

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

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

**Havre Pipeline Company, LLC, a Texas limited liability company
Blaine County #1 Compressor Station
NW¼ of Section 29, Township 31 North, Range 18 East in Blaine County
c/o 40 E. Broadway
Butte, MT 59701**

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

Facility Compliance Requirements	Yes	No	Comments
Source Tests Required	X		Semi-annual
Ambient Monitoring Required		X	
COMS Required		X	
CEMS Required		X	
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		As applicable
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
Applicable Air Quality Programs			
ARM Subchapter 7 - Montana Air Quality Permit	X		MAQP #1626-09
New Source Performance Standards (NSPS)		X	
National Emission Standards for Hazardous Air Pollutants (NESHAPS)	X		40 CFR 61, Subpart M
Maximum Achievable Control Technology (MACT)	X		40 CFR 63, Subparts A, DDDDD, HHH, and ZZZZ
Major New Source Review (NSR) - includes Prevention of Significant Deterioration (PSD) and/or Non-attainment Area (NAA) NSR		X	
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV		X	
Compliance Assurance Monitoring (CAM)	X		
State Implementation Plan (SIP)	X		General SIP

TABLE OF CONTENTS

SECTION I. GENERAL INFORMATION.....	3
A. PURPOSE.....	3
B. FACILITY LOCATION	3
C. FACILITY BACKGROUND INFORMATION.....	3
D. CURRENT PERMIT ACTION.....	6
E. TAKING AND DAMAGING ANALYSIS	6
F. COMPLIANCE DESIGNATION	7
SECTION II. SUMMARY OF EMISSIONS UNITS.....	8
A. FACILITY PROCESS DESCRIPTION	8
B. EMISSIONS UNITS AND POLLUTION CONTROL DEVICE IDENTIFICATION.....	8
C. CATEGORICALLY INSIGNIFICANT SOURCES/ACTIVITIES	9
SECTION III. PERMIT CONDITIONS	10
A. EMISSIONS LIMITS AND STANDARDS	10
B. MONITORING REQUIREMENTS.....	11
C. TEST METHODS AND PROCEDURES.....	11
D. RECORDKEEPING REQUIREMENTS.....	11
E. REPORTING REQUIREMENTS	11
F. NON-APPLICABLE REQUIREMENT ANALYSIS.....	12
SECTION IV. FUTURE PERMIT CONSIDERATIONS	15
A. MACT STANDARDS (PART 63).....	15
B. NESHAP STANDARDS (PART 61).....	15
C. NSPS STANDARDS.....	15
D. RISK MANAGEMENT PLAN.....	15
E. COMPLIANCE ASSURANCE MONITORING (CAM) APPLICABILITY	16
F. PSD AND TITLE V GREENHOUSE GAS TAILORING RULE	16

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 Ocean Energy, Inc., Havre Pipeline Company, LLC (HPC), on May 30, 1996, the significant modification application submitted on May 9, 2003, the renewal application submitted on August 20, 2003, the administrative amendment requests submitted by Devon-Louisiana Corporation on August 23, 2004, and by Devon Energy Production Company, L.P. (Devon) on March 13, 2006, February 2, 2007, September 26, 2008, January 28, 2009, August 20, 2009 and June 5, 2013, the administrative amendment request received on January 16, 2014, submitted by Havre Pipeline Company, LLC, a Texas limited liability company (HPC), and the Title V Renewal Application received May 16, 2015.

B. Facility Location

HPC owns and operates the Blaine County #1 Compressor Station. The facility is located at the NW¼ of Section 29, Township 31 North, Range 18 East in Blaine County, Montana. The site is located approximately 22 miles southeast of Havre, Montana, and 18 miles northeast of the Rocky Boy Indian Reservation.

C. Facility Background Information

Montana Air Quality Permit (MAQP) Background

On March 10, 1972, Northern Natural Gas was issued **MAQP #411-060772** for the construction and operation of a glycol dehydration unit located in Section 29, Township 31 North, Range 18 East in Blaine County, Montana.

On October 26, 1981, Northern Natural Gas was issued **MAQP #1626** for the operation of an existing natural gas compressor station located in Section 25, Township 27 North, Range 18 East in Blaine County, Montana.

