



Montana Department of
ENVIRONMENTAL **Q**UALITY

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March 7, 2014

Ross Whelchel
Havre Pipeline Company, LLC, a Texas Limited Liability Company
40 E. Broadway
Butte, MT 59701

Dear Mr. Whelchel:

Montana Air Quality Permit #2924-08 is deemed final as of March 7, 2014, by the Department of Environmental Quality (Department). This permit is for a natural gas compressor station. All conditions of the Department's Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For the Department,

Julie A. Merkel
Air Permitting Supervisor
Air Resources Management Bureau
(406) 444-3626

Rhonda Payne
Environmental Science Specialist
Air Resources Management Bureau
(406) 444-5287

JM:RP
Enclosure

Montana Department of Environmental Quality
Permitting and Compliance Division

Montana Air Quality Permit #2924-08

Havre Pipeline Company, a Texas Limited Liability Company
Hill County #3
40 East Broadway
Butte, MT 59601

March 7, 2014



MONTANA AIR QUALITY PERMIT

Issued To: Havre Pipeline Company, LLC,
a Texas limited liability company
Hill County #3 Compressor Station
c/o 40 E. Broadway
Butte, MT 59701

Permit: #2924-08
Administrative Amendment (AA)
Request Received: 01/31/2014
Department's Decision on AA: 02/19/2014
Permit Final: 03/07/2014
AFS #: 041-0005

An air quality permit, with conditions, is hereby granted to Havre Pipeline Company, LLC, a Texas limited liability company (HPC) – Hill County #3 Compressor Station, pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

SECTION I: Permitted Facilities

A. Plant Location

HPC owns and operates a natural gas compressor station located in the SE¹/₄ of the SE¹/₄ of Section 15, Township 30 North, Range 15 East, in Hill County, Montana. The facility is known as the Hill County #3 Compressor Station (also known as the Boyce-Nystrom Compressor Station). A complete list of the permitted equipment is contained in Section I.A of the Permit Analysis.

B. Current Permit Action

On January 31, 2014, Montana Department of Environmental Quality – Air Resources Management Bureau (Department) received correspondence from Devon Energy Production Company, L.P. (Devon) as notification of a transfer of ownership from Devon to HPC. The current permit action reflects this change in company name as well as updates the MAQP to reflect current Department format, rule and references, and language.

SECTION II. Conditions and Limitations

A. Emission Limitations

1. The maximum rated design capacities of compressor Units #01 & #02 shall not exceed 1,478-hp each (ARM 17.8.749).
2. Unit #01 shall be a rich-burn engine fitted with a non-selective catalytic reduction (NSCR) unit and an electronic air-to-fuel ratio (AFR) controller. Emissions from Unit #01 shall not exceed the pound per hour (lb/hr) emission limits as calculated using the following equation and the pollutant specific gram per brake horsepower-hour (g/bhp-hr) emission factors (ARM 17.8.752).

Emission Limit Equation:

$$\text{lb/hr} = \text{emission factor (g/bhp-hr)} * \text{maximum rated design capacity of engine (bhp)} * 0.002205 \text{ lb/g}$$

Emission Factors:

Oxides of Nitrogen (NO_x): 2.0 g/bhp-hr
Carbon Monoxide (CO): 3.0 g/bhp-hr
Volatile Organic Compounds (VOC): 1.0 g/bhp-hr

- Unit #02 shall be a rich-burn engine fitted with a NSCR unit and an AFR controller. Emissions from Unit #02 shall not exceed the lb/hr emission limits as calculated using the following equation and the pollutant specific g/bhp-hr emission factors (ARM 17.8.752).

Emission Limit Equation:

$$\text{lb/hr} = \frac{\text{emission factor (g/bhp-hr)} * \text{maximum rated design capacity of engine (bhp)}}{0.002205 \text{ lb/g}}$$

Emission Factors:

NO_x: 1.0 g/bhp-hr
CO: 1.0 g/bhp-hr
VOC: 1.0 g/bhp-hr

- The maximum rated design capacity of Unit #03 shall not exceed 625-hp (ARM 17.8.749).
- Unit #03 shall be a rich-burn engine fitted with an NSCR unit and an electronic AFR controller. Emissions from Unit #03 shall not exceed the lb/hr emission limits as calculated using the following equation and the pollutant specific g/bhp-hr emission factors (ARM 17.8.752).

