

**MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OPERATING PERMIT TECHNICAL REVIEW DOCUMENT**

**Air, Energy, & Mining Division  
1520 E. Sixth Avenue  
P.O. Box 200901  
Helena, Montana 59620-0901**

Montana-Dakota Utilities Co.  
Miles City Generating Station  
NW $\frac{1}{4}$  of Section 36, Township 8 North, Range 47 East in Custer County  
4642 East Leighton Blvd  
P.O. Box 1098  
Miles City, MT 59301-1098

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 9 when turbine burns No. 2 fuel oil
Ambient Monitoring Required		X	
Continuous Opacity Monitoring System (COMS) Required		X	
Continuous Emissions Monitoring System (CEMS) Required		X	
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
Applicable Air Quality Programs			
Administrative Rules of Montana (ARM) Subchapter 7 – Montana Air Quality Permit (MAQP)	X		MAQP # 0901-02
New Source Performance Standards (NSPS)	X		40 CFR 60, Subpart III
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	
Maximum Achievable Control Technology (MACT)	X		40 CFR 63, Subpart ZZZZ
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR	X		This facility is a major stationary source; however, it has never undergone a PSD action.
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV		X	
Compliance Assurance Monitoring (CAM)		X	
State Implementation Plan (SIP)	X		General SIP

## TABLE OF CONTENTS

<b>SECTION I. GENERAL INFORMATION .....</b>	<b>3</b>
A. PURPOSE.....	3
B. FACILITY LOCATION .....	3
C. FACILITY BACKGROUND INFORMATION.....	3
D. CURRENT PERMIT ACTION .....	4
E. TAKING AND DAMAGING ANALYSIS.....	4
F. COMPLIANCE DESIGNATION.....	5
<b>SECTION II. SUMMARY OF EMISSIONS UNITS.....</b>	<b>6</b>
A. FACILITY PROCESS DESCRIPTION .....	6
B. EMISSIONS UNITS AND POLLUTION CONTROL DEVICE IDENTIFICATION .....	6
C. CATEGORICALLY INSIGNIFICANT SOURCES/ACTIVITIES.....	6
<b>SECTION III. PERMIT CONDITIONS .....</b>	<b>7</b>
A. EMISSION LIMITS AND STANDARDS .....	7
B. MONITORING REQUIREMENTS .....	7
C. TEST METHODS AND PROCEDURES .....	8
D. RECORDKEEPING REQUIREMENTS .....	8
E. REPORTING REQUIREMENTS.....	8
F. PUBLIC NOTICE.....	8
G. DRAFT PERMIT COMMENTS.....	9
<b>SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS.....</b>	<b>10</b>
<b>SECTION V. FUTURE PERMIT CONSIDERATIONS.....</b>	<b>13</b>
A. MACT STANDARDS.....	13
B. NESHAP STANDARDS .....	13
C. NSPS STANDARDS.....	13
D. RISK MANAGEMENT PLAN.....	13
E. CAM APPLICABILITY.....	13
F. PSD AND TITLE V GREENHOUSE GAS TAILORING RULE .....	13

## SECTION I. GENERAL INFORMATION

### A. Purpose

This document establishes the basis for the decisions made regarding the applicable requirements, monitoring plan, and compliance status of emissions units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the Environmental Protection Agency (EPA) and the public. It is also intended to provide background information not included in the operating permit and to document issues that may become important during modifications or renewals of the permit. Conclusions in this document are based on information provided in the original application submitted by Montana-Dakota Utilities Co. (Montana-Dakota) and received by the Department of Environmental Quality (Department) on June 10, 1996, the renewal application received by the Department on March 9, 2004, subsequent information submitted on May 19, 2006 and January 28, 2008, the renewal application received on April 9, 2010, subsequent information submitted on December 8, 2010, and the renewal application received on February 19, 2016. A significant modification application was received on June 11, 2020, and a renewal application was received on December 18, 2020.

