfilling the obligations specified in 40 CFR Part 77.
Termination. An approved early election plan shall be in effect only until the earlier of January 1, 2008 or January 1 of the calendar year for which a termination of the plan takes effect. If the designated representative of the unit under an approved early election plan fails to demonstrate compliance with the applicable emissions limitation under 40 CFR 76.5 for any year during the period beginning January 1 of the first year the early election takes effect and ending December 31, 2007, the permitting authority will terminate the plan. The termination will take effect beginning January 1 of the year after the year for which there is a failure to demonstrate compliance, and the designated representative may not submit a new early election plan. The designated representative of the unit under an approved early election plan may terminate the plan any year prior to 2008 but may not submit a new early election plan. In order to terminate the plan, the designated representative must submit a notice under 40 CFR 72.40(d) by January 1 of the year for which the termination is to take effect. If an early election plan is terminated any year prior to 2000, the unit shall meet, beginning January 1, 2000, the applicable emissions limitation for NO_x for Phase II units with Group 1 boilers under 40 CFR 76.7. If an early election plan is terminated on or after 2000, the unit shall meet, beginning on the effective date of the termination, the applicable emissions limitation for NO_x for Phase II units with Group 1 boilers under 40 CFR 76.7.

Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name James M Parker

Signature James M Parker Date May 3, 2011

EPA Form 7610-28 (Revised 12-2009)

Appendix I SO_2 SIP

Although the hard copy of Appendix I has been removed from the permit, the contents of Appendix I, SO_2 Control Plan remain as applicable requirements as stated in the Title V Operating Permit OP2953-07. To receive a copy of this appendix, please see the following website:

Internet link to the final copy of the SIP located on EPA's web page:
PPLM Corette SIP (See Yellowstone County)

The following is intended to help guide the reader to the SIP documents on this web page.
STEP 1 - Click the link and scroll down to the bottom of the page where you will see "Yellowstone County"
STEP 2 – Click the "Yellowstone County tab"
STEP 3 – Click the "Sulfur Dioxide – Board Orders, Stipulations, Exhibits and Attachments" tab
STEP 4 – Click the "Montana Power June 12, 1998 Board Order and Stipulation In the Matter of the Application…" tab
STEP 5 – Scroll to the bottom of the page and you will see tabs one for the Stipulation and one for the Board Order to connect you to either of these documents

Next go back and complete STEP 3
STEP 6 – Click the "Montana Power June 12, 1998 Exhibit A…" tab
STEP 7 – Scroll to the bottom of the page and you will see a tab for the Exhibit A document

or contact the Department:

Montana Department of Environmental Quality
Permitting and Compliance Division
Air Resources Management Bureau
1520 E. Sixth Ave.
P.O. Box 200901
Helena, Montana 59620-0901
Bureau Phone: (406) 444-3490

Appendix J OPERATION MODIFICATION PLAN-Revision 5

Montana Power Company
J.E. Corette Plant
Operation Modification Plan Revision 5

1.0 Criteria to ensure compliance with the particulate standard

1.1 The six minute opacity requirements (40%) will remain as specified in ARM 17.8.304. The provisions contained in this section are needed to allow startup/shutdown and soot blowing activities consistent with normal practices acknowledged by the agency in the present rules as necessary for operation.

1.2 In order to keep particulate matter emission below the standard specified in ARM 17.8.309 on a continuous basis, the plant will keep daily (24 hour) opacity levels below 17%. This limit was based on the PM vs. opacity relationship identified in the previous revision of the OMP. The daily opacity average will begin each day at midnight and will be calculated by averaging all individual hourly opacity averages measured during the day.

1.3 Additionally, hourly opacity averages will be at or below 23% opacity. Corrective actions to ensure compliance with these opacity limits may include several operating changes or load decreases as necessary to reduce opacity in a timely manner. Hourly opacity averages occurring during plant malfunction or emergency conditions will continue to be handled as specified in ARM 17.8.110.

1.4 During times when ESP malfunctions result in failure of all portions of a bank, all OMP guidelines and standards will be maintained. Load will be lowered to 150 GMW and Reference Method testing, followed by load adjustment, will be utilized to ensure compliance.