Emission Limit Equation:

$$\text{lb/hr} = \frac{\text{emission factor (g/bhp-hr)} * \text{maximum rated design capacity of engine (bhp)}}{0.002205 \text{ lb/g}}$$

Emission Factors:

NO_x: 1.0 g/bhp-hr
CO: 1.0 g/bhp-hr
VOC: 1.0 g/bhp-hr

- HPC shall operate all equipment to provide the maximum air pollution control for which it was designed (ARM 17.8.752).
- HPC shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over six consecutive minutes (ARM 17.8.304).
- HPC 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 (ARM 17.8.308).

9. HPC shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant area with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.8 (ARM 17.8.749).

B. Testing Requirements

1. HPC shall test Units #01 & #02 for NO_x and CO concurrently to demonstrate compliance with the NO_x and CO emission limits as calculated in Section II.A.2 and Section II.A.3. The testing shall occur on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
2. HPC shall test Unit #03 for NO_x and CO concurrently to demonstrate compliance with the emission limits as calculated in Section II.A.5. The testing shall occur on an every 4-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
3. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
4. The Department may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. HPC shall supply the Department with annual production information for all emission points, as required by the Department in the annual Emission Inventory request. The request will include, but is not limited to, all sources of emissions identified in the Emission Inventory contained in the Permit Analysis. Production information shall be gathered on a calendar-year basis and submitted to the Department by the date required in the Emission Inventory request. Information shall be in the units required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).
2. HPC shall notify the Department of any construction or improvement project conducted pursuant to ARM 17.8.745, that would include a change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location or fuel specifications, or would result in an increase in source capacity above its permitted operation or the addition of a new emission unit. The notice must be submitted to the Department, in writing, 10 days prior to start up or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(1)(d) (ARM 17.8.745).
3. All records compiled in accordance with this permit must be maintained by HPC as a permanent business record for at least five years following the date of the measurement, must be available at the plant site for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

SECTION III: General Conditions

- A. Inspection – HPC shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment (CEMS, CERMS) or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if HPC fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving HPC of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department’s decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department’s decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board the Department’s decision on the application is final 16 days after the Department’s decision is made.
- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the Air Quality Permit shall be made available for inspection by the Department at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, as amended by the 1991 Legislature, failure to pay the annual operation fee by HPC may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).

Montana Air Quality Permit (MAQP) Analysis
Havre Pipeline Company, LLC, a Texas Limited Liability Company
Hill County #3 Compressor Station
MAQP #2924-08

I. Introduction/Process Description

Havre Pipeline Company, LLC, a Texas Limited Liability Company (HPC) owns and operates the Hill County #3 Compressor Station. The facility is located in the SE¼ of the SE¼ of Section 15, Township 30 North, Range 15 East, of Hill County, Montana. The facility is located approximately 14 miles southwest of Havre on three fenced, rural acres.

A. Permitted Equipment

The facility consists of the following equipment:

- (1) 1,478-horsepower (hp) Waukesha L7042 GSI natural gas compressor engine (Unit #01);
- (1) 1,478-hp Waukesha L7042 GSI natural gas compressor engine (Unit #02);
- (1) 625-hp Caterpillar G398 TA natural gas compressor engine (Unit #03);
- (2) 500-gallon fixed-roof tanks (for oily water);
- (4) 500-gallon storage tanks (for antifreeze and lube oil);
- (1) PESCO TEG Dehydrating Unit (reboiler and still vent); and
- Scrubbers, headers, meters and other insignificant emitting units.

B. Source Description

The Hill County #3 Compressor Station gathers, compresses, and dehydrates nearby field gas. The compressor engines are used to gather and compress the gas and the dehydration unit removes moisture from the gas prior to transmission through the pipeline.

C. Permit History

On March 13, 1996, the Department of Environmental Quality (Department) received a complete Montana Air Quality Permit Application from Havre Pipeline Company, LLC (HPC) requesting the installation and operation of the Boyce-Nystrom facility. **MAQP #2924-00** was issued final on June 19, 1996.