Effective January 1, 1992, pursuant to Administrative Rules of Montana (ARM) 16.8.1903, the Department of Health and Environmental Sciences (now the Department of Environmental Quality (Department)) began assessing annual air quality operation fees for all sources holding or required to hold an air quality permit. In assessing bills to Northern Natural Gas, it was brought to the Department's attention that Northern Natural Gas operated three natural gas compressor stations in Montana, but held four air quality permits. It was determined that MAQP #411-060772 and MAQP #1626 were for separate equipment at the same site. MAQP #1626-01 was issued on February 7, 1993, to consolidate the two permits and to properly identify the permitted equipment and the facility location. **MAQP #1626-01** replaced MAQP #411-060772 and MAQP #1626.

Havre Pipeline Company, LLC (HPC), acquired the Blaine County #1 Compressor Station from the Northern Natural Gas Company on September 30, 1995. On August 4, 1996, MAQP #1626-02 was issued to HPC. This permit acknowledged the change of ownership of the Blaine County #1 compressor station and included the installation and operation of an additional three 1,140 brake-horsepower (bhp) Caterpillar G3516 TALE natural gas compressor engines. Other insignificant emitting units, including scrubbers, headers, meters, and coolers, were also installed during this project. **MAQP #1626-02** replaced MAQP #1626-01.

On July 23, 1998, the Department received a request to modify MAQP #1626-02. The request was to remove the VOC testing requirements for the three 1,140 bhp Caterpillar G3516 TALE compressor engines and to correct the source numbering within the permit. The Department previously determined VOC testing was not necessary; however, the limit remained in case testing may be required in the future. This permit was modified consistent with actions taken at other compressor stations. Rule references were also updated. **MAQP #1626-03** replaced MAQP #1626-02.

On May 7, 1999, the Department received notification that UMC Petroleum Corp had merged with Ocean Energy, Inc. The HPC, Blaine County #1 compressor station, now operated as a subsidiary of Ocean Energy, Inc. On June 27, 1999, **MAQP #1626-04** replaced MAQP #1626-03.

In 1999, the EPA notified the Department that any condition in a Montana Air Quality 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 Montana Air Quality Permits that they could request deletion of the conditions based on ARM 17.8.717 and 17.8.315. Removing these conditions does not relieve the facility from complying with the rule upon which the permit condition was based; removal only ensures that enforcement of that condition remained with the Department. HPC requested that the Department remove the condition based on ARM 17.8.315 from HPC's permit. **MAQP #1626-05** replaced MAQP #1626-04.

On August 23, 2004, the Department received a request to change the corporate name on MAQP #1626-05 from HPC to Devon-Louisiana Corporation. The Department changed the corporate name on MAQP #1626-05 from HPC to Devon-Louisiana Corporation, and updated the permit to reflect current permit language and rule references used by the Department. **MAQP #1626-06** replaced MAQP #1626-05.

On March 13, 2006, the Department received a request to change the corporate name on MAQP #1626-06 from Devon-Louisiana Corporation to Devon. The Department changed the corporate name on MAQP #1626-06 as requested. **MAQP #1626-07** replaced MAQP #1626-06.

On January 27, 2009, the Department received a request from Bison Engineering Inc., on behalf of Devon, to modify MAQP #1626-07 to include the installation of a natural gas-fired four-stroke rich-burn emergency/standby engine/generator with a maximum rated design capacity equal to or less than 770 bhp. On February 13, 2009, the Department received corrections to the submittal materials from Bison Engineering, Inc., on behalf of Devon, that included a corrected report, permit application forms, and emissions inventory for the equipment list associated with the Blaine County #1 natural gas compressor station. These permit actions

updated the permit to include the standby/emergency 770 bhp engine/generator, and to reflect current permit rule references, permit language, permit format and emission factors. **MAQP #1626-08** replaced MAQP #1626-07.

On January 16, 2014, the Department received correspondence from 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. **MAQP #1626-09** replaced MAQP #1626-08.

Title V Operating Permit Background

On May 30, 1996, the Department received an operating permit application for the Blaine County #1 Compressor Station. The permit application was deemed administratively complete on June 30, 1996, and the permit application was deemed technically complete on July 30, 1996. **Operating Permit #OP1626-00** became final and effective on January 1, 1999.

On May 9, 2003, the Department received a Title V Operating Permit Significant Modification Application (OP1626-01) from Bison Engineering, Inc. (Bison), on behalf of HPC. The application was deemed administratively complete on May 10, 2003, and technically complete on July 9, 2003.