2.0 The JE Corette plant is expected to operate in the following manner until such time that better operating equipment modifications are demonstrated as acceptable to the agency.

2.1 Regulatory Criteria: The criteria listed below and summarized under Regulatory Criteria in Table 1 will be used to determine compliance with ARM 17.8.304 and 309.

2.1.1 Plant opacity will be monitored and controlled to meet the regulatory criteria listed in Section 1.0.
2.1.2 Semi-annual particulate matter emission tests will be conducted to demonstrate compliance with the standard.
2.1.3 Opacity accuracy audits will be conducted quarterly. Complete descriptions of these assessments can be found in the PPL Montana Continuous Emissions Monitoring Systems (CEMS) Quality Assurance (QA) Plan.
2.1.4 An annual opacity monitor comprehensive filed calibration will be performed.

2.2 Operational Assessment Parameters: These parameters have been determined to be important to the operation of the air pollution control equipment (ESP). They are not regulatory criteria like the standards, but are the nominal range or value determined to be representative of good ESP control operating conditions.

2.2.1 Flue gas exit temperature will normally be below 290°F on a daily average.
2.2.2 The total ESP powers will normally be below 150 kVA on a daily average.

2.2.3 The coal ash content will normally be below 10 lbs/MMBtu as delivered by train.

2.2.4 All information listed above and in Table will be reported quarterly to the Agency.

2.2.5 The operating practices described above and in Table 1 are guidelines only, describing current conditions which help assure particulate compliance. These conditions may be changed in the future to make sure the ESP performance is maintained and to help assure particulate compliance.

Table 1 Summary of OMP

Regulatory Criteria	
Parameter	Criteria
Opacity	40% six-minute average 23% hour average 17% daily average Quarterly opacity accuracy audits Annual comprehensive field calibration
Particulate Compliance Test	Semi-annual particulate compliance test (RM %)
Operational Assessment Parameters	
Flue Gas Exit Temperature	Less than 290° on a daily average
Total ESP Power	Greater than 150 kVA on a daily average
Coal Ash Content	Less than 10 lb/MMBtu as delivered by train
Plant Generation	Load reduction as necessary to meet daily opacity criteria Hourly load reduction as necessary during periods of corrective action

EU7 - J. E. Corette Boiler CAM Plan for PM		
Monitoring Indicator	**Performance Indicator Range**	**Monitoring Method**
Opacity	Daily Average <14%	COM/Continuous
Flue Gas Exit Temperature	Daily Average <290°F	Plant Control Room Operator Monitor/Continuous
Total ESP Powers	Daily Average >150kVA	Plant Control Room Operator Monitor/Continuous
Coal Ash Content	Train Average <10 lb/MMBtu	Plant Control Room Operator Monitor/Continuous