### B. Facility Location

Montana-Dakota owns and operates the Miles City Generating Station. This facility is located in the NW $\frac{1}{4}$  of Section 36, Township 8 North, Range 47 East in Custer County, Montana. Custer County is designated as an Unclassifiable/Attainment area for National Ambient Air Quality Standards (NAAQS) for all criteria pollutants. The Miles City Generating Station is located approximately 1 $\frac{1}{4}$  miles east of Miles City. The generation site is bordered by Interstate Highway 94 to the west. The Yellowstone River is approximately two miles northwest. All other boundaries are essentially undeveloped. The closest schools, hospital, parks, or residential area are to the east, located within the city limits of Miles City over a mile away. In the immediate area surrounding the generation site, there are several single family dwellings.

### C. Facility Background Information

#### Montana Air Quality Permit

On August 11, 1971, Montana-Dakota was issued a permit for the operation of a Gas Turbine Generating Plant to be operated 1 $\frac{1}{4}$  miles east of Miles City, Montana. The permit was given **MAQP #337-110171**.

On October 20, 1975, Montana-Dakota was issued a new permit for the construction of an additional liquid fuel oil tank at the Miles City Turbine Site on East Leighton Boulevard in Miles City, MT. The new permit incorporated the conditions of Permit #337-110171. The new permit was assigned **MAQP #0901-00**.

On April 1, 2000, Montana-Dakota was issued **MAQP #0901-01**. The permit modification included the addition of fogging equipment and Turbine Ice Peaking Power (TIPP) for more efficient operation during times of warm weather. The addition of the equipment resulted in an increase of emissions; therefore, hourly limits were added to limit the potential increase in actual emissions to levels that are below the significance threshold for New Source Review (NSR). MAQP #0901-01 replaced MAQP #0901-00.

On May 2, 2011, the Department of Environmental Quality (Department) received correspondence from Montana-Dakota requesting an administrative amendment to remove all reference of the Turbine Ice Peaking Power (TIPP) equipment. MAQP #0901-01 was modified on April 1, 2000, to allow for the installation of fogging and TIPP equipment at the Miles City Generating Station. However, the TIPP portion of the project was never installed. This action removed all references to TIPP equipment and incorporated current language and rule references used by the Department. Montana-Dakota was issued **MAQP #0901-02** on July 23, 2011.

### **Title V Operating Permit**

On June 10, 1996, the Department received an application from Montana-Dakota for an operating permit for the Miles City Generating Station. The permit application was assigned **Operating Permit #OP0901-00**. Operating Permit #OP0901-00 became final and effective on July 9, 1999.

On March 5, 2004, the Department received an application for the renewal of Title V Permit #OP0901-00. The permitting action included the addition of fogging equipment and TIPP. **Operating Permit #OP0901-01** replaced Permit #OP0901-00.

On May 19, 2005, the Department received a request to make minor changes to Operating Permit #OP0901-01. Previous permit actions involved the addition of TIPP. TIPP was never installed at the site, and therefore, it was requested that all references to TIPP be removed from the permit. In addition, it was requested that operating logs be allowed to be kept at either the Miles City or Glendive Turbine Site. **Operating Permit #OP0901-02** replaced Operating Permit #OP0901-01 on April 27, 2007.

On April 9, 2010, the Department received a renewal application for the Miles City Generating Station Title V operating permit. No substantive changes occurred at the facility since the previous revision of the Operating Permit. In the renewal application, Montana-Dakota requested that the 200-gallon and 59,000-gallon number (No.) 2 fuel oil storage tanks be removed from the list of significant emitting units and listed as insignificant emitting units. This re-designation can occur because the units meet the definition of an insignificant emitting unit as described in ARM 17.8.1201(22). Montana-Dakota also requested that EU002 – 500-brake horsepower (bhp) Detroit Diesel Starting Motor be included in the list of insignificant emitting units; however, this cannot occur because the unit has permitted potential emissions in excess of five (5) tons per year and is subject to 40 CFR 63, Subpart ZZZZ. Montana-Dakota also requested that permit conditions regarding the fuel analysis that must occur when burning No. 2 fuel oil be modified to allow the analysis to be conducted by an independent laboratory as an alternative to being conducted by the fuel supplier.

On December 8, 2010, Montana-Dakota submitted a letter indicating that a 215,000-gallon No. 2 fuel oil storage tank located on the premises has less than five tons per year of potential emissions; therefore, it was added to the permit as an insignificant emitting unit. **Operating Permit #OP0901-03** replaced Operating Permit #OP0901-02.

