

**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**

ExxonMobil Billings Terminal  
Section 25, Township 1 North, Range 26 East, Yellowstone County, Montana  
607 ExxonMobil Road  
Billings, MT 59101

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

<b>Facility Compliance Requirements</b>	Yes	No	Comments
Source Tests Required	X		
Ambient Monitoring Required		X	
COMS Required		X	
CEMS Required	X		
Schedule of Compliance Required		X	
Annual Compliance Certification and Semiannual Reporting Required	X		
Monthly Reporting Required		X	
Quarterly Reporting Required		X	
<b>Applicable Air Quality Programs</b>			
ARM Subchapter 7 – Montana Air Quality Permit (MAQP)	X		#2967
New Source Performance Standards (NSPS)	X		40 CFR 60, Subpart XX
National Emission Standards for Hazardous Air Pollutants (NESHAPS)		X	Except for 40 CFR 61, Subpart M
Maximum Achievable Control Technology (MACT)	X		40 CFR 63, Subparts R and EEEE
Major New Source Review (NSR) – includes Prevention of Significant Deterioration (PSD) and/or Non-Attainment Area (NAA) NSR	X		In conjunction with refinery
Risk Management Plan Required (RMP)		X	
Acid Rain Title IV		X	
Compliance Assurance Monitoring (CAM)		X	
State Implementation Plan (SIP)	X		

## 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.....	6
E. TAKING AND DAMAGING ANALYSIS.....	6
F. COMPLIANCE DESIGNATION .....	6
<b>SECTION II. SUMMARY OF EMISSIONS UNITS.....</b>	<b>8</b>
A. FACILITY PROCESS DESCRIPTION.....	8
B. EMISSION UNITS AND POLLUTION CONTROL DEVICE IDENTIFICATION.....	8
C. CATEGORICALLY INSIGNIFICANT SOURCES/ACTIVITIES .....	9
<b>SECTION III. PERMIT CONDITIONS .....</b>	<b>10</b>
A. EMISSION LIMITS AND STANDARDS.....	10
B. MONITORING REQUIREMENTS .....	10
C. TEST METHODS AND PROCEDURES .....	10
D. RECORDKEEPING REQUIREMENTS .....	10
E. REPORTING REQUIREMENTS .....	10
F. PUBLIC NOTICE .....	11
<b>SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS.....</b>	<b>12</b>
<b>SECTION V. FUTURE PERMIT CONSIDERATIONS .....</b>	<b>14</b>
A. MACT STANDARDS (PART 63) .....	14
B. NESHAP STANDARDS (PART 61).....	14
C. NSPS STANDARDS .....	14
D. RISK MANAGEMENT PLAN.....	14
E. CAM APPLICABILITY .....	14
F. PSD AND TITLE V GREENHOUSE GAS TAILORING RULE .....	15

## 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 emission units affected by the operating permit proposed for this facility. The document is intended for reference during review of the proposed permit by the U.S. 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 Title V application submitted by ExxonMobil Billings Terminal (ExxonMobil) on June 29, 2007, the modification application material received by The Department of Environmental Quality (DEQ) on February 16 and February 24, 2011, the administrative amendment request for a change in responsible official received by DEQ on May 11, 2011, the Title V Renewal application received October 29, 2012, an administrative amendment request received December 13, 2013 to update the responsible official, an administrative amendment request received on January 12, 2015 to update the company name and title of the responsible official, an administrative amendment request received April 20, 2015 to update the responsible official, an administrative amendment request on May 16, 2017 to update the responsible official, an administrative amendment request received on September 25, 2017 to update the permit to ensure flexibility provided by the underlying MACT control requirements of 40 CFR 63 Subpart R, a de minimis change submitted October 20, 2017, an administrative amendment request received February 15, 2018 to update the contact and responsible official information contained in the permit, and the renewal application received September 4, 2018, and an administrative amendment request received July 27, 2022 to update the contact and responsible official information contained in the permit.