HPC requested that the Department modify Operating Permit #OP1626-00 to reflect the fact that the Blaine County #1 Compressor Station is subject to 40 Code of Federal Regulations (CFR) 63, Subpart A and Subpart HHH because the facility is a major source of Hazardous Air Pollutants (HAPs). As a result, conditions were added to EU006 (Triethylene Glycol (TEG) Dehydration Still Vent) requiring HPC to comply with all applicable standards, limitations, reporting, recordkeeping, and notification requirements contained in 40 CFR 63, Subpart A and Subpart HHH. In addition, EU006 was changed from TEG Dehydration Still Vent to ALCO Dehydration Unit and PAMCO Dehydration Unit because the facility now utilizes two dehydration units.

Further, the name on the permit was updated from UMC Petroleum Corporation, Havre Pipeline Company, to Ocean Energy, Inc., Havre Pipeline Company, LLC. The name change was incorporated into MAQP #1626-04 but was never incorporated into the operating permit. The mailing address was also updated to reflect the current mailing address. Finally, the permit format, language, and rule references were updated to reflect the Department's current permit format, language, and rule references.

The draft **Operating Permit #OP1626-01** was issued on September 4, 2003; however, HPC submitted a Title V renewal application on August 20, 2003. In order to expedite the permitting process, the Department decided not to proceed with issuing the proposed Operating Permit #OP1626-01 and to issue a "re-drafted" Operating Permit #OP1626-02 to include the changes requested in the significant modification application, as well as the renewal application.

The renewal application addressed the applicability of the Compliance Assurance Monitoring (CAM) rule. The Department reviewed the CAM applicability analysis provided by HPC and the Department agrees that the CAM rule does not apply to the Blaine County #1 Facility because none of the emitting units meet the criteria for CAM applicability. **Operating Permit #OP1626-02** replaced Operating Permit #OP1626-00 and draft Operating Permit #OP1626-01.

On December 30, 2004, the Department issued Operating Permit #OP1626-03 to Devon. The administrative amendment changed the corporate name on Operating Permit #OP1626-02 from Ocean Energy, Inc./Havre Pipeline Company, LLC, to Devon. **Operating Permit #OP1626-03** replaced Operating Permit #OP1626-02.

On October 11, 2006, the Department issued Operating Permit #OP1626-04 to Devon. The administrative amendment changed the corporate name on Operating Permit #OP1626-03 from Devon-Louisiana Corporation to Devon Energy Production Company, L.P. **Operating Permit #OP1626-04** replaced Operating Permit #OP1626-03.

On February 2, 2007, Devon requested to administratively amend the permit to change the responsible official. **Operating Permit #OP1626-05** replaced Operating Permit #OP1626-04.

On September 26, 2008, the Department received a renewal application from Devon (assigned #OP1626-06). On January 28, 2009, the Department received a request to modify Devon's #OP1626-05 to include a 770 bhp emergency engine/generator that was incorporated into MAQP #1626-08 on April 16, 2009. On August 20, 2009, the Department received an Administrative Amendment request from Devon to change the responsible official from Don Fippinger to Tracy Carter. The renewal, modification and amendment actions were all combined under **Operating Permit #OP1626-07** which replaced Operating Permit #OP1626-05.

On January 16, 2014, the Department received correspondence from Devon as notification of a transfer of ownership from Devon to HPC. An administrative amendment to transfer ownership from Devon to HPC, correct the permit's renewal application date from May 14, 2014, to May 17, 2014, and to update the permit to reflect current permit language and rule references used by the Department occurred. **Operating Permit OP#1626-09** replaced Operating Permit OP#1626-08.

D. Current Permit Action

On May 16, 2014, the Department received from HPC an application for renewal of the Title V Operating Permit. In this action, the Title V Permit was renewed, and some additional applicable requirements added. The requirements resulting from EPA's Regional Haze review found in 40 CFR 52.1396 was added. In contrast to the MAQP, MACT HHH vs. MACT HH is applicable to this facility. **Operating Permit #OP1626-10** replaces Operating Permit #OP1626-09.

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

A full compliance evaluation was finalized September 15, 2014, covering the period from November 9, 2011, through September 15, 2014. Based on records review and an on-site inspection conducted August 6, 2014, the facility was found to be in compliance with the Montana Air Quality Permit and Title V Permit.

