

October 18, 2023

Michael Duplantis, HSE Director
Crusoe Energy Systems, Inc.
1641 California St., Suite 400
Denver, CO 80202

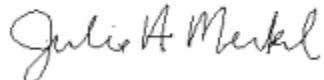
Sent via email: mduplantic@crusoeenergy.com

RE: Final Permit Issuance for MAQP #5262-02

Dear Mr. Duplantis:

Montana Air Quality Permit (MAQP) #5262-02 is deemed final as of October 14, 2023, by DEQ. This permit is for Crusoe Energy Systems, Inc. All conditions of the Decision remain the same. Enclosed is a copy of your permit with the final date indicated.

For DEQ,



Julie A. Merkel
Permitting Services Section Supervisor
Air Quality Bureau
(406) 444-3626



John P. Proulx
Air Quality Engineer
Air Quality Bureau
(406) 444-5391

**Montana Department of Environmental Quality
Air, Energy & Mining Division
Air Quality Bureau**

Montana Air Quality Permit #5262-02

Crusoe Energy Systems, Inc.
Kraken Central Site
Section 8, Township 25 North, Range 59 East
1641 California St. Suite 400
Denver, CO 80202

October 14, 2023



MONTANA AIR QUALITY PERMIT

Issued To: Crusoe Energy Systems, Inc.
1641 California St., Suite 400
Denver, CO 80202

MAPQ: #5262-02
Administrative Amendment (AA) Request
Received: 08/10/2023
Departments Decision on AA: 09/28/2023
Permit Final: 10/14/2023

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to Crusoe Energy Systems, Inc. (Crusoe), 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

Crusoe Energy Systems, Inc. owns and operates the facility, identified as Kraken Central Site, located approximately 15.2 miles northeast of Sidney, Montana, in Section 8, Township 25 North, Range 59 East, in Richland County, 47.93400°N, latitude and -104.13700°W, longitude.

B. Current Permit Action

On August 10, 2023, the Department of Environmental Quality (DEQ) received an Administrative Amendment request from Pinyon Environmental, Inc., on behalf of Crusoe Energy Systems, Inc., to correct units of measurement for the 2500 bhp engine.

Section II: Conditions and Limitations

A. Emission Limitations

1. Crusoe shall not have onsite more than seven (7) 2,500 brake horsepower (bhp) natural gas fired engines (ARM 17.8.749).
2. Emissions from the 2,500 bhp natural gas fired engines shall not exceed the following (ARM 17.8.749 and 17.8.752):

Total Particulate Matter (PM_{TOT}) – 0.01 grams per brake horsepower-hour (g/bhp-hr)

PM with an aerodynamic diameter of 10 microns or less (PM₁₀) – 0.01 g/bhp-hr
PM with an aerodynamic diameter of 2.5 microns or less (PM_{2.5}) – 0.01 g/bhp-hr

Sulfur Dioxide (SO₂) - 0.08 pounds per hour (lb/hr)

Oxides of Nitrogen (NO_x) – 0.83 lb/hr

Carbon Monoxide (CO) – 1.65 lb/hr

Volatile Organic Compounds (VOC) – 0.06 pound per hour (lb/hr)

Hazardous Air Pollutants (HAPs) – 0.24 lb/hr

3. Crusoe shall operate and maintain a non-selective catalytic reduction (NSCR) unit and an air/fuel ratio (AFR) controller on all 2,500 bhp engines, within the parameters recommended by the equipment manufacturer (ARM 17.8.752).
4. Crusoe shall not have onsite more than three (3) 500-kilowatt (kW) diesel fired engines (ARM 17.8.749).
5. Emission from each of the 500-kW diesel fired engines shall not exceed the following (ARM 17.8.752):

PM_{TOT}, PM₁₀, PM_{2.5} – 0.03 g/bhp-hr
SO_X – 0.00152 pounds per million British thermal units (lb/MMBtu)
NO_X – 4.60 g/bhp-hr
CO – 0.60 g/bhp-hr
VOC – 0.03 g/bhp-hr
HAPs – 0.00136 lb/MMBtu

6. Hours of operation for each of the three (3) 500-kW diesel fired engines shall not exceed 900 hours per year (hr/yr) (ARM 17.8.749 and ARM 17.8.1204).
7. Crusoe shall not have onsite more than one (1) 1,099-kW diesel fired engine (ARM 17.8.749).
8. Emissions from the 1,099-kW diesel fired engine shall not exceed the following (ARM 17.8.752):