### B. Facility Location

ExxonMobil is located in Section 25, Township 1 North, Range 26 East, which is approximately 2 miles East of Billings in Yellowstone County.

### C. Facility Background Information

#### **Montana Air Quality Permit**

DEQ received a complete application for a Montana Air Quality Permit (MAQP) on March 5, 1998. ExxonMobil applied for the permit to establish federally enforceable limits for the product loading rack in order to meet synthetic minor requirements of the Title V Operating Permit program. **MAQP #2967-00** was issued May 3, 1998.

On February 16, 2011, and February 24, 2011, DEQ received elements to fulfill a complete permit modification application from ExxonMobil. The application proposed modifications of piping and related components at the truck loading rack for the purpose of blending ethanol with gasoline for truck loadout and for loading denatured ethanol to tanker trucks. The proposed project would add pipe fittings, flanges, pumps, and other piping components. Changes to the permit include the addition of ethanol handling capabilities within existing permit conditions. The permit action modified MAQP #2967-00 to include the addition of ethanol handling capabilities within existing permit conditions as well as updated the rule

references, permit format, and the emissions inventory. **MAQP #2967-01** was issued final on May 24, 2011.

On September 27, 2017, DEQ received from ExxonMobil a request to administratively amend the MAQP and the Title V Operating Permit. The purpose of the amendment request was to ensure the permit provides flexibility allowed by the underlying Maximum Achievable Control Technology rules. The change did not revise the associated performance standards but removed any specifics as to how that performance standard was to be achieved. This permitting action did not contemplate any change in emissions. Further, any changes to the vapor processing system would be evaluated separately. **MAQP #2967-02** replaced MAQP #2967-01.

On October 22, 2018, DEQ received from ExxonMobil a request to administratively amend the MAQP. The purpose of the amendment request was to ensure the permit equipment list in Section I.B of the permit analysis is up to date. **MAQP #2967-03** replaced MAQP #2967-02.

### **Title V Operating Permit**

DEQ determined the facility was not appropriately permitted under the synthetic minor regulations. DEQ determined the Billings Terminal meets the definition of a “support facility” to the separately permitted ExxonMobil Refinery (#OP1564-01). Because the ExxonMobil Billings Refinery and the ExxonMobil Billings Terminal are two separate business units, the facility maintains two separate permits to facilitate internal administration; however, pursuant to ARM 17.8.1201(23) and 17.8.801(7), the federal clean air act, and several interpretive letters and memos, the Terminal and Refinery are determined to be one facility. Therefore, modifications at either the Terminal or the Refinery are looked at in aggregate for NSR permitting. **Title V Operating Permit #OP2967-00** was issued final and effective on May 6, 2008.

On February 16, 2011 and February 24, 2011, DEQ received elements to fulfill a complete permit modification application from ExxonMobil. The application proposed modifications of piping and related components at the truck loading rack for the purpose of blending ethanol with gasoline for truck loadout and for loading denatured ethanol to tanker trucks. The proposed project would add pipe fittings, flanges, pumps, and other piping components. Changes to the permit include the addition of ethanol handling capabilities within existing permit conditions. The permit action modified MAQP #2967-00 to include the addition of ethanol handling capabilities within existing permit conditions as well as updated the rule references, permit format, and the emissions inventory.

As a Title V source, the application for corresponding modification of the Title V permit was made concurrently with the MAQP, therefore, the application covered both the MAQP and Title V modification request. On May 11, 2011, DEQ received an administrative amendment request to update the responsible official from Jim B. Rose to Brian R. Clark. The modification and the administrative amendment were rolled into one action by DEQ. The Operating Permit number therefore skipped from #OP2967-00 to #OP2967-02 when posted Draft and when posted for the EPA Review Period to recognize the two separate permit requests.

On August 10, 2011, DEQ received an additional Administrative Amendment request to change the responsible official from Brian R. Clark to Geoffrey A. Craft, effective immediately. DEQ, before issuing the permit Decision, also incorporated this responsible official change to the permit. Therefore, the responsible official listed in the permit was changed going from the EPA review period to Decision, and the permit number was updated again to **#OP2967-03** to

recognize the second administrative amendment being incorporated into the action. All three actions were incorporated into the permit before the permit was issued Decision.