SECTION II. SUMMARY OF EMISSIONS UNITS

A. Facility Process Description

The HPC Blaine County #1 Compressor Station is a compressor station designed to boost the gas pressure for transportation to markets. It provides this compression as a service to the gas producers in the area. HPC never acquires ownership of the gas it compresses. The field gas is initially compressed in the booster compressors and fed into the primary compressors. Once compressed, the gas is dehydrated in two TEG dehydration units. The compressor station has additional emissions sources that correspond to auxiliary equipment and fugitives. These sources are space heaters, a stand-by generator, and tanks.

B. Emissions Units and Pollution Control Device Identification

The emissions units regulated by Operating Permit #OP1626-10 and the pollution control device utilized by each emissions unit are summarized in the following table:

Emissions Unit ID	Description	Pollution Control Device/Practice
EU001	5,500 bhp Ingersoll Rand KVR 616 Lean Burn Compressor Engine	None, potentially Regional Haze Conditions
EU002	5,500 bhp Ingersoll Rand KVR 616 Lean Burn Compressor Engine	None, potentially Regional Haze Conditions
EU003	1,140 bhp Caterpillar G3516 TALE Lean Burn Compressor Engine	Low emission package/lean-burn engine and electronic AFR controller
EU004	1,140 bhp Caterpillar G3516 TALE Lean Burn Compressor Engine	Low emission package/lean-burn engine and electronic AFR controller
EU005	1,140 bhp Caterpillar G3516 TALE Lean Burn Compressor Engine	Low emission package/lean-burn engine and electronic AFR controller
EU006	60 million standard cubic feet per day (MMscfd) ALCO Dehydration Unit and 50 MMscfd PAMCO Dehydration Unit	40 CFR 63 Subpart HHH
EU007	297 bhp Waukesha L1616 Emergency Engine/Generator	40 CFR 63 Subpart ZZZZ
EU008	770 bhp Cummins GTA28 Emergency Engine/Generator	40 CFR 63 Subpart ZZZZ
EU009	(2) Natural Gas-Fired Heating Boilers (2.93 million Btu per hour (MMBtu/hr))	40 CFR 63 Subpart DDDDD
EU010	Natural Gas-Fired ALCO TEG Dehydrator Reboiler (0.60 MMBtu/hr)	40 CFR 63 Subpart DDDDD
EU011	Natural Gas Fired PAMCO TEG Dehydrator Reboiler (0.75 MMBtu/hr)	40 CFR 63 Subpart DDDDD
EU012	Natural Gas-Fired Heater Treater (1.0 MMBtu/hr)	40 CFR 63 Subpart DDDDD

C. Categorically Insignificant Sources/Activities

ARM 17.8.1201(22)(a) defines an insignificant emissions unit as one that emits 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 (HAP), and is not regulated by any applicable requirement other than a generally applicable requirement that applies to all emission units subject to this subchapter. A list of insignificant emitting units at the HPC facility is summarized in the following table:

Emissions Unit ID	Description
IEU02	(3) Natural Gas-Fired Space Heaters (0.16 MMBtu/hr)
IEU07	Natural Gas-Fired Building/Heat Tracing Boiler (1.0 MMBtu/hr)
IEU09	2,000-Gallon Gasoline Storage Tank
IEU10	2,000-Gallon Methanol Storage Tank
IEU11	6,000-Gallon Methanol Storage Tank
IEU12	500-Gallon Diesel Storage Tank
IEU13	On-Site Vehicle Traffic
IEU14	Miscellaneous Fugitive VOC Emissions

SECTION III. PERMIT CONDITIONS

A. Emissions Limits and Standards

Each of the two 5,500 bhp Ingersoll-Rand KVR 616 compressor engines (EU001 and EU002) do not have state associated emissions limits. However emissions from each engine are limited to 20% opacity averaged over 6 consecutive minutes and particulate matter caused by the combustion of fuel is limited to $E = 1.026 * H^{-0.233}$. In addition, fuel burned in the engines must not contain sulfur compounds in excess of 50 grains per 100 standard cubic feet (50 gr/100 scf) of gaseous fuel, calculated as hydrogen sulfide at standard conditions. Further, the stack heights of EU001 and EU002 are required to be a minimum of 45 feet above ground level.