On June 3, 1999, the Department received notification that UMC Petroleum Corp had merged with Ocean Energy, Inc. The permit ownership was changed to reflect that the Havre Pipeline Co., LLC, Boyce-Nystrom Compressor Station (Hill County #3 Compressor Station) would operate as a subsidiary of Ocean Energy, Inc. The rule references were also updated. On June 27, 1999, **MAQP #2924-01** replaced MAQP #2924-00.

In 1999 the U.S. Environmental Protection Agency (EPA) informed the Department that any condition in an Air Quality Preconstruction Permit would be considered a federally enforceable condition. However, there are certain state rules that were never intended to be federally enforceable. The Department notified all facilities holding preconstruction permits that they could request deletion of those conditions based on the Administrative Rules of Montana (ARM) 17.8.717 and ARM 17.8.315. Removing either of these conditions did not relieve the facility from complying with the rule upon which the permit condition was based. Removal only ensured that enforcement of that condition remained solely with the Department. The permit action removed the condition based on ARM 17.8.315 from HPC's permit. On April 13, 2000, **MAQP #2924-02** replaced MAQP #2924-01.

On September 28, 2000, the Department received a permit modification request from HPC. HPC requested that the Department update the permit with a complete list of on-site equipment. During a company conducted permit audit, it was discovered that a PESCO TEG Dehydration Unit had not been listed as a contributing source of emissions. The dehydration unit was installed in November of 1997, as a de minimis source prior to de minimis notification requirements. Because emissions from the PESCO TEG dehydrating unit were less than the de minimis threshold of 15 tons per year, the PESCO TEG Dehydration Unit was added to the permit according to the provisions of ARM 17.8.705(1)(r). On February 14, 2001, **MAQP #2924-03** replaced MAQP #2924-02.

On May 27, 2004, the Department received a request from HPC for the modification of MAQP #2924-03. The application was deemed complete on July 2, 2004, upon HPC's submittal of a revised MAQP Application, which included additional information that was requested by the Department. Specifically, HPC requested the following: 1) To add a 625- hp Caterpillar Compressor Engine; 2) To remove a 1,478-hp Waukesha Compressor Engine; and 3) To make emission offsets from the compressor engines a federally enforceable condition in the permit to enable HPC to potentially replace engines at the facility according to the provisions of ARM 17.8.745. The permit action incorporated HPC's requests and the name change. **MAQP #2924-04** replaced MAQP #2924-03.

On August 23, 2004, the Department received a request to change the corporate name on MAQP #2924-04 from HPC to Devon-Louisiana Corporation. This permit action changed the corporate name on MAQP #2924-04. **MAQP #2924-05** replaced MAQP #2924-04.

On November 8, 2005, the Department received a MAQP application to re-permit the 1,478-hp Compressor Engine (Unit #02) at the Hill County #3 Compressor Station. Devon-Louisiana Corporation never removed Unit #02 as requested in MAQP #2924-04. The permit action re-permitted Unit #02. **MAQP #2924-06** replaced MAQP #2924-05.

On March 13, 2006, the Department received a request to change the corporate name on Permit #2924-06 from Devon-Louisiana Corporation to Devon Energy Production Company, L.P. (Devon). The Department changed the company name on MAQP #2924-07 as requested. **MAQP #2924-07** replaced MAQP #2924-06.

D. Current Permit Action

On January 16, 2014, and January 31, 2014, the Department received correspondence from Devon and HPC as notification of a transfer of ownership from Devon to HPC. The current permit action reflects this change in company name as well as updates the MAQP to reflect current Department format, rule and references, and language. **MAQP #2924-08** replaces MAQP #2924-07.

E. Additional Information

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

II. Applicable Rules and Regulations

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

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

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

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

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

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

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM₁₀

HPC must maintain compliance with the applicable ambient air quality standards.

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

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.

2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter (PM). (2) Under this rule, HPC shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne PM.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow or permit to be discharged into the atmosphere, PM caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere PM in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (4) Commencing July 1, 1972, no person shall burn liquid or solid fuels containing sulfur in excess of 1 pound of sulfur per million British thermal units (MMBtu) fired. (5) Commencing July 1, 1971, no person shall 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. HPC will utilize pipeline quality natural gas in its fuel burning equipment, which will meet this limitation.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 Code of Federal Regulations (CFR) 60, Standards of Performance for New Stationary Sources (NSPS). This facility is not an NSPS affected source because it does not meet the definition of any NSPS subpart defined in 40 CFR 60.