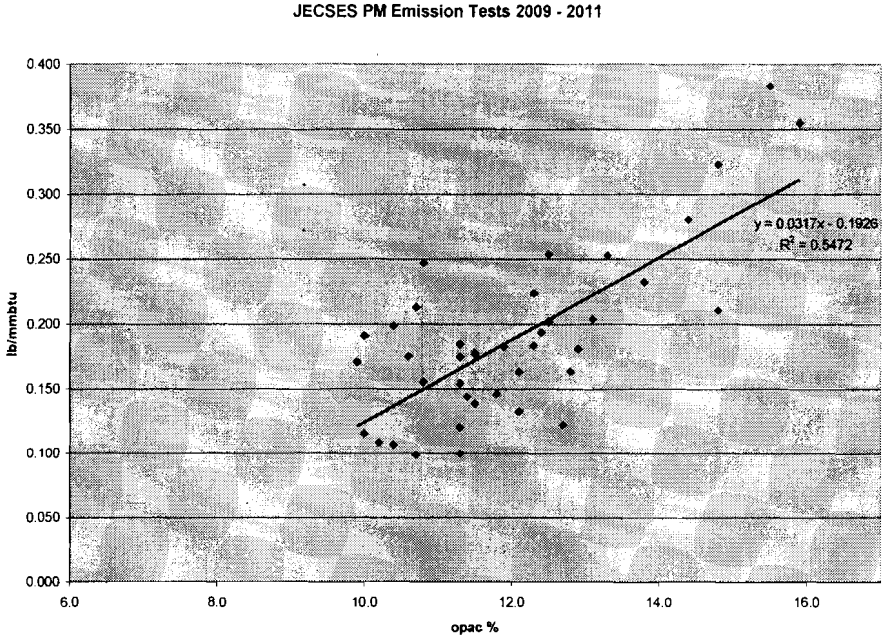
Opacity

Opacity is a key performance indicator for assuring compliance with the PM limit. Opacity is measured in the stack on a continuous basis. Opacity data is collected and stored in the DAHS. Six-minute, hourly and daily averages are calculated based on minute data. As stated in the PPLM CEMS QA Plan, daily COMs calibration drift checks are conducted and quarterly opacity accuracy audits are conducted. PM emissions will be considered to be in compliance with the applicable limits when the opacity is ≤ 14% as measured on a daily average. Data regarding opacity monitoring is reported on a quarterly basis unless required otherwise during any excursion as required by Section V.E. of the permit. The Daily Average Opacity indicator is based on;

1. Semi-annual performance tests have indicated that the PM standard is met when opacity is ≤ 14%. See the figure below, PPLM PM emission tests 2009-2011.

2. Corrective actions will be taken as necessary within each day when the day's daily building block average is above 14%. This will help ensure the daily average opacity remains at or below 14%.

3. In PPLM shall not exhibit opacity from the boiler greater than 23% for a 1-hour averaging period and greater than 17% for a 24-hour averaging period. (This limit is based on the PM vs. opacity relationship.) The daily opacity average will begin each day at midnight and will be calculated by averaging all individual hourly opacity averages measured during the day. Corrective actions to ensure compliance with these opacity limits may include several operating changes or load decreases as necessary to reduce opacity in a timely manner.



Flue Gas Exit Temperature, Total ESP Powers, & Coal Ash Content

Flue Gas Exit Temperature, Total ESP Powers, & Coal Ash Content are also parameters that will be monitored as indicators of the proper operation of the ESP. The plant control room operator will monitor these performance indicators on a continuous basis and take action to help prevent excursions of the performance indicators at the set ranges in the above table. A review of historical operating data indicates that the ESP is operating properly when the flue gas exit temperature is below 290°F, total ESP powers above 150 kilovolt-ampere (kVA), and coal ash content is less than 10 lb/MMbtu.

Flue Gas Exit Temperature

The flue gas exit temperature is the temperature of the stream as it enters the ESP. A large enclosure is one of the essential elements necessary for the ESP to work. During normal operations, the enclosure, including the ash collection hoppers, must remain hot at all times. If not, the moisture will condense out and cause the ash particles to stick to the surfaces. The moisture will also mix with the SO_x (various forms of sulfur oxides) forming acids, and oxygen, and metal to form rust. When the flue gas enters the precipitator enclosure, it passes through a perforated plate that distributes the gas flow through the precipitator, which makes more efficient use of the available space. Because temperature is an important parameter it has been chosen as a performance indicator to the ESP operation and will be continually monitored to maintain the range at a daily average below 290°F.

Total ESP Powers

The simple explanation of an ESP operation is equipment contains essentially two pieces of material, one with a significant negative charge or excess of electrons, and the other grounded. The voltage between the two pieces could range from thousands to a hundred thousand volts. As a particle approaches the negatively charged part (wire in Corette's case), it picks up an electrical charge or excess of electrons. Because the basic principle of an ESP operation is based on the electric change it leads to the performance indicator in terms of voltage. PPL has chosen to monitor on a continuous basis an indicator range for total ESP powers at a daily average above 150 kVA,

Coal Ash Content

Since the efficiency of the ESP depends on its ability to charge particles and help them migrate towards the collection plate, the ability of a particle to accept a charge is very important. This is referred to as resistivity or resistance to current flow. If the flyash particle will not accept a charge (high resistivity), it will not migrate to the collection plate and will not be removed from the gas stream. The ability of a particle to accept a charge depends on several things, including the sulfur (especially SO_3), sodium, calcium and magnesium content, and temperature. There are also other influencing factors. Sulfur, sodium, and high temperature lower resistivity while calcium, magnesium and low temperature raise resistivity. These elements are found in the coal being burned, so the resistivity of the flyash depends and varies with the coal supply. In some cases it is necessary to add SO_3 or other compounds to the coal or flue gas to improve precipitator performance. These are very common practices. Thus, PPLM has chosen to continuously monitor the ash content of the coal, with a performance indicator range of a daily average <10 lb/MMBtu coal ash content.