Each of the three 1,140 bhp Caterpillar G3516 compressor engines (EU003, EU004, and EU005) is limited to 3.02 pounds per hour (lb/hr) for oxides of nitrogen (NO_x), 4.78 lb/hr for carbon monoxide (CO), and 1.78 lb/hr for volatile organic compounds (VOC). The emission limits are based on Best Available Control Technology (BACT) determinations that were established by the Department. Emissions from each engine are limited to 20% opacity averaged over 6 consecutive minutes and particulate matter caused by the combustion of fuel is limited to $E = 1.026 * H^{-0.233}$. In addition, fuel burned in the engines must not contain sulfur compounds in excess of 50 gr/100 scf of gaseous fuel, calculated as hydrogen sulfide at standard conditions. Further, the stack heights of EU003, EU004, and EU005 are required to be a minimum of 20 feet above ground level and the speed on each engine shall not exceed 1,400 revolutions per minute (rpm) of continuous duty operation.

Emissions from the 60 MMscf/day ALCO dehydration unit and the 50 MMscf/day PAMCO dehydration unit (EU006) are limited to 20% opacity. In addition, the dehydration units are subject to all applicable standards, limitations, reporting, recordkeeping, and notification requirements contained in 40 CFR Part 63, Subpart A and Subpart HHH.

The 297 bhp Waukesha L1616 emergency engine/generator (EU007) does not have associated emission limits. However, EU007 may only be operated when commercially supplied electrical power is not available or during periods of planned maintenance. EU007 may not be operated as part of routine operations nor more than 500 hours per rolling 12-month time period. In addition, emissions from the emergency generator are limited to 20% opacity averaged over 6 consecutive minutes and particulate matter caused by the combustion of fuel is limited to $E = 1.026 * H^{-0.233}$. Further, fuel burned in the engine must not contain sulfur compounds in excess of 50 gr/100 scf of gaseous fuel, calculated as hydrogen sulfide at standard conditions.

The 770 bhp Cummins GTA28 emergency engine/generator (EU008) does not have associated emission limits. However, EU008 may only be operated when commercially supplied electrical power is not available or during periods of planned maintenance. EU007 may not be operated as part of routine operations nor more than 500 hours per rolling 12-month time period. In addition, emissions from the emergency generator are limited to 20% opacity averaged over 6 consecutive minutes and particulate matter caused by the combustion of fuel is limited to $E = 1.026 * H^{-0.233}$. Further, fuel burned in the engine must not contain sulfur compounds in excess of 50 gr/100 scf of gaseous fuel, calculated as hydrogen sulfide at standard conditions.

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 emissions 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 emissions limits and standards. However, the Department may request additional testing to determine compliance with the emissions limits and standards.

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. A semiannual testing frequency has been prescribed for the compressor engines.

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 emissions limit and monitoring deviations, the reason for any deviation, and the corrective action taken as a result of any deviation.

F. Non-Applicable Requirement Analysis

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

Applicable Requirement	Reason Not Included in Permit
40 CFR 50.4 National Primary Ambient Air Quality Standards for Sulfur Oxides 40 CFR 50.5 National Secondary Ambient Air Quality Standards for Sulfur Oxides 40 CFR 50.6 National Primary and Secondary Ambient Air Quality Standards for PM ₁₀ 40 CFR 50.7 National Primary and Secondary Ambient Air Quality Standards for PM _{2.5} 40 CFR 50.8 National Primary Ambient Air Quality Standards for Carbon Monoxide 40 CFR 50.9 and 50.10 National Primary and Secondary Ambient Air Quality Standards for Ozone 40 CFR 50.11 National Primary and Secondary Ambient Air Quality Standards for Nitrogen Dioxide 40 CFR 50.12 National Primary and Secondary Ambient Air Quality Standards for Lead 40 CFR 50, Appendices A-K 40 CFR 51.100 Definitions 40 CFR 51.101-105 Stipulations, public hearing, submission of plans, revisions and plan approval 40 CFR 51.118 Stack Height Provisions 40 CFR 51.119 Intermittent Control Systems 40 CFR 51.120 SIP Plan Revisions – Motor Vehicles 40CFR 51.160-163 Legally Enforceable Procedures, public availability of information, identification of responsible agency and administrative procedures 40 CFR 31.164 Stack Height Procedures 40 CFR 51.165 Permit Requirements 40 CFR 51.166 Prevention of Significant Deterioration of Air Quality 40 CFR 51.190-285 Ambient Air Quality Surveillance, source surveillance, legal authority, intergovernmental consultation, compliance schedules and miscellaneous plant content requirements 40 CFR 51.300-307 Protection of Visibility 40 CFR 51.308-309 Regional haze program requirements and requirements related to the Grand Canyon Visibility Transport Commission. 40 CFR 51.320-860 Reports, extensions, I/M program requirements, conformity, economic incentive programs and determining conformity of general federal actions to SIP or FIP.	Because these rules contain requirements for regulatory authorities and not major sources, these rules can be used to impose specific requirements on a major source. Consequently, HPC will not be shielded from these regulations.