The Hill County #3 Compressor Station is not an NSPS affected source because it does not meet the definition of a natural gas processing plant as defined in 40 CFR 60, Subpart KKK. In addition, 40 CFR 60, Subpart LLL is not applicable to the Hill County #3 Compressor Station because the facility does not utilize a sweetening unit to process sour gas.

8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. A major Hazardous Air Pollutant (HAP) source, as defined and applied in 40 CFR 63, shall comply with the requirements of 40 CFR 63, as applicable, including the following subparts:

40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to an NESHAP Subpart as listed below::

- Subpart ZZZZ – National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines. An owner or operator of a stationary reciprocating internal combustion engine (RICE) at a major or area source of HAP emissions is subject to this rule except if the stationary RICE is being tested at a stationary RICE test cell/stand. An area source of HAP emissions is a source that is not a major source. As HPC is considered an area source of HAP emissions and operates RICE equipment the engine(s) are potentially subject to this subpart.

D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:

1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.402 Requirements. HPC must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The height stack for HPC is below the allowable 65-meter GEP stack height.

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

1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an Air Quality Permit Application Fee concurrent with the submittal of an Air Quality Permit Application. A permit application is incomplete until the proper application fee is paid to the Department. HPC was not required to submit a permit application fee for the current permit action.
2. ARM 17.8.505 Air Quality Operation Fees. An annual Air Quality Operation Fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an Air Quality Permit (excluding an Open Burning Permit) issued by the Department. The Air Quality Operation Fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.

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

F. ARM 17.8, Subchapter 7 – Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:

1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an Air Quality Permit or permit alteration to construct, alter or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. The Hill County #3 Compressor Station has a PTE greater than 25 tons per year of oxides of nitrogen (NO_x), volatile organic compounds (VOCs), and carbon monoxide (CO); therefore, an Air Quality Permit is required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.

5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration or use of a source. HPC was not required to submit a permit application for the current permit action. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. HPC was not required to submit a public notice because the current permit action is considered an administrative action.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that BACT shall be utilized. The required BACT analysis is included in Section III of this Permit Analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving HPC of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an Environmental Impact Statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or altered source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than 1 year after the permit is issued.
12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.

14. ARM 17.8.765 Transfer of Permit. This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.
- G. ARM 17.8, Subchapter 8 – Prevention of Significant Deterioration of Air Quality, including, but not limited to:
1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
 2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.

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

- H. ARM 17.8, Subchapter 12 – Operating Permit Program Applicability, including, but not limited to:
1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons per year of any pollutant;
 - b. PTE > 10 tons per year of any one HAP, PTE > 25 tons per year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
 - c. PTE > 70 tons per year of particulate matter with an aerodynamic diameter of 10 microns or less (PM₁₀) in a serious PM₁₀ nonattainment area.
 2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing Air Quality Permit #2924-08 for HPC, the following conclusions were made:
 - a. The facility's PTE is less than 100 tons per year for any pollutant.
 - b. The facility's PTE is less than 10 tons per year for any one HAP and less than 25 tons per year for all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is not subject to any current NSPS.
 - e. This facility is subject to current NESHAP standards (40 CFR 63, Subpart ZZZZ).
 - f. This source is not a Title IV affected source, nor a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that the Hill County #3 Compressor Station will be a minor source of emissions as defined under Title V. However, if minor sources subject to NSPS are required to obtain a Title V Operating Permit, HPC will be required to obtain a Title V Operating Permit

III. BACT Determination

A BACT determination is required for each new or altered source. HPC shall install on the new or altered source the maximum air pollution control capability which is technically practicable and economically feasible, except that BACT shall be utilized.

A BACT analysis was not required for the current permit action because the current permit action is considered an administrative permit action.