PM_{TOT}, PM₁₀, PM_{2.5} – 0.02 g/bhp-hr
SO_X – 0.00152 lb/MMBtu
NO_X – 6.09 g/bhp-hr
CO – 0.18 g/bhp-hr
VOC – 0.01 g/bhp-hr
HAPs – 0.00136 lb/MMBtu

9. Hours of operation for the 1,099-kW diesel fired engine shall not exceed 900 hr/yr (ARM 17.8.749 and ARM 17.8.1204).
10. Crusoe shall not have onsite more than 12,200-gallon storage capacity of horizontal diesel storage tanks (ARM 17.8.749).
11. Crusoe 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 6 consecutive minutes (ARM 17.8.304).
12. Crusoe 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).

13. Crusoe 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.12 (ARM 17.8.749).
14. Crusoe shall comply with all applicable standards and limitations, and the reporting, recordkeeping and notification requirements contained in 40 CFR 60, Subpart(s) A, IIII, and JJJJ (ARM 17.8.340 and 40 CFR 60, Subpart A, IIII, and JJJJ).
15. Crusoe shall comply with all applicable standards and limitations, and the reporting, recordkeeping and notification requirements contained in 40 CFR 63, Subpart A, Subpart ZZZZ (ARM 17.8.342 and 40 CFR 63, Subpart(s) A and ZZZZ).

B. Testing Requirements

1. Following the calendar date of the initial compliance demonstration, compliance with the applicable emission limits shall be demonstrated via source testing for NO_x, CO and VOCs simultaneously within 8,760 operating hours or 3 years, whichever comes first. Source testing shall follow the applicable methods defined in 40 CFR 60 Subpart JJJJ, or equivalent methods as approved in writing by the Department. Future compliance demonstration shall be required at this same frequency for EU04. (ARM 17.8.105, ARM 17.8.749, ARM 17.8.340, 40 CFR 60 Subpart JJJJ).
2. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
3. The DEQ may require further testing (ARM 17.8.105).

C. Operational Reporting Requirements

1. Crusoe shall notify the DEQ of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include ***the addition of a new emissions unit***, 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.

The notice must be submitted to the DEQ, in writing, 10 days prior to startup 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(l)(d) (ARM 17.8.745).

2. All records compiled in accordance with this permit must be maintained by Crusoe as a permanent business record for at least 5 years following the date of the measurement, must be available at the plant site for inspection by the DEQ, and must be submitted to the DEQ upon request.

These records may be stored at a location other than the plant site upon approval by the DEQ (ARM 17.8.749).

3. Crusoe shall supply the DEQ with annual production information for all emission points, as required by the DEQ 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 DEQ by the date required in the emission inventory request. Information shall be in the units required by the DEQ. 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). Crusoe shall submit the following information annually to the DEQ by March 1 of each year; the information may be submitted along with the annual emission inventory (ARM 17.8.505).

4. Crusoe shall document, by month, the total hours operated for the engines listed in Section II.A.4 and Section II.A.7. By the 25th day of each month, Crusoe shall total the hours operated for the previous month. The monthly information will be used to verify compliance with the hourly limitations listed in Section II.A.6 and Section II.A.9. (ARM 17.8.749).
5. Crusoe shall annually certify that the Kraken Central Site actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204(3)(b). The annual certification shall comply with the certification requirements of ARM 17.8.1207.

The annual certification shall be submitted along with the annual emission inventory information (ARM 17.8.749 and ARM 17.8.1204).

SECTION III: General Conditions

- A. Inspection – Crusoe shall allow the DEQ'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 such as Continuous Emission Monitoring Systems (CEMS) or Continuous Emission Rate Monitoring Systems (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 Crusoe fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving Crusoe 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 DEQ’s decision may request, within 15 days after the DEQ renders its decision, upon affidavit setting forth the grounds therefor, 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 DEQ’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 DEQ’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 DEQ’s decision on the application is final 16 days after the DEQ’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 DEQ at the location of the source.
- G. Permit Fee – Pursuant to Section 75-2-220, MCA, failure to pay the annual operation fee by Crusoe 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 Analysis
Crusoe Energy Systems, Inc. – Kraken Central Site
MAQP #5262-02

I. Introduction/Process Description

Crusoe Energy Systems, Inc., (Crusoe) owns and operates a natural gas compressor station. The facility is located 15 miles northeast of Sidney, Montana, in Section 8, Township 25 North, Range 59 East, in Richland County, 47. 93400°N, latitude and -104. 13700°W, longitude, and is referred to as the Kraken Central Site.