Applicable Requirement	Reason Not Included in Permit
<p>40 CFR 51 Appendices A-C 40 CFR 51 Appendices L-M 40 CFR 51 Appendix P 40 CFR 51 Appendix S 40 CFR 51 Appendices V-X 40 CFR 53, 54, 56, 58, and 59 40 CFR 71 40 CFR 81 ARM 17.8.130 NOV--Order to take corrective action ARM 17.8.142 Rehearing Procedures--Board Review ARM 17.8.510 Annual Review ARM 17.8.1210-1215 Requirements for Air Quality Operating Permit ARM 17.8.1222, 1223, and 1225 General and Temporary Air Quality Operating Permits and Additional Requirements for Air Quality Operating Permit Amendments ARM 17.8.1228 Requirements for revocation, reopening, and revision for cause ARM 17.8.1231 Notice of Termination, Modification, or Revocation and Re-issuance by the Administrator for Cause ARM 17.8.1232 Public Participation ARM 17.8.1233 Review by Administrator and Affected States ARM 17.8.1301 <i>et seq.</i> Conformity ARM 17.8.1401 <i>et seq.</i> Conformity of General Federal Actions</p>	<p>Because these rules contain requirements for regulatory authorities and not major sources, these rules can be used to impose specific requirements on a major source. Consequently, HPC will not be shielded from these regulations.</p>
<p>40 CFR 52.21 Prevention of Significant Deterioration 40 CFR 52.23 Violation and Enforcement 40 CFR 52.24 Statutory Restriction on New Sources 40 CFR 52.26-29 Visibility monitoring strategy, protection of visibility for sources in attainment and non-attainment areas, and visibility long-term strategies 40 CFR 52.30-34 Sanctions, mandatory sanctions, compliance certifications, and section 126 petitions 40 CFR 52.50-2920 and Appendices D, E, and F 40 CFR 62 40 CFR 70</p>	<p>Because these rules do not have specific requirements but are always relevant to a major source, these rules are never listed in the non-applicable requirements and HPC will not be shielded from these regulations.</p>

<p>40 CFR 68 40 CFR 64 Compliance Assurance Monitoring ARM 17.8.120 <i>et seq.</i> Variance Procedures ARM 17.8.131 Enforcement Procedures—Appeal to Board ARM 17.8.140-141 Rehearing Procedures – Form and Filing of Petition and Filing Requirements ARM 17.8.511 Fee Appeal Procedure ARM 17.8.514 Air Quality Open Burning Fees ARM 17.8.605 –606 Special Burning Periods and Minor Open Burning ARM 17.8.611-615 Open burning for emergency, conditional, Christmas tree waste, commercial film production, and firefighter training ARM 17.8.1224 Additional Requirements for Operational Flexibility and Air Quality Operating Permit Changes that do not Require Revisions ARM 17.8.1226 Additional Requirements for Minor Air Quality Operating Permit Modifications ARM 17.8.1227 Additional Requirements for Significant Air Quality Operating Permit Modifications ARM 17.8.1501 Compliance Assurance Monitoring</p>	<p>Because these are procedural rules that have specific requirements that may become relevant a major source during the permit term, HPC will not be shielded from these requirements.</p>
<p>ARM 17.8.101-104 Definitions, Incorporation by Reference and Reserved ARM 17.8.301 and 302 Definitions and Incorporation by Reference ARM 17.8.330 Emission Standards for Existing Aluminum Plants ARM 17.8.401 <i>et seq.</i> Stack Heights and Dispersion Techniques ARM 17.8.501 Definitions ARM 17.8.601 and 602 Definitions and Incorporation by Reference ARM 17.8.740 <i>et seq.</i> Permit, Construction and Operation of Air Contaminant Sources ARM 17.8.801 <i>et seq.</i> Prevention of Significant Deterioration of Air Quality ARM 17.8.901 <i>et seq.</i> Permit Requirements for Major Stationary Sources or Major Modifications Located Within Non-attainment Areas ARM 17.8.1001 <i>et seq.</i> Preconstruction Permit Requirements for Major Stationary Sources or Major Modifications Located Within an Attainment or Unclassified Area ARM 17.8.1101 <i>et seq.</i> Visibility Impact Analysis ARM 17.8.1201-1203 Definitions, incorporation by reference, and program overview ARM 17.8.1234 Acid Rain Permits</p>	<p>Because these rules consist of either a statement of purpose, applicability statement, regulatory definitions or a statement of incorporation by reference and do not have specific requirements associated with them, HPC will not be shielded from these rules.</p>
<p>ARM 17.8.326 Prohibited Materials for Wood or Coal Residential Stoves</p>	<p>Because these are rules that are always applicable to a major source and may contain specific requirements for compliance, HPC will not be shielded from these rules.</p>
<p>40 CFR 63 Subpart HH</p>	<p>Because this rule is potentially applicable to facilities within the source category relevant to HPC, this rule will not be shielded.</p>