Appendix L Mercury Emissions Monitoring System (MEMS)

(These requirements are "State Only")

MEMS

a. PPLM shall install, calibrate, certify, maintain, and operate an MEMS to monitor and record the rate of mercury emissions discharged into the atmosphere from all mercury emitting generating units (units) as defined in the Administrative Rules of Montana 17.8.740.

(1) The MEMS shall be comprised of equipment as required in 40 CFR 75.81(a) and defined in 40 CFR 72.2.

(2) The MEMS shall conform to all applicable requirements of 40 CFR Part 75.

(3) The MEMS data will be used to demonstrate compliance with the emission limitations contained in Section III.H.16.

b. PPLM shall prepare, maintain and submit a written MEMS Monitoring Plan to the Department.

(1) The monitoring plan shall contain sufficient information on the MEMS and the use of data derived from these systems to demonstrate that all the gaseous mercury stack emissions from each unit are monitored and reported.

(2) Whenever PPLM makes a replacement, modification, or change in a MEMS or alternative monitoring system under 40 CFR 75 subpart E, including a change in the automated data acquisition and handling system (DAHS) or in the flue gas handling system, that affects information reported in the monitoring plan (e.g. a change to a serial number for a component of a monitoring system), then the owner or operator shall update the monitoring plan.

(3) If any monitoring plan information requires an update pursuant to Section b.(2), submission of the written monitoring plan update shall be completed prior to or concurrent with the submittal of the quarterly report required in c. below for the quarter in which the update is required.

(4) The initial submission of the Monitoring Plan to the Department shall include a copy of a written Quality Assurance/Quality Control (QA/QC) Plan as detailed in 40 CFR 75 Appendix B, Section 1. Subsequently, the QA/QC Plan need only be submitted to the Department when it is substantially revised. Substantial revisions can include items such as changes in QA/QC processes resulting from rule changes, modifications in the frequency or timing of QA/QC procedures, or the addition/deletion of equipment or procedures.

(5) The Monitoring Plan shall include, at a minimum, the following information:

(a) Facility summary including:

(i) A description of each mercury-emitting generating unit at the facility.

(ii) Maximum and average loads (in megawatts (MW)) with fuels combusted and fuel flow rates at the maximum and average loads for each unit.

(iii) A description of each unit's air pollution control equipment and a description of the physical characteristics of each unit's stack.

(b) Mercury emission control summary including a description of control strategies, equipment, and design process rates.

(c) MEMS description, including:

(i) Identification and description of each monitoring component in the MEMS including manufacturer and model identifications; monitoring method descriptions; and normal operating scale and units descriptions. Descriptions of stack flow, diluent gas, and moisture monitors (if used) in the system must be described in addition to the mercury monitor or monitors.

(ii) A description of the normal operating process for each monitor, including a description of all QA/QC checks.

(iii) A description of the methods that will be employed to verify and maintain the accuracy and precision of the MEMS calibration equipment.

(iv) Identification and description of the DAHS, including major hardware and software components, conversion formulas, constants, factors, averaging processes, and missing data substitution procedures.

(v) A description of all initial certification and ongoing recertification tests and frequencies; as well as all accuracy auditing tests and frequencies.

(d) The Maximum Potential Concentration (MPC), Maximum Expected Concentration (MEC), span value, and range value as applicable and as defined in 40 CFR 75 Appendix A, 2.1.7.

(e) Examples of all data reports required in c. below.

c. PPLM shall submit written, Quarterly Mercury Monitoring Reports. The reports shall be received by the Department within 30 days following the end of each calendar quarter, and shall include, at a minimum, the following:

(1) Mercury emissions. The reports shall include:

(a) The monthly average lb/TBtu mercury emission rate for each month of the quarter;

(b) The 12-month rolling average lb/TBtu emission rate for each month of the reporting quarter. The rolling 12-month basis is an average of the last 12 individual calendar monthly averages, with each monthly average calculated at the end of each calendar month; and

(c) The total heat input to the boiler (in TBtu) for each 12-month rolling period of the quarter.