IV. Emission Inventory

Source	Ton/year				
	PM ₁₀	NO _x	CO	VOC	SO _x
1,478-hp Waukesha Compressor Engine (#01)	0.98	28.56	42.84	14.28	0.04
1,478-hp Waukesha Compressor Engine (#02)	0.97	14.27	14.27	14.27	0.03
625-hp Caterpillar Compressor Engine (#03)	0.41	6.04	6.04	6.04	0.01
0.5 MMBtu/hr PESCO TEG Glycol Dehydrator Reboiler	0.02	0.22	0.18	0.01	0.00
TEG PESCO Dehydrator Still Vent	0.00	0.00	0.00	2.87	0.00
Miscellaneous Fugitive VOC Sources	0.00	0.00	0.00	3.02	0.00
Total	2.38	49.09	63.33	40.49	0.08

1,478-hp Compressor Engine (Unit #01)

Brake Horsepower: 1478 bhp
Hours of operation: 8760 hr/yr

PM₁₀ Emissions (filterable + condensable)

Emission Factors: 9.50E-03 lb/MMBtu (filterable) + 9.91E-03 lb/MMBtu (condensable) (AP-42, Table 3.2-3, 7/00)
Fuel Consumption: 11.53 MMBtu/hr (Maximum Design)
Calculations: 11.53 MMBtu/hr * (9.5E-03 + 9.91E-03) lb/MMBtu = 0.22 lb/hr
0.22 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.98 ton/yr

NO_x Emissions

Emission factor: 2.00 gram/bhp-hour (BACT Determination)
Calculations: 2.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 6.52 lb/hr
6.52 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 28.56 ton/yr

CO Emissions

Emission factor: 3.00 gram/bhp-hour (BACT Determination)
Calculations: 3.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 9.78 lb/hr
9.78 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 42.84 ton/yr

VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 3.26 lb/hr
3.26 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 14.28 ton/yr

SO₂ Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)
Fuel Consumption: 11.53 MMBtu/hr (Maximum Design)
Calculations: 11.53 MMBtu/hr * 5.88E-04 lb/MMBtu = 0.01 lb/hr
0.01 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.04 ton/yr

1,478-hp Compressor Engine (Unit #02)

Brake Horsepower: 1478 bhp
Hours of operation: 8760 hr/yr

PM₁₀ Emissions (filterable + condensable)

Emission Factors: 9.50E-03 lb/MMBtu (filterable) + 9.91E-03 lb/MMBtu (condensable) (AP-42, Table 3.2-3, 7/00)
Fuel Consumption: 11.46 MMBtu/hr (Maximum Design)
Calculations: 11.46 MMBtu/hr * (9.5E-03 + 9.91E-03) lb/MMBtu = 0.22 lb/hr
0.22 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.97 ton/yr

NO_x Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 3.26 lb/hr
3.26 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 14.27 ton/yr

CO Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 3.26 lb/hr
3.26 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 14.27 ton/yr

VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 1478 bhp * 0.002205 lb/gram = 3.26 lb/hr
3.26 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 14.27 ton/yr

SO₂ Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)
Fuel Consumption: 11.46 MMBtu/hr (Maximum Design)
Calculations: 11.46 MMBtu/hr * 5.88E-04 lb/MMBtu = 0.01 lb/hr
0.01lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.03 ton/yr

625-hp Compressor Engine (Unit #03)

Brake Horsepower: 625 bhp
Hours of operation: 8760 hr/yr

PM₁₀ Emissions (filterable + condensable)

Emission Factors: 9.50E-03 lb/MMBtu (filterable) + 9.91E-03 lb/MMBtu (condensable) (AP-42, Table 3.2-3, 7/00)
Fuel Consumption: 4.8 MMBtu/hr (Maximum Design)
Calculations: 4.8 MMBtu/hr * (9.5E-03 + 9.91E-03) lb/MMBtu = 0.093 lb/hr
0.093 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.41 ton/yr

NO_x Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 625 bhp * 0.002205 lb/gram = 1.38 lb/hr
1.38 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 6.04 ton/yr

CO Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 625 bhp * 0.002205 lb/gram = 1.38 lb/hr
1.38 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 6.04 ton/yr

VOC Emissions

Emission factor: 1.00 gram/bhp-hour (BACT Determination)
Calculations: 1.00 gram/bhp-hour * 625 bhp * 0.002205 lb/gram = 1.38 lb/hr
1.38 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 6.04 ton/yr