On February 19, 2016, the Department received a renewal application for the Miles City Generating Station Title V operating permit. No substantive changes had occurred at the facility since the previous revision of the Operating Permit. Montana-Dakota requested that the Facility Contact as well as the Responsible Official be updated. There are no other requests associated

with the renewal application. **Operating Permit #OP0901-04** replaced Operating Permit #OP0901-03.

#### **D. Current Permit Action**

On June 11, 2020, the Department received a significant modification application for the Miles City Generating Station Title V operating permit with the addition of an emergency diesel-fired generator. The addition of the emergency generator was subject to 40 CFR 60 Subpart IIII. On December 18, 2020, the Department received a renewal application for the Miles City Generating Station Title V operating permit. In order to meet both timelines for the two applications, the actions have been combined into a single permitting action and will be issued under **Operating Permit #OP0901-06**, skipping #OP0901-05. Operating Permit #OP0901-06 replaces Operating Permit #OP0901-04.

## E. Taking and Damaging Analysis

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

## F. Compliance Designation

An on-site inspection was conducted at the Miles City facility on July 9, 2020. A full compliance evaluation (FCE) was completed on August 12, 2020, and it was determined that the facility was in compliance with both MAQP #0901-02, and with Operating Permit #OP0901-04.

## **SECTION II. SUMMARY OF EMISSIONS UNITS**

### **A. Facility Process Description**

The Montana-Dakota Miles City Generating Station is used for electrical power generation, transmission, and distribution. The Standard Industrial Classification (SIC) for this facility is “Electrical Power Generation, Transmission, and Distribution” which has an SIC Code of “4911.”

The Miles City combustion turbine (EU001) is a General Electric Model MS-5000 dual fuel unit. Name plate rating of the combustion turbine is 28-megawatts (MW) with 30-MW peak capability at optimum conditions. The turbine is capable of maintaining full load using either natural gas or No.2 fuel oil. A Detroit Diesel starting motor (EU002) rated at 500-bhp, burning No.2 fuel oil, is used for starting the turbine.

The turbine is used to provide electricity during peak electrical demand. These periods are normally short in time duration during summer or winter seasons. The units are capable of sustaining maximum generation for long periods of time when needed.

### **B. Emissions Units and Pollution Control Device Identification**

Currently, the Miles City Generating Station consists of one General Electric MS-5000 combustion turbine (natural gas and/or No.2 fuel oil) and one diesel starting motor. No control equipment is currently in operation on the turbine or starting motor. There is also a 50-kilowatt emergency backup diesel generator in operation at the site.

### **C. Categorically Insignificant Sources/Activities**

ARM 17.8.1201(22)(a) defines an insignificant emissions unit as one that has the potential to emit less than 5 tons per year of any regulated pollutant, has the potential to emit less than 500 pounds per year of lead or any hazardous air pollutant, and is not regulated by any applicable requirement other than a generally applicable requirement. The insignificant emitting units at the Montana-Dakota-Miles City facility are three No. 2 fuel oil storage tanks, the 137-gallon diesel storage tank and the fugitive emissions from in-plant vehicle traffic.

## SECTION III. PERMIT CONDITIONS

### A. Emission Limits and Standards

The emission units at this facility are not subject to any current National Emission Standards of Hazardous Air Pollutants (NESHAP) standards. The 500-bhp Detroit Diesel starting motor is subject the Maximum Available Control Technology (MACT) emissions standard 40 CFR 63, Subpart ZZZZ – National Emissions Standards for HAP for Stationary Reciprocating Internal Combustion Engines. This facility is subject to Prevention of Significant Deterioration (PSD) regulations; however, it has never undergone a PSD action. General emission limits apply to the 28-MW General Electric MS-5000. Several of the conditions will vary according to the fuel type that is used (refinery quality No.2 fuel oil or pipeline quality natural gas).

An opacity limit of 20% is required for the 28-MW General Electric MS-5000 and the 500-bhp Detroit Diesel starting motor. This limit was established through ARM 17.8.304(2) for Visible Air Contaminants. A particulate matter from fuel combustion limit is applicable to the 28-MW General Electric MS-5000 turbine and the 500-bhp Detroit Diesel starting motor. The particulate from fuel combustion limit was established through ARM 17.8.309.