A. Permitted Equipment

Crusoe operates seven (7) 2,500 brake horsepower (bhp) Waukesha 9394 GSI generator engines, three (3) 500-kilowatt (kW) diesel fired engines, one (1) 1,099-kW diesel fired engine, two (2) 2,000-gallon (gal) horizontal diesel storage tanks, three (3) 1,000-gal horizontal diesel storage tank, and one (1) 5,200-gal horizontal diesel storage tank.

B. Source Description

Crusoe owns and operates a natural gas generator station used to power small data centers on site.

C. Permit History

On September 1, 2021, Montana Air Quality Permit (MAQP) #5262-00 was deemed final by the DEQ. The permit was for a Natural Gas Compressor Station, known as Kraken Central Site. In this permit, Crusoe was given the option to operate under two operating scenarios AOS1 or AOS2.

AOS1 would consist of two (2) 2,500 brake horsepower (bhp) Waukesha 9394 GSI generator engines (EU001), one (1) 484 bhp Waukesha VGF H24SE compressor engine (EU002), and one (1) 21,000 bhp Solar Titan 130 natural gas-fired compressor turbine (EU003).

AOS2 would consist of ten (10) 2,500 bhp Waukesha 9394 GSI generator engines (EU004).

On August 18, 2021, Crusoe notified the DEQ in writing of their intent to operate under AOS2, rendering AOS1 no longer an option.

On June 6, 2023, the DEQ received an application from Crusoe Energy Systems, Inc. The application requested the removal of the removal of three (3) 2,500 natural gas engines.

In addition to the removal of the engines, Crusoe requested to add one (1) 1,099-kilowatt (kW) US EPA rated Tier II Caterpillar C32 back-up diesel generator. Two (2) 500-kW US EPA Tier II Caterpillar C15 back-up diesel fire generators. One (1) 2,000-gallon (gal) horizontal diesel storage tanks, three (3) 1,000-gal horizontal diesel storage tanks.

DEQ received an additional request on June 14, 2023, to add an additional (1) 500 kW Tier II Caterpillar C15 back-up diesel generator, one (1) 2,000-gal horizontal diesel storage tank, and one (1) 5,200-gal horizontal diesel storage tank. **MAQP #5262-01** replaced MAQP #5262-00.

D. Current Permit Action

On August 10, 2023, the Department of Environmental Quality (DEQ) received an Administrative Amendment request from Pinyon Environmental, Inc., on behalf of Crusoe Energy Systems, Inc., to correct units of measurement. **MAQP #5262-02** replaces MAQP 5262-01.

F. Additional Information

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

II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department of Environmental Quality (DEQ). Upon request, the DEQ will provide references for the 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 DEQ, 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 DEQ.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the DEQ, 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).

Crusoe 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 DEQ upon request.

4. ARM 17.8.110 Malfunctions. (2) The DEQ 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
11. ARM 17.8.230 Fluoride in Forage

Crusoe 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. (2) Under this rule, Crusoe shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter 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 particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.316 Incinerators. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any incinerator, particulate matter in excess of 0.10 grains per standard cubic foot of dry flue gas, adjusted to 12% carbon dioxide and calculated as if no auxiliary fuel had been used. Further, no person shall cause or authorize to be discharged into the outdoor atmosphere from any incinerator emissions that exhibit an opacity of 10% or greater averaged over 6 consecutive minutes.
6. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. This rule requires that no person shall burn liquid, solid, or gaseous fuel in excess of the amount set forth in this rule.
7. 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.
8. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, 40 CFR Part 60, Standards of Performance for New Stationary Sources (NSPS). Crusoe is considered an NSPS affected facility under 40 CFR Part 60 and is subject to the requirements of the following subparts.
 - a. 40 CFR 60, Subpart A – General Provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below:
 - b. 40 CFR 60, Subpart JJJJ – Standards of Performance for Stationary Spark Ignition Internal Combustion Engines. The proposed engines will be ordered after June 12, 2006, and manufactured after either July 1, 2007 and July 2, 2008, as applicable based on horsepower. Therefore, the engines operated at this facility are subject to this regulation.
 - c. 40 CFR 60, Subpart IIII – Standard of Performance for Stationary Compression Ignition Internal Combustion Engines. Owners and operators of stationary CI ICE that commence construction after July 11, 2005, where the stationary CI ICE are manufactured after April 1, 2006, and are not fire pump engines, and owners and operators of stationary CI ICE that modify or reconstruct their stationary CI ICE after July 11, 2005, are subject to this subpart. Based on the information submitted by Crusoe, the CI ICE equipment to be used under MAQP #5262-02 may be subject to this subpart if they remain stationary for longer than on calendar year.

9. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. The source, as defined and applied in 40 CFR Part 63, shall comply with the requirements of 40 CFR Part 63, as listed below:
 - a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to a NESHAP Subpart as listed below:
 - b. 40 CFR 63, Subpart ZZZZ – National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. Subpart ZZZZ applies to the new reciprocating engines but compliance with Subpart ZZZZ is demonstrated by compliance with 40CFR 60 Subpart JJJJ.
- D. ARM 17.8, Subchapter 5 – Air Quality Permit Application, Operation, and Open Burning Fees, including, but not limited to:
 1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that 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 DEQ. An application fee was not required for the current permit action because the permit change(s) are considered an administrative change.
 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 DEQ by each source of air contaminants holding an air quality permit (excluding an open burning permit) issued by the DEQ. 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 DEQ 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.
- E. ARM 17.8, Subchapter 7 – Permit, Construction, and Operation of Air Contaminant Sources, including, but not limited to:
 1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
 2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit modification to construct, modify, or use any air contaminant sources that have the potential to emit (PTE) greater than 25 tons per year of any pollutant. Crusoe has a PTE greater than 25 tons per year of Oxides of Nitrogen (NO_x), Carbon Monoxide (CO), Volatile Organic Compounds (VOCs); therefore, an air quality permit is required.

3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements.
(1) This rule requires that a permit application be submitted prior to installation, modification, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative change. (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. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
1. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the DEQ 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.
2. 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. A BACT analysis was not required because the current permit action is considered an administrative change.
3. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the DEQ at the location of the source.
4. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving Crusoe 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.*
5. ARM 17.8.759 Review of Permit Applications. This rule describes the DEQ'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.
6. ARM 17.8.760 Additional Review of Permit Applications. This rule describes the DEQ's responsibilities for processing permit applications and making permit decisions on those applications that require an environmental impact statement.

7. 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 modified 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.
8. 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).
9. 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.
10. 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 DEQ.
11. ARM 17.8.770 Additional Requirements for Incinerators. This rule specifies the additional information that must be submitted to the DEQ for incineration facilities subject to 75-2-215, Montana Code Annotated (MCA).
17. ARM 17.8.771 Mercury Emission Standards for Mercury-Emitting Generating Units. This rule identifies mercury emission limitation requirements, mercury control strategy requirements, and application requirements for mercury-emitting generating units.

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

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

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

G. ARM 17.8, Subchapter 12 – Operating Permit Program Applicability, including, but not limited to:

1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
 - a. PTE > 100 tons/year of any pollutant;
 - b. PTE > 10 tons/year of any one hazardous air pollutant (HAP), PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the DEQ may establish by rule; or
 - c. PTE > 70 tons/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 MAQP #5262-02 for Crusoe, the following conclusions were made:
 - a. The facility's PTE is greater than 100 tons/year for any pollutant.
 - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year for all HAPs.
 - c. This source is not located in a serious PM₁₀ nonattainment area.
 - d. This facility is subject NSPS (40 CFR 60, Subparts A, IIII, JJJJ).
 - e. This facility is subject to NESHAP standards (40 CFR 63, Subparts A and ZZZZ).
 - f. This source is not a Title IV affected source, or a solid waste combustion unit.
 - g. This source is not an EPA designated Title V source.

Crusoe requests federally enforceable permit limits to keep potential emissions below major source permitting thresholds. Therefore, the facility is not a major source and, thus a Title V operating permit is not required.

- h. As allowed by ARM 17.8.1204(3), the DEQ may exempt a source from the requirement to obtain an air quality operating permit by establishing federally enforceable limitations which limit that source's potential to emit.

- i. In applying for an exemption under this section, the owner or operator of the source shall certify to the DEQ that the source's potential to emit, does not require the source to obtain an air quality operating permit.
- ii. Any source that obtains a federally enforceable limit on potential to emit shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit.

Crusoe has taken legally enforceable permit limits to keep potential emissions below major source permitting thresholds. Therefore, the facility is not a major source and, thus a Title V operating permit is not required.