On February 10, 2012, DEQ received an Administrative Amendment request to change the responsible official from Geoffrey A. Craft to Karen S. Tyrone, effective immediately.

**Operating Permit #OP2967-04** replaced Operating Permit #OP2967-03.

On October 29, 2012, DEQ received a renewal application for renewal of the Title V Operating Permit. **Operating Permit #OP2967-05** replaced Operating Permit #OP2967-04.

On July 22, 2014, DEQ received an Administrative Amendment request to change the responsible official from Karen S. Tyrone to Kevin J. Badgett. **Operating Permit #OP2967-06** replaced Operating Permit #OP2967-05.

On January 12, 2015, DEQ received an Administrative Amendment to update the company name and title of the responsible official. The responsible official Mr. Kevin Badgett, will be employed by Americas Fuels Operations, Midstream, ExxonMobil Refining and Supply Company, a division of Exxon Mobil Corporation. **Operating Permit #OP2967-07** replaced Operating Permit #OP2967-06.

On April 20, 2015, DEQ received an Administrative Amendment to update the responsible official. On June 1, 2015, DEQ received the email address for Ms. Tran. Ms. Loan K. Tran replaced Mr. Kevin Badgett as the responsible official. **Operating Permit #OP2967-08** replaced Operating Permit #OP2967-07.

On May 16, 2017, DEQ received an Administrative Amendment to update the responsible official. Mr. Vito A. DiIenna replaces Ms. Loan K. Tran. The permit action incorporated the responsible official change as well as updated the permit to reflect current language used by DEQ. **Operating Permit #OP2967-09** replaced Operating Permit #OP2967-08.

On September 25, 2017, DEQ received an Administrative Amendment request to update the operating permit following revision of the MAQP. The purpose of the amendment request was to ensure the permit provided flexibility allowed by the underlying Maximum Achievable Control Technology rules regarding control technology utilized for compliance with emissions standards of 40 CFR 63 Subpart R. **Operating Permit #OP2967-10** replaced Operating Permit #OP2967-09.

On February 15, 2018, DEQ received an Administrative Amendment request to update the operating permit to reflect changes in Responsible Official and Facility Contact information. Mr. John Gurrola, US Rockies / West Coast Area Manager, replaced Mr. Vito DiIenna as the responsible official for this permit. Mr. Michael P. Bailey, Working Foreman, replaced Ms. Kay Babineaux as the facility contact associated with this permit. Because DEQ implemented electronic contact tracking, the phone number, email, and other such information was intentionally removed from the permits. The appropriate changes to contact information was made to DEQ's electronic tracking system, and the permit was otherwise updated to reflect the changes. **Operating Permit #OP2967-11** replaced Operating Permit #OP2967-10.

On September 4, 2018, DEQ received from ExxonMobil a Title V renewal application. The current permit action renews the Title V permit for another 5-year cycle. **Operating Permit #OP2967-12** replaced Operating Permit #OP2967-11.

#### D. Current Permit Action

On July 27, 2022, DEQ received an administrative amendment from ExxonMobil to change the responsible office and facility contact. DEQ made the requested amendment and updated the OP with current language. **Operating Permit #OP2967-13** replaces Operating Permit #OP2967-12.

#### 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, DEQ is required to complete a Taking and Damaging Checklist. As required by 2-10-101 through 2-10-105, MCA, DEQ 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)

#### F. Compliance Designation

DEQ conducted a full compliance evaluation for the period from August 4, 2016, to July 22, 2020, for the ExxonMobil Billings Terminal.

DEQ found no record of any exceedances or violations at the Exxon Terminal during this reporting period. There were no complaints documented with DEQ for the period covered by the latest Compliance Monitoring Report.