SO₂ Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)
Fuel Consumption: 4.8 MMBtu/hr (Maximum Design)
Calculations: 4.8 MMBtu/hr * 5.88E-04 lb/MMBtu = 0.0028 lb/hr
0.0028 lb/hr * 8760 hr/yr * 0.0005 ton/lb = 0.01 ton/yr

TEG PESCO Glycol Dehydrator Reboiler (0.5 MMBtu/hr)

Boiler Heat Output: 0.5 MMBtu/hr
Hours of Operation: 8760 hr/yr
Fuel Heating Value: 0.001 MMscf/MMBtu
Fuel Consumption: $0.5 \text{ MMBtu/hr} * 0.001 \text{ MMscf/MMBtu} * 8760 \text{ hr/yr} = 4.38 \text{ MMscf/yr}$

PM₁₀ Emissions (All PM is assumed to be less than 1um)

Emission Factor: 7.6 lb/MMscf (AP-42 Chapter 1, Table 1.4-2, 03/98)
Calculations: $7.6 \text{ lb/MMscf} * 4.38 \text{ MMscf/yr} * 0.0005 \text{ ton/lb} = 0.02 \text{ ton/yr}$

NO_x Emissions

Emission Factor: 100 lb/MMscf (AP-42 Chapter 1, Table 1.4-2, 03/98)
Calculations: $100 \text{ lb/MMscf} * 4.38 \text{ MMscf/yr} * 0.0005 \text{ ton/lb} = 0.22 \text{ ton/yr}$

CO Emissions

Emission Factor: 84 lb/MMscf (AP-42 Chapter 1, Table 1.4-2, 03/98)
Calculations: $84 \text{ lb/MMscf} * 4.38 \text{ MMscf/yr} * 0.0005 \text{ ton/lb} = 0.18 \text{ ton/yr}$

VOC Emissions

Emission Factor: 5.5 lb/MMscf (AP-42 Chapter 1, Table 1.4-2, 03/98)
Calculations: $5.5 \text{ lb/MMscf} * 4.38 \text{ MMscf/yr} * 0.0005 \text{ ton/lb} = 0.01 \text{ ton/yr}$

SO_x Emissions

Emission Factor: 0.6 lb/MMscf (AP-42 Chapter 1, Table 1.4-2, 03/98)
Calculations: $0.6 \text{ lb/MMscf} * 4.38 \text{ MMscf/yr} * 0.0005 \text{ ton/lb} = 0.00 \text{ ton/yr}$

TEG PESCO Dehydrator Still Vent

VOC Emissions

Emission Factor: 0.65 lb/hr (GRI-GLYCalc 4.0, EPA approved emission estimation program)
Calculations: $0.65 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 2.87 \text{ ton/yr}$

Hazardous Air Pollutant Emissions

Emission Factor: 0.32 lb/hr (GRI-GLYCalc 4.0, EPA approved emission estimation program)
Calculations: $0.32 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 1.39 \text{ ton/yr}$

Miscellaneous Fugitive VOC Sources

VOC Emissions

Emission Factor: 0.69 lb/hr (Permit Application #2924-00)
Calculations: $0.69 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 3.02 \text{ ton/yr}$

Hazardous Air Pollutant Emissions

Emission Factor: 0.06lb/hr (Permit Application #2924-00)
Calculations: $0.06 \text{ lb/hr} * 8760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.26 \text{ ton/yr}$

V. Existing Air Quality

The facility is located in the SE¼ of the SE¼ of Section 15, Township 30 North, Range 15 East, in Hill County, Montana. The air quality of this area is classified as either better than National Standards or unclassifiable/attainment for the National Ambient Air Quality Standards (NAAQS) for criteria pollutants.

VI. Ambient Air Impact Analysis

The current permit action is an administrative permitting action with no associated increase in potential emissions. Therefore, the Department did not conduct an ambient air impact analysis. MAQP #2924-08 has limits and conditions that are designed to be protective of all ambient air quality standards.

VII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

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

VIII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an Environmental Assessment is not required.

Analysis Prepared By: Rhonda Payne

Date: February 14, 2014