(2) Mercury excess emissions. The report shall describe the magnitude of excess mercury emissions experienced during the quarter, including:

(a) The date and time of commencement and completion of each period of excess emissions. Periods of excess emissions shall be defined as those emissions calculated on a rolling 12-month basis which are greater than the limitation established in Section III.H.16.

(b) The nature and cause of each period of excess emissions and the corrective action taken or preventative measures adopted in response.

(c) If no periods of excess mercury emissions were experienced during the quarter, the report shall state that information.

(3) MEMS performance. The report shall describe:

(a) The number of operating hours that the MEMS was unavailable or not operating within quality assurance limits (monitor downtime) during the reporting quarter, broken down by the following categories:

- Monitor equipment malfunctions;
- Non-Monitor equipment malfunctions;
- Quality assurance calibration;
- Other known causes; and
- Unknown causes.

(b) The percentage of unit operating time that the MEMS was unavailable or not operating within quality assurance limits (monitor downtime) during the reporting quarter. The percentage of monitor downtime in each calendar quarter shall be calculated according to the following formula:

$$MEMSDowntime\% = \left(\frac{MEMSDownHours}{OpHours} \right) \times 100 \quad \text{where}$$

MEMSDowntime%	=	Percentage of unit operating hours classified as MEMS monitor downtime during the reporting quarter.
MEMSDownHours	=	Total number of hours of MEMS monitor downtime during the reporting quarter.
OpHours	=	Total number of hours the unit operated during the reporting quarter.

(c) For any reporting quarter in which monitor downtime exceeds 10%, a description of each time period during which the MEMS was inoperative or operating in a manner defined in 40 CFR Part 75 as "out of control." Each description must include the date, start and end times, total downtime (in hours), the reason for the system downtime, and any necessary corrective actions that were taken. In addition, the report shall describe the values used for any periods when missing data substitution was necessary as detailed in 40 CFR 75.30, *et seq.*

(4) The quarterly report shall include the results of any QA/QC audits, checks, or tests conducted to satisfy the requirements of 40 CFR Part 75 Appendices A, B or K.

(5) Compliance certification. Each quarterly report shall contain a certification statement signed by the facility's responsible official based on reasonable inquiry of those persons with primary responsibility for ensuring that all of the unit's emissions are correctly and fully monitored. The certification shall indicate:

(a) Whether the monitoring data submitted were recorded in accordance with the applicable requirements of 40 CFR Part 75 including the QA/QC procedures and specifications of that part and its appendices, and any such requirements, procedures and specifications of an applicable excepted or approved alternative monitoring method as represented in the approved Monitoring Plan.

(b) That for all hours where data are substituted in accordance with 40 CFR 75.38, the add-on mercury emission controls were operating within the range of parameters listed in the quality-assurance plan for the unit, and that the substitute values do not systematically underestimate mercury emissions.

(6) The format of each component of the quarterly report may be negotiated with the Department's representative to accommodate the capabilities and formats of the facility's DAHS.

(7) Each quarterly report must be received by the Department within 30 days following the end of each calendar reporting period (January-March, April-June, July-September, and October-December).

(8) The electronic data reporting detailed in 40 CFR Part 75 shall not be required unless Montana is able to receive and process data in an electronic format.

d. PPLM shall maintain a file of all measurements and performance testing results from the MEMS; all MEMS performance evaluations; all MEMS or monitoring device calibration checks and audits; and records of all adjustments and maintenance performed on these systems or devices recorded in a permanent form suitable for inspection. The file shall be retained on site for at least 5 years following the date of such measurements and reports. PPLM shall make these records available for inspection by the Department and shall supply these records to the Department upon request.

BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF: THE REQUEST FOR HEARING BY MONTANA ENVIRONMENTAL INFORMATION CENTER AND SIERRA CLUB REGARDING DEQ'S ISSUANCE OF MONTANA AIR QUALITY OPERATING PERMIT NO. OP2953-07 FOR THE JE CORETTE STEAM ELECTRIC STATION IN BILLINGS, MT	**CASE NO. BER 2013-02 AQ**

FIRST PREHEARING ORDER

Ms. Jenny K. Harbin, Counsel for Montana Environmental Information Center and Sierra Club (hereinafter Appellants), filed a Request for Hearing appealing the decision of the Montana Department of Environmental Quality (Department) of December 4, 2013, issuing Montana Air Quality Operating Permit No. OP2953-07 for the JE Corette Steam Electric Station in Billings, Montana. The following guidelines and rules are provided to assist the parties in an orderly resolution of this contested case:

1. REFERENCES: This matter is governed, as far as authority to proceed, by the Montana Administrative Procedure Act, Mont. Code Ann. Tit. 2, Ch. 4, Pt. 6, and Mont. Admin. R. 17.4.101, by which the Board of Environmental Review (Board) has adopted the Attorney General's Model Rules for contested cases, Mont. Admin. R. 1.3.211 through 1.3.225; and Mont. Code Ann. § 75-2-218.

2. FILING: Except for discovery requests and responses (which are not routinely filed), **original** documents shall be sent for filing with the Board, addressed as follows:

Ms. Joyce Wittenberg
Secretary, Board of Environmental Review
Department of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901

One **copy** of each document that is filed should be sent to the Hearing Examiner addressed as follows:

KATHERINE J. ORR
Hearing Examiner
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440

Although discovery documents are not normally filed, when a motion or brief is filed making reference to discovery documents, the party filing the motion or brief should also attach the relevant discovery documents.

3. SERVICE: Copies of all documents filed with the Board and provided to the Hearing Examiner, including correspondence, must be served upon the opposing party. A certificate of service should be provided.

4. *EX PARTE* COMMUNICATIONS: The Montana Administrative Procedure Act in Mont. Code Ann. § 2-4-613, and the Attorney General's Model Rule 18 in Mont. Admin. R. 1.3.222, prohibit *ex parte* communications with a hearing examiner concerning any issue of fact or law in a contested case. In addition to observing this rule, please contact the opposing party before you communicate with the Hearing Examiner even on purely procedural matters such as the need for a continuance.

5. SCHEDULING: The undersigned requests that the parties consult with each other and propose to the undersigned a schedule upon which they agree by **January 31, 2013**. The schedule should include the following dates:

(a) for joinder/intervention of additional parties;

(b) for disclosure by each party to the other parties of: (1) the name and address of each individual likely to have discoverable information that the disclosing party may use to support its claims or defenses, and (2) a copy of, or a description by category and location of, all documents and tangible things that are in

the possession, custody, or control of the party and that the disclosing party may use to support its claims or defenses;

(c) for completion of discovery (if any party wishes to conduct discovery);

(d) for exchange of lists of witnesses and copies of documents that each party intends to offer at the hearing;

(e) for submitting any motions and briefs in support;

(f) for a prehearing conference to hear argument on any motions and resolve other prehearing matters; and,

(g) for the contested case hearing, as well as the place of hearing.

6. A copy of this First Prehearing Order is being provided to the permit applicant, PPL Montana, LLC. No separate motion to intervene is required if the permit applicant complies with this Order and proposes a schedule for further proceedings after consultation with the other parties. The permit applicant shall be considered to have intervened in these contested case proceedings by timely submitting a proposed schedule.

DATED this 16th day of January, 2013.

KATHERINE J. ORR
Hearing Examiner
Agency Legal Services Bureau
1712 Ninth Avenue
P.O. Box 201440
Helena, MT 59620-1440

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and accurate copy of the foregoing First Prehearing Order to be mailed to:

Ms. Joyce Wittenberg
Secretary, Board of Environmental Review
Department of Environmental Quality
1520 East Sixth Avenue
P.O. Box 200901
Helena, MT 59620-0901
(original)

Mr. Norm Mullen
Legal Counsel
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Mr. David Klemp, Bureau Chief
Air Resources Management Bureau
Department of Environmental Quality
P.O. Box 200901
Helena, MT 59620-0901

Ms. Jenny K. Harbine
Ms. Laura D. Beaton
Earthjustice
313 East Main Street
Bozeman, MT 59715

Mr. James M. Parker
PPL Montana, LLC
303 N. Broadway, Suite 400
Billings, MT 59101

DATED: January 10, 2013