



**Air Pollution Control
Title V Permit to Operate
Statement of Basis for Permit No V-SUIT-0023-2013.00
{Date TBD}**

**Public Service Company of Colorado
Tiffany Compressor Station
Southern Ute Indian Reservation
La Plata County, Colorado**

1. Facility Information

a. Location

The Tiffany Compressor Station, owned and operated by Xcel Energy, dba Public Service Company of Colorado (PSCo), is located within the exterior boundary of the Southern Ute Indian Reservation. The exact location is Section 4, T32N, R6W, in La Plata County, at latitude North 37.05054 and longitude West -107.5121694. The Mailing address is:

Public Service Company of Colorado
Tiffany Compressor Station
1800 Larimer Street, Suite 1300
Denver, CO 80202

b. Contacts

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c. Description of Operations

The Tiffany Compressor Station conditions natural gas to pipeline quality for delivery to PSCo customers. The facility compresses natural gas using three compressor engines and removes water from the gas stream using three dehydrators. The gas is then odorized and delivered into a PSCo pipeline that provides gas to Pagosa Springs, the San Luis Valley, and the PSCo mountain customers. This facility is classified as a natural gas transmission facility defined under Standard Industrial Classification 4922.

The primary source for emissions is from the facility's three natural gas-fired four-stroke rich-burn (4SRB) spark ignition (SI) compressor engines, and three triethylene glycol (TEG) dehydrators.

d. List of All Units and Emission-Generating Activities

PSCo provided the information contained in Tables 1 and 2 in its initial part 70 permit application. Table 1 lists emission units and emission generating activities, including any air pollution control devices. Emission units identified as “insignificant” emitting units (IEUs) are listed separately in Table 2.

**Table 1 – Emission Units
PSCo Gathering Company, Tiffany Compressor Station**

Emission Unit ID	Description	Control Equipment
E001 E002 E003	3 – White Superior 8G-825 (4SRB SI) Compressor Engines, 658 hp Serial No.: 21086 Installed: 11/15/74 Serial No.: 286139 Installed: 01/01/77 Serial No.: 274239 Installed: 01/01/80	None
D001 D002	2 - Triethylene Glycol (TEG) Dehydration Still, 14 MMscf/d Installed: 1974 Installed: 1974	None
D003	1 - Triethylene Glycol (TEG) Dehydration Still, 10 MMscf/d Installed: 2003	None

The Southern Ute Indian Tribe/State of Colorado Environmental Commission’s Reservation Air Code allows sources to separately list in the permit application units or activities that qualify as “insignificant” based on potential emissions below 2 tpy for all regulated pollutants that are not listed as hazardous air pollutants (HAPs) under Section 112(b) of the Clean Air Act (CAA) and below 1,000 lbs per year or the de minimis level established under Section 112(g), whichever is lower, for HAP emissions [RAC 2-106(4)(f); RAC 1-103(36) and (37)]. However, the application may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to calculate the fee [RAC 2-106(4)(f)]. Units that qualify as “insignificant” for the purposes of the Part 70 application are in no way exempt from applicable requirements or any requirements of the Part 70 permit.

PSCo stated in its Part 70 initial permit application that the emission units in Table 2, below, are insignificant. The application provided calculations for the emergency generator and heater/reboiler emissions based on EPA’s AP-42 emission factors. PSCo provided sufficient information, including EPA Tanks 4.0.9d calculations, to verify any emissions from liquids in the tanks were insignificant. Third party stack testing performed on the smart ash unit was used to determine the insignificance of the unit’s emissions. This data supports PSCo’s claim that these units qualify as insignificant.