SECTION IV. FUTURE PERMIT CONSIDERATIONS

A. MACT Standards (Part 63)

The Department is unaware of any proposed or pending MACT Standards that may be promulgated that will affect the Blaine County #1 Compressor Station.

National Emission Standards for Hazardous Air Pollutants From Oil and Natural Gas Production Facilities (40 CFR 63, Subpart HH) and National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities (40 CFR 63, Subpart HHH) were promulgated June 17, 1999. As of the decision date of Operating Permit #OP1626-10, Subpart HHH applies to the Blaine County #1 Facility. Subpart HH does not apply to the Blaine County #1 Compressor Station because the facility is considered a natural gas transmission and storage facility, not a natural gas production facility.

National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (40 CFR Part 63, Subpart ZZZZ) applies to the Blaine County #1 Compressor Station, and the facility has been determined to be a major source of HAPs (formaldehyde). According to the rule, MACT for existing lean-burn engines is no control; therefore, the two 5,500 bhp Ingersoll-Rand KVR 616 (lean-burn) compressor engines and the three 1,140 bhp Caterpillar 3516 (lean-burn) compressor engines are not subject to any specific control technology requirement. The 297 bhp Waukesha L1616 emergency engine/generator is a rich-burn engine, and according to the rule, is an affected unit because it is a stationary reciprocating internal combustion engine (RICE) constructed prior to June 12, 2006, with a site rating less than 500 bhp, located at a major source of HAP emissions. The 770 bhp Cummins GTA28 emergency engine/generator is a rich-burn engine; however, 40 CFR 63.6590(b) states that an emergency stationary RICE with a site rating more than 500 bhp must meet the initial notification requirements of 40 CFR 63.6645, but is not otherwise affected by the requirements.

National Emission Standards for Hazardous Air Pollutants for Industrial/Commercial/Institutional Boilers and Process Heaters (40 CFR 63, Subpart DDDDD) applies to this source because HPC is a major source of HAPs with process heaters and boilers as defined in this subpart. HPC must comply with applicable portions of this subpart no later than January 31, 2016.

B. NESHAP Standards (Part 61)

The Department is unaware of any proposed or pending NESHAP standard that may be promulgated that will affect the Blaine County #1 Compressor Station.

C. NSPS Standards

The Department is unaware of any proposed or pending NSPS Standards that may be promulgated that will affect the Blaine County #1 Compressor Station.

D. Risk Management Plan

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.

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

E. Compliance Assurance Monitoring (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 emissions limitation or standard for the applicable regulated air pollutant (unless the limitation or standard is exempt under ARM 17.8.1503(2));
- The emitting unit uses a control device to achieve compliance with such limit; and
- The emitting unit has potential pre-control device emissions of the applicable regulated air pollutant that is greater than major source thresholds.

HPC does not currently have any emitting units that meet all the applicability criteria in ARM 17.8.1503, and is therefore not currently required to develop a CAM Plan. If/when HPC installs controls as required by the Regional Haze requirements, CAM applicability would be required to be reviewed.

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 (CO₂e) 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 CO₂e 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 of CO₂e 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 CO₂e and 100 TPY of GHG on a mass basis would be required to obtain a Title V Operating Permit.

Based on information provided by the applicant, the Blaine County #1 Compressor Station's potential emissions exceed the GHG major source threshold of 100,000 TPY of CO₂e 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 CO₂e 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.