Additional limits have been incorporated in the permit for sulfur compounds in fuel (gaseous and liquid). The sulfur compounds in fuel (gaseous) limit were established through ARM 17.8.322(5) and are applicable to the 28-MW General Electric MS-5000 turbine while burning natural gas. The sulfur compounds in fuel (liquid) limit were established through ARM 17.8.322(4) and are applicable to the 500-bhp Detroit Diesel starting motor and the 28-MW General Electric MS-5000 turbine while burning No.2 fuel oil.

An operational limit has been placed on the fogging equipment. The fogging equipment is limited to 3,650 hours of operation per rolling 12-month period.

A limit was placed on the combustion fuel for the 28-MW General Electric MS-5000 turbine and 500-bhp Detroit Diesel starting motor. Only refinery quality No.2 fuel oil or pipeline quality natural gas may be used as fuel for the 28-MW General Electric MS-5000 and only refinery quality No. 2 fuel oil may be used in the 500-bhp Detroit Diesel starting motor.

The 50-kiloWatt emergency generator is subject to 40 CFR 60 Subpart III.

### B. Monitoring Requirements

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

The requirements for testing, monitoring, recordkeeping, reporting, and compliance certification sufficient to assure compliance do not require the permit to impose the same level of rigor for all emissions units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emissions units that do not have significant potential to violate emission limitations or other requirements under normal operating conditions. When compliance with the underlying applicable requirement for an insignificant emissions unit is not threatened by lack of regular monitoring and when periodic testing or

monitoring is not otherwise required by the applicable requirement, the status quo (**i.e., no monitoring**) will meet the requirements of ARM 17.8.1212(1). Therefore, the permit does not include monitoring for insignificant emissions units.

The permit includes periodic monitoring or recordkeeping for each applicable requirement. The information obtained from the monitoring and recordkeeping will be used by the permittee to periodically certify compliance with the emission limits and standards. However, the Department may request additional testing to determine compliance with the emission limits and standards. If it is determined through testing using test methods identified in the Montana Source Testing Protocol and Procedures Manual that any emissions unit is out of compliance with any applicable requirement, Montana-Dakota will not be shielded from an enforcement action even if the required monitoring methods listed in the permit indicate compliance with the applicable requirement. Since the fuel consumed by the emission units is pipeline quality natural gas and No.2 fuel oil, the potential to exceed the opacity, particulate, or sulfur in fuel conditions in this permit is negligible. However, while burning No.2 fuel oil, Montana-Dakota shall provide a fuel analysis from the fuel provider or independent laboratory on a semiannual basis to verify compliance with sulfur compounds in fuel requirements (gaseous and liquid). Fuel analyses are required on an annual basis and provided during semiannual reporting for clarity.

## **C. Test Methods and Procedures**

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

## **D. Recordkeeping Requirements**

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

## **E. Reporting Requirements**

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

## **F. Public Notice**

In accordance with ARM 17.8.1232, a public notice was published in the *Miles City Star* newspaper on or before May 12, 2021. The Department provided a 30-day public comment period on the draft operating permit from May 12, 2021, to June 11, 2021. ARM 17.8.1232 requires the Department to keep a record of both comments and issues raised during the public participation process. The comments and issues received by June 11, 2021, will be summarized, along with the Department's responses.

## Summary of Public Comments

Person/Group Commenting	Comment	Department Response
<b>None Received</b>		

## G. Draft Permit Comments

### Summary of Permittee Comments

Permit Reference	Permittee Comment	Department Response
TRD Section 1. Purpose	Renewal Application was submitted on December 18, 2020 not on June 18, 2020	Corrected

### Summary of EPA Comments

Permit Reference	EPA Comment	Department Response
<b>If Received</b>		

## SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Section IV of the operating permit “Non-applicable Requirements” contains the requirements that the Department determined were non-applicable and for which a permit shield was granted. The following table identifies non-applicable requirements for which the Department did not grant a permit shield with the applicability determination