**Table 2 – Insignificant Emission Units
PSCo Gathering Company, Tiffany Compressor Station**

Emission Unit ID	Description	Size/Rating
N/A	2 - Triethylene Glycol (TEG) Reboiler (D001 & D002)	0.625 MMBtu/hr
N/A	2 - TEG Storage Tank (plastic, above ground)	500 gal
N/A	1 - Oil Tank	1,100 gal
N/A	1 - Used Oil Tank (underground)	560 gal
N/A	1 - Water/Oil Tank	2,000 gal
N/A	1 - Elastec Inc. Smart Ash Burner	N/A
N/A	1 - TEG Reboiler (D003)	0.35 MMBtu/hr
N/A	1 - Ethylene Glycol Coastal 50 Coolant Tank	1,057 gal
N/A	1 - Generac Emergency Generator	35 KW
N/A	5 - Separator Radiant Heaters	0.025 MMBtu/hr
N/A	2 - Window Mounted Air Conditioner	N/A
N/A	Fugitives	N/A

e. Facility Construction and/or Permitting History

The Tiffany Compressor Station commenced operation in 1974 with one engine (E001) and two TEG dehydrators (D001 and D002). Engine units E002 and E003 were added in 1977 and 1980, respectively. A third dehydrator (D003) was added in 2003. EPA issued the initial part 71 permit, #V-SU-0023-00.00, on November 22, 2000. The facility's first renewal permit was issued on December 6, 2005 as permit #V-SU-0023-05.00. That permit was twice modified and issued as permit #V-SU-0023.05.02. The facility's second renewal permit, #V-SU-0023-2010.00 was issued May 9, 2011 with an effective date of May 18, 2011. That permit will be replaced by this initial part 70 permit, #V-SUIT-0023-2013.00. No pre-construction permits have been issued to this facility.

f. Potential to Emit

Under RAC 1-103(51), potential to emit (PTE) is defined as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation, or the effect it would have on emissions, is federally enforceable.

Greenhouse Gas Tailoring Rule

On June 3, 2010, EPA promulgated the final PSD and Title V Greenhouse Gas Tailoring Rule (Tailoring Rule). The Tailoring Rule established the applicability criteria that determine which stationary sources and modification projects are subject to PSD and Title V permitting requirements for greenhouse gas (GHG) emissions. As of January 2, 2011, GHGs are regulated NSR pollutants under the PSD major source permitting program when they are emitted by new sources or modifications in amounts that meet the Tailoring Rule's set of applicability thresholds.

For PSD and Title V purposes, GHGs are a single air pollutant defined as the aggregate group of the following six gases: carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons

(HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆). CO₂-equivalent (CO₂e) is defined as the sum of the mass emissions of each individual GHG adjusted for its global warming potential value in Table A-1 of the Greenhouse Gas Reporting Program (40 CFR Part 98, Subpart A, Table A-1).

The Tailoring Rule established the following applicability criteria for GHGs:

PSD Applicability Criteria
<p>PSD applies to GHGs if any of the following conditions are met:</p> <ol style="list-style-type: none"> 1. The source is a new source otherwise subject to PSD (for another regulated NSR pollutant) <u>and</u> the source has a GHG PTE equal to or greater than <ul style="list-style-type: none"> • 75,000 tpy CO₂e; 2. The source is a new source and has a GHG PTE equal to or greater than: <ul style="list-style-type: none"> • 100,000 tpy CO₂e, <u>and</u> • 100 / 250 tpy mass basis 3. A modification to an existing source is otherwise subject to PSD (for another regulated NSR pollutant) <u>and</u> has a GHG emissions increase and net emissions increase: <ul style="list-style-type: none"> • Equal to or greater than 75,000 tpy CO₂e, and • Greater than 0 tpy mass basis 4. An existing source has a GHG PTE equal to or greater than: <ul style="list-style-type: none"> • 100,000 tpy CO₂e, <u>and</u> • 100 / 250 tpy mass basis <u>and</u> a modification to an existing source has a GHG emissions increase and net emissions increase: <ul style="list-style-type: none"> • Equal to or greater than 75,000 tpy CO₂e, and • Greater than 0 tpy mass basis 5. The source is an existing minor source for PSD, <u>and</u> a modification alone has actual or potential GHG emissions equal to or greater than: <ul style="list-style-type: none"> • 100,000 tpy CO₂e, <u>and</u> • 100 / 250 tpy mass basis