3. ARM 17.8.1207 Certification of Truth, Accuracy, and Completeness.

Crusoe shall annually certify that its actual emissions are less than those that would require the source to obtain an air quality operating permit as required by ARM 17.8.1204 (3)(b). The annual certification shall comply with requirements of ARM 17.8.1207. The annual certification shall be submitted along with the annual emission inventory information.

III. BACT Determination

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

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

IV. Emission Inventory

CONTROLLED	tons/year							
	PM	PM ₁₀	PM _{2.5}	NO _x	CO	VOC	SO _x	HAPs
2500 bhp Waukesha 9394 GSI	11.65	11.65	11.65	25.29	50.59	1.69	2.45	7.36
500kW Engine	0.05	0.05	0.05	8.15	1.06	0.05	0.00	1.41
1,099kw Engine	0.04	0.04	0.04	6.83	0.89	0.04	0.00	0.91
Total Emissions	11.75	11.75	11.75	40.27	52.54	1.78	2.46	9.67

Calculations:

2,500 hp engines

Note: Emissions are based on the power output of the engine (7 hp).

Operational Capacity of Engine = 7 engines

7 engines

Hours of Operation = 8,760.00 hours

8760 hours

PM Emissions:

PM Emissions = 11.65 ton/yr (Assume all PM < 1.0 um)

11.65 ton/yr

PM-10 Emissions:

Emission Factor = 0.38 lb/hr (BACT)

0.38 lb/hr

Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (0.38 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 11.651 \text{ ton/yr}$ 11.65 ton/yr

PM2.5 Emissions

Emission Factor = 0.38 lb/hr (BACT) 0.38 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (0.38 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 11.651 \text{ ton/yr}$ 11.65 ton/yr

NOx Emissions:

Emission Factor = 0.825 lb/hr (BACT) 0.825 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (0.825 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 25.29 \text{ ton/yr}$ 25.29 ton/yr

CO Emissions:

Emission Factor = 1.65 lb/hr (BACT) 1.65 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (1.65 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 50.59 \text{ ton/yr}$ 50.59 ton/yr

VOC Emissions:

Emission Factor = 0.055 lb/hr (BACT) 0.055 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (0.055 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 1.686 \text{ ton/yr}$ 1.686 ton/yr

SOx Emissions:

Emission Factor = 0.08 lb/hr (BACT) 0.08 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (0.08 \text{ lb/hr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 2.453 \text{ ton/yr}$ 2.453 ton/yr

HAPs Emissions

Emission Factor = 0.24 lb/hr 0.24 lb/hr
 Calculation: $((7 \text{ engines}) * (8,760 \text{ hours}) * (7.36 \text{ ton/yr}) * (8,760 \text{ hours}) * (\text{ton}/2000 \text{ lb}) = 2.453 \text{ ton/yr}$ 7.36 ton/yr

595 hp engine (500-kW)

Note: Emissions are based on the power output of the engine (3 hp).

Operational Capacity of Engine = 3 engines 3 engines
 Hours of Operation = 900.00 hours 900 hours
 Engine Horsepower Rating 595 hp
 Conversion of grams to pounds 0.002205 lbs
 MMBtu per Gallon of Diesel fuel 19300 Btu/gal
 Gallons per hour 35.7 gal/hr

PM Emissions:

PMTOT Emissions = 0.05 ton/yr (Assume all PM < 1.0 um) 0.05 ton/yr

PM-10 Emissions:

Emission Factor = 0.03 g/bhp-hr (BACT) 0.03 g/bhp-hr
 Calculation: $((3 \text{ engines}) * (0.03 \text{ g/bhp-hr}) * (595 \text{ hp}) * (900.00 \text{ hours}) * (1 \text{ lb}/453.53 \text{ g}) * (1 \text{ ton}/2000 \text{ lb}) = 0.053 \text{ ton/yr}$ 0.05 ton/yr

PM-2.5 Emissions

Emission Factor = 0.03 g/bhp-hr (BACT) 0.03 g/bhp-hr
 Calculation: $((3 \text{ engines}) * (0.03 \text{ g/bhp-hr}) * (595 \text{ hp}) * (900.00 \text{ hours}) * (1 \text{ lb}/453.53 \text{ g}) * (1 \text{ ton}/2000 \text{ lb}) = 0.053 \text{ ton/yr}$ 0.05 ton/yr

NOx Emissions:

Emission Factor = 4.6 g/bhp-hr (BACT) 4.6 g/bhp-hr
 Calculation: $((3 \text{ engines}) * (4.60 \text{ g/bhp-hr}) * (595 \text{ hp}) * (900.00 \text{ hours}) * (1 \text{ lb}/453.53 \text{ g}) * (1 \text{ ton}/2000 \text{ lb}) = 8.147 \text{ ton/yr}$ 8.15 ton/yr

CO Emissions:		
Emission Factor = 0.6 g/bhp-hr (BACT)	0.6	g/bhp-hr
Calculation: ((3 engines) * (0.60 g/bhp-hr) * (595 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 1.063 ton/yr	1.06	ton/yr
VOC Emissions:		
Emission Factor = 0.03 g/bhp-hr (BACT)	0.03	g/bhp-hr
Calculation: ((3 engines) * (0.03 g/bhp-hr) * (595 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.053 ton/yr	0.05	ton/yr
SOx Emissions:		
Emission Factor = 0.014 lb/hr (BACT)	0.00152	lb/MMBtu
Calculation: ((3 engines) * (0.00152 lb/hr) * (900 hours) * (ton/2000 lb) = 0.0021 ton/yr	0.0021	ton/yr
HAPs Emissions		
Emission Factor = 0.00133 lb/mmbtu	0.00136	lb/MMBtu
Calculation: ((3 engines) * (0.00136 lb/MMBtu) * (595 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 1.41 ton/yr	1.41	ton/yr

1497 hp engine (1,099-kW)

Note: Emissions are based on the power output of the engine (1 hp).

Operational Capacity of Engine = 1 engine	1	engine
Hours of Operation = 900.00 hours	900	hours
Engine Horsepower Rating	1497	hp
Conversion of grams to pounds	0.002205	lbs
MMBtu per Gallon of Diesel fuel	19300	Btu/gal
Gallons per hour	69.4	gal/hr

PM Emissions:

PMTOT Emissions = 0.04 ton/yr (Assume all PM < 1.0 um)

0.04 **ton/yr**

PM-10 Emissions:

Emission Factor = 0.03 g/bhp-hr (BACT)

0.03 **g/bhp-hr**

Calculation: ((1 engine) * (0.03 g/bhp-hr) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.045 ton/yr

0.04 **ton/yr**

PM-2.5 Emissions

Emission Factor = 0.03 g/bhp-hr (BACT)

0.03 **g/bhp-hr**

Calculation: ((1 engine) * (0.03 g/bhp-hr) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.045 ton/yr

0.04 **ton/yr**

NOx Emissions:

Emission Factor = 4.6 g/bhp-hr (BACT)

4.6 **g/bhp-hr**

Calculation: ((1 engine) * (4.60 g/bhp-hr) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 6.833 ton/yr

6.83 **ton/yr**

CO Emissions:

Emission Factor = 0.6 g/bhp-hr (BACT)

0.6 **g/bhp-hr**

Calculation: ((1 engine) * (0.60 g/bhp-hr) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.891 ton/yr

0.89 **ton/yr**

VOC Emissions:

Emission Factor = 0.03 g/bhp-hr (BACT)

0.03 **g/bhp-hr**

Calculation: ((1 engine) * (0.03 g/bhp-hr) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.045 ton/yr

0.04 **ton/yr**

SOx Emissions:

Emission Factor = 0.014 lb/hr (BACT)	0.00152	lb/MMBtu
Calculation: ((1 engine) * (0.00152 lb/MMBtu) * (900 hours) * (ton/2000 lb) = 0.006 ton/yr	6.84E-4	ton/yr

HAPs Emissions

Emission Factor = 0.00133 lb/mmbtu	0.00136	lb/MMBtu
Calculation: ((1 engine) * (0.00133 lb/MMBtu) * (1,497 hp) * (900.00 hours) * (1 lb/453.53 g) * (1 ton/2000 lb) = 0.891 ton/yr	0.91	ton/yr

V. Existing Air Quality

Richland County is currently designated as attainment/unclassifiable for all pollutants.

VI. Air Quality Impacts

This permit contains conditions and limitations that would protect air quality for the site and surrounding area.

VII. Ambient Air Impact Analysis

The DEQ determined, based on MAQP #5262-02, that the impacts from this permitting action will be minor. The DEQ believes it will not cause or contribute to a violation of any ambient air quality standard.

VIII. Taking or Damaging Implication Analysis

As required by 2-10-105, MCA, the DEQ conducted a 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)

IX. Environmental Assessment

An environmental assessment, required by the Montana Environmental Policy Act, was not completed because the current permit action is considered an administrative change.