Rule Citation		Reason
State	Federal	
ARM 17.8.130	40 CFR 50 et seq.	
ARM 17.8.142	40 CFR 51 et seq.	
ARM 17.8.510	40 CFR 53	
ARM 17.8.763	40 CFR 54	
ARM 17.8.806	40 CFR 56	
ARM 17.8.807	40 CFR 58	
ARM 17.8.808	40 CFR 64	
ARM 17.8.825		These rules contain requirements for regulatory authorities and not major sources; however, they are never shielded because they could be used as authority to impose specific requirements on a major source.
ARM 17.8.826		
ARM 17.8.1108-1109		
ARM 17.8.1210-1215		
ARM 17.8.1222		
ARM 17.8.1223		
ARM 17.8.1225		
ARM 17.8.1228		
ARM 17.8.1231		
ARM 17.8.101		
ARM 17.8.102		
ARM 17.8.103		
ARM 17.8.202		
ARM 17.8.301		
ARM 17.8.302		
ARM 17.8.330		
ARM 17.8.401		
ARM 17.8.501		
ARM 17.8.601		
ARM 17.8.602		
ARM 17.8.740		
ARM 17.8.767		
ARM 17.8.801		
ARM 17.8.802		
ARM 17.8.901		
ARM 17.8.902		
ARM 17.8.904		
ARM 17.8.1001		These rules consist of a statement of purpose, applicability statement, regulatory definitions or a statement of incorporation by reference. These types of rules do not have specific requirements associated with them.

Rule Citation		Reason
State	Federal	
ARM 17.8.1002 ARM 17.8.1004 ARM 17.8.1101-1103 ARM 17.8.1201-1203		
ARM 120 et seq ARM 17.8.131 ARM 17.8.140 ARM 17.8.141 ARM 17.8.403 ARM 17.8.511 ARM 17.8.514 ARM 17.8.515 ARM 17.8.604-606 ARM 17.8.611-615 ARM 17.8.743-748 ARM 17.8.762 ARM 17.8.764 ARM 17.8.765 ARM 17.8.804 ARM 17.8.805 ARM 17.8.828 ARM 17.8.1224 ARM 17.8.1226 ARM 17.8.1227 ARM 17.8.1501 et. seq.		Procedural rules that have specific requirements that may become relevant to a major source during the permit span.
ARM 17.8.204 ARM 17.8.326 ARM 17.8.749-756		These rules are always applicable to a major source and may contain specific requirements for compliance.
ARM 17.8.104 ARM 17.8.315 ARM 17.8.323		These rules are either repealed or reserved.
ARM 17.8.340		This source is not an affected source under an NSPS (40 CFR 60, Subparts KKKK and IIII) but could become an affected source in the future.
	40 CFR 52 et seq.	Rules that do not have specific requirements that are always relevant to a major source.
	40 CFR 60.9-12 40 CFR 60.14-19	These regulations may not be applicable to the source at this time; however, these regulations may become applicable during the life of the permit.

Rule Citation		Reason
State	Federal	
	40 CFR 60 Appendices B, C, & F	Procedural rules that have specific requirements that may become relevant to a major source during the permit span.
	40 CFR 61 Subpart A	These regulations may not be applicable to the source at this time; however, these regulations may become applicable during the life of the permit.
	40 CFR 62	Rules that do not have specific requirements that are always relevant to a major source and should never be listed in the applicable requirements or non-applicable requirements.
	40 CFR 63, Subpart YYYY	This source is not currently an affected source under this subpart; however, it could become an affected source in the future if the facility becomes a major source of HAP.
	40 CFR 63, Appendix A 40 CFR 66 40 CFR 70	Rules that do not have specific requirements and may or may not be relevant to a major source.
	40 CFR 67 40 CFR 71 40 CFR 98 40 CFR 81	Rules that do not have specific requirements for major sources because they are requirements for EPA or state and local authorities.
	40 CFR 55 40 CFR 79 40 CFR 80 40 CFR 85 40 CFR 86 40 CFR 88-91 40 CFR 93-98	Not applicable under Title V.

## SECTION V. FUTURE PERMIT CONSIDERATIONS

### A. MACT Standards

As of the issuance of Draft Operating Permit # OP0901-06, 40 CFR 63, Subpart YYYY does not apply to the turbine because the facility is not a major source of HAP emissions. If the facility were to become a major source of HAP emissions, then the turbine would become subject to 40 CFR 63, Subpart YYYY.

### B. NESHAP Standards

As of the issuance of Draft Operating Permit # OP0901-06, the Department is unaware of any future NESHAP Standards that may be promulgated that will affect this facility.