## SECTION II. SUMMARY OF EMISSIONS UNITS

### A. Facility Process Description

The Billings Terminal is operated by ExxonMobil Oil Corporation and the nearby ExxonMobil Billings Refinery (Refinery) is operated by Exxon Mobil Corporation. The Refinery transfers products to the Terminal for additive blending and distribution over the Terminal Loading rack. The Terminal is considered a support facility to the Refinery; therefore, the Refinery and the Terminal are considered one facility for air permitting purposes. The facility maintains two separate permits to facilitate internal administration.

Products manufactured in the Refinery are pumped to the Terminal for storage or loaded directly into cargo tank trucks for delivery to the retail point. Products loaded at the facility include motor gasoline, two grades of aviation gasoline, jet fuel, several different grades of diesel, heating oil, and interface. Interface consists of the mixture of water and hydrocarbons that results from draining any water from the storage tanks and any product drained from the cargo tanks prior to being loaded at the loading rack. Several additives are added at the point of loading to enhance certain desirable product characteristics. Additive arrives at the Terminal via rail or truck. Additive destined for use at other ExxonMobil Montana terminals is brought by railcar, stored at Billings and loaded directly into cargo tank trucks for over the road transport.

Loading is accomplished at two lanes at the loading rack. Product is pumped from storage on the Terminal's property or directly from Refinery storage. All of the distillate products (jet, diesel, and heating oil) and leaded regular mogas are loaded directly from Refinery storage.

The loading rack is controlled by a John Zink Adsorption/Absorption Gasoline Vapor Recovery Unit (VRU). The effective hydrocarbon vapor recovery system utilizes the processes of physical adsorption in combination with absorption to recover gasoline vapors and return the recovered product into storage. Exxon installed the VRU in 1994 which has a performance guarantee for hydrocarbon emissions not to exceed 10 milligrams per liter (mg/l) of product loaded at the loading rack for any consecutive 6-hour period during normal operations. Loading occurs by each cargo tank truck getting a "permissive" based on information about tightness certification contained in an on-board microchip. Without the permissive the truck cannot be loaded without intervention by an Exxon employee. Once a permissive has been received, this process only requires seconds, the vapor recovery system will be engaged and the normal loading will commence. This system was installed to facilitate Clean Air Act, New Source Performance Standards (NSPS), U.S. Department of Transportation (DOT), and state tightness certification requirements.

### B. Emission Units and Pollution Control Device Identification

Emission Unit ID	Description	Pollution Control Device/Practice
EU001	Gasoline Loading Operations/Vapor Processing system	Carbon Adsorption Recovery Unit / Vapor Combustion Unit / or other Vapor Processing System
EU002	Loading Rack Fugitive Emissions	None



### C. Categorically Insignificant Sources/Activities

<b>Emissions Unit ID</b>	<b>Description</b>
IEU01	Tanks 201, 202, 204, 206, 207, 210, and 211
IEU02	Miscellaneous Fugitive Emissions
Natural Gas Fired Shop Heater	Maximum heat input of 45,000 BTU/hr
Natural Gas Fired Comfort Heater	Maximum heat input of 110,000 BTU/hr
Natural Gas Fired Space Heater	Maximum heat input of 150,000 BTU/hr

## SECTION III. PERMIT CONDITIONS

### A. Emission Limits and Standards

There are no emission limits or standards identified in this permit that were not previously applicable to the facility. All of the emission limits are listed in the operating permit along with the applicable rule citation for each limit.

### 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 emission units. Furthermore, they do not require extensive testing or monitoring to assure compliance with the applicable requirements for emission 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 a 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 emission 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, DEQ may request additional testing to determine compliance with the emission 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 DEQ 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 5 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 DEQ 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**

A public notice is not required as the current permit action is considered an administrative amendment.

## SECTION IV. NON-APPLICABLE REQUIREMENT ANALYSIS

Pursuant to ARM 17.8.1221, ExxonMobil requested a permit shield for all non-applicable regulatory requirements and regulatory orders identified in the tables in Section 8 of the permit application. In addition, the ExxonMobil permit application identified a permit shield request for applicable requirements for both the facility and for certain emission units. DEQ has determined that the requirements identified in the permit application for the individual emission units are non-applicable. These requirements are contained in the permit in Section IV - Non-applicable Requirements.

The following table outlines those requirements that ExxonMobil had identified as non-applicable in the permit application but will not be included in the operating permit as non-applicable. The table includes both the applicable requirement and reason that DEQ did not identify this requirement as non-applicable.

Applicable Requirement	Reason
40 CFR 50.1 through 50.16	These regulations establish ambient standards applicable to the area in which this facility is located. A shield is not appropriate.
40 CFR 50 Appendices A through R	These regulations describe methods for pollutant sampling and is or may be applicable and relevant to the area in which this facility is located. A shield is not appropriate.
40 CFR 51 through 59	These regulations specify various requirements for the state and is or may be applicable or relevant to this facility, the area in which the facility is located, or the state regulations which are applicable to this facility. A shield is not appropriate.
40 CFR 63 Appendix A	Appendix A specifies testing. This facility may be subject to testing by permit and at the request of DEQ. A shield is not appropriate.
ARM 17.8 Subchapters 1 and 2	These general rules are applicable to all facilities. A shield is not appropriate.
ARM 17.8 Subchapter 9	These regulations may become applicable during the life of the permit.
ARM 17.8 Subchapter 10	These regulations may become applicable during the life of the permit.
ARM 17.8.8.1210 to 1215	These regulations define what DEQ must include in an operating permit and is relevant to this facility. A shield is not appropriate.
ARM 17.8.1211 to 1231	These regulations regarding the Title V program are relevant to this facility. A shield is not appropriate.

<b>Subchapter 12 Operating Permit Program</b>	
ARM 17.8.1234 Acid Rain—Permits Regulation	This rule consists of a regulatory definition and statement of incorporation by reference
<b>Subchapter 13 Conformity</b>	
Subchapter 13 Conformity	This rule applies only to DEQ, EPA, and/or regional authorities
<b>Subchapter 14 Conformity of General Federal Actions</b>	
Subchapter 14 Conformity	This rule applies only to DEQ, EPA, and/or regional authorities
<b>Subchapter 15 Compliance Assurance Monitoring</b>	
Subchapter 15 CAM	The source is not currently subject to CAM; however, Department policy does not provide shield from CAM requirements.
<b>Federal Requirements</b>	
40 CFR 62 Approval and Promulgation of State Plans for Designated Facilities and Pollutants	These rules contain requirements for regulatory authorities and not major sources; these rules can be used to impose specific requirements on a major source.

## SECTION V. FUTURE PERMIT CONSIDERATIONS

### A. MACT Standards (Part 63)

As of the decision date of this permit, DEQ is unaware of any future requirement that may be promulgated during the permit term for which this facility must comply. The MACT standards 40 CFR 63, Subpart R (Gasoline Distribution MACT) and 40 CFR 63, Subpart EEEE (Organic Liquid Distribution MACT) currently apply to this facility.

### B. NESHAP Standards (Part 61)

As of the decision date of this permit, DEQ is unaware of any future NESHAP Standards that may be promulgated that will affect this facility. The NESHAP Standard 40 CFR 61, Subpart M (National Emission Standard for Asbestos) does apply to this facility.

### C. NSPS Standards

As of the decision date of this permit, DEQ is unaware of any future NSPS Standard that may be promulgated that will affect this facility. The NSPS Standard 40 CFR 60, Subpart XX (Bulk Gasoline Terminals) does apply to this facility at this time.

### D. Risk Management Plan

As of the decision date of this permit, 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 3 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. 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 (unless the limitation or standard that 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 emission of the applicable regulated air pollutant that is greater than major source thresholds.

As a continuous emissions monitoring method is in place for the units covered by this permit, DEQ has determined that CAM is not applicable to any units within this permit.

## 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 of 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.

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 PSD may still be required to comply with BACT for GHG emissions.