### C. NSPS Standards

As of the issuance of Draft Operating Permit # OP0901-06, 40 CFR 60, Subpart KKKK does not apply because the turbine was constructed and installed prior to February 18, 2005. If the turbine underwent a reconstruction or modification, it would then become subject to 40 CFR 60, Subpart KKKK. With the addition of the 50-kiloWatt emergency diesel-fired generator, 40 CFR 60, Subpart IIII became an applicable requirement.

### D. Risk Management Plan

As of the issuance of Draft Operating Permit # OP0901-06, this facility does not exceed the minimum threshold quantities for any regulated substance listed in 40 CFR 68.115 for any facility process. Consequently, this facility is not required to submit a Risk Management Plan.

### E. CAM Applicability

An emitting unit located at a Title V facility that meets the following criteria listed in ARM 17.8.1503 is subject to Subchapter 15 and must develop a CAM Plan for that unit:

- The emitting unit is subject to an emission limitation or standard for the applicable regulated air pollutant;
- The emitting unit uses a control device to achieve compliance with such limit; and
- The emitting unit has potential pre-control device emission of the applicable regulated air pollutant that is greater than major source thresholds.

EU001 28 MW General Electric MS-5000 turbine has potential emissions that exceed the major source thresholds; however, this unit is neither subject to an emission limitation nor does it have a pollution control device to achieve compliance with such limit. Therefore, CAM is not applicable to the Miles City Generating Station.

### F. PSD and Title V Greenhouse Gas Tailoring Rule

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

facilities are subject to GHG permitting requirements and when such facilities become subject to regulation for GHG under the PSD and Title V programs.

Under the Tailoring Rule, any PSD action (either a new major stationary source or a major modification at a major stationary source) taken for a pollutant or pollutants other than GHG that would become final on or after January 2, 2011 would be subject to PSD permitting requirements for GHG if the GHG increases associated with that action were at or above 75,000 TPY of carbon dioxide equivalent (CO<sub>2</sub>e) and greater than 0 TPY on a mass basis. Similarly, if such action were taken, any resulting requirements would be subject to inclusion in the Title V Operating Permit. Facilities which hold Title V permits due to criteria pollutant emissions over 100 TPY would need to incorporate any GHG applicable requirements into their operating permits for any Title V action that would have a final decision occurring on or after January 2, 2011.

Starting on July 1, 2011, PSD permitting requirements would be triggered for modifications that were determined to be major under PSD based on GHG emissions alone, even if no other pollutant triggered a major modification. In addition, sources that are not considered PSD major sources based on criteria pollutant emissions would become subject to PSD review if their facility-wide potential emissions equaled or exceeded 100,000 TPY of CO<sub>2</sub>e and 100 or 250 TPY of GHG on a mass basis depending on their listed status in ARM 17.8.801(22) and they undertook a permitting action with increases of 75,000 TPY or more CO<sub>2</sub>e and greater than 0 TPY of GHG on a mass basis. With respect to Title V, sources not currently holding a Title V permit that have potential facility-wide emissions equal to or exceeding 100,000 TPY of CO<sub>2</sub>e and 100 TPY of GHG on a mass basis would be required to obtain a Title V Operating Permit.

Based on information provided by Montana-Dakota, Montana-Dakota's potential emissions exceed the GHG major source threshold of 100,000 TPY of CO<sub>2</sub>e for both Title V and PSD under the Tailoring Rule.

The Supreme Court of the United States (SCOTUS), in its *Utility Air Regulatory Group v. EPA* decision on June 23, 2014, ruled that the Clean Air Act neither compels nor permits EPA to require a source to obtain a PSD or Title V permit on the sole basis of its potential emissions of GHG. SCOTUS also ruled that EPA lacked the authority to tailor the Clean Air Act's unambiguous numerical thresholds of 100 or 250 TPY to accommodate a CO<sub>2</sub>e threshold of 100,000 TPY. SCOTUS upheld that EPA reasonably interpreted the Clean Air Act to require sources that would need PSD permits based on their emission of conventional pollutants to comply with BACT for GHG. As such, the Tailoring Rule has been rendered invalid and sources cannot become subject to PSD or Title V regulations based on GHG emissions alone. Sources that must undergo PSD permitting due to pollutant emissions other than GHG may still be required to comply with BACT for GHG emissions.