Title V Applicability Criteria
<p>Title V applies to GHGs at the following sources:</p> <ol style="list-style-type: none"> 1. Existing or newly constructed sources that emit or have a PTE equal to or greater than: <ul style="list-style-type: none"> • 100,000 tpy CO₂e, <u>and</u> • 100 tpy mass basis

A detailed summary and guidance of permitting requirements established by the Tailoring Rule can be found in the March 2011 EPA document titled “PSD and Title V Permitting Guidance for Greenhouse Gases”, located at <http://www.epa.gov/nsr/ghgdocs/ghgpermittingguidance.pdf>.

The PTE for Tiffany Compressor Station was listed by PSCo in Forms “GIS”, “PTE”, and the various forms “EMISS” of the Part 70 operating permit initial application. Table 3 shows PTE data broken down by each individual emission unit, as well as the total facility-wide PTE.

**Table 3 - Potential to Emit (uncontrolled)
PSCo Gathering Company, Tiffany Compressor Station**

Emission Unit ID	Regulated Air Pollutants ^{1,2} in tpy (uncontrolled)								
	NO _x	VOC	SO ₂	PM ₁₀	CO	Lead	Total HAPs	Largest Single HAP (Xylene)	GHGs (CO ₂ e mtpy)
E001	86.0	2.9	0.0	.02	66	0.0	0.7	0.0	2,663.5
E002	86.0	2.9	0.0	.02	66	0.0	0.7	0.0	2,663.5
E003	86.0	2.9	0.0	.02	66	0.0	0.7	0.0	2,663.5
D001	0.0	5	0.0	0.0	0.0	0.0	3.6	1.8	4,438.9
D002	0.0	5	0.0	0.0	0.0	0.0	3.6	1.8	4,438.9
D003	0.0	2.5	0.0	0.0	0.0	0.0	1.9	1	2,057.5
Total IEUs	1.0	0.1	0.0	0.1	1.1	0.0	0.0	0.0	912.6
	259.0	21.3	0.0	0.7	199.1	0.0	11.2	4.6	19,838.3

¹ Uncontrolled NO_x emissions based on stack test data. CO & VOC emissions are based on manufacturer specifications. All other emissions based on AP-42.

² Uncontrolled dehydrator emissions based on GRI-GLY-Calc modeled emissions.

2. Applicable Requirements

The following discussion addresses a selection of the regulations from the Code of Federal Regulations (CFR) at Title 40. Note that this discussion does not include the full spectrum of potentially applicable regulations and is not intended to represent official applicability determinations. These discussions are based on the information provided by PSCo in its Part 70 initial permit application and are only intended to present the information certified to be true and accurate by the Responsible Official of this facility.

Prevention of Significant Deterioration (PSD) - 40 CFR 52.21

PSD is a preconstruction review requirement of the CAA that applies to proposed projects that are sufficiently large (in terms of emissions) to be a “major” stationary source or “major” modification of an existing stationary source. A new stationary source, or a modification to an existing minor stationary source, is major if the proposed project has the potential to emit any pollutant regulated under the CAA in amounts equal to or exceeding specified major source thresholds, which are 100 tpy for 28 listed industrial source categories and 250 tpy for all other sources. PSD also applies to modifications at existing major sources that cause a “significant net emissions increase” at that source. Significance levels for each pollutant are defined in the PSD regulations at 40 CFR 52.21. A modification is a physical change or change in the method of operation.

The Tiffany Compressor Station does not belong to any of the 28 source categories. Therefore, the potential to emit threshold for determining PSD applicability for this source is 250 tons per year. Stack test data used to calculate PTE NO_x emissions for units E001, E002, and E003 show the facility has the PTE NO_x in amounts that exceed the 250 tpy PSD applicability thresholds and is therefore categorized as major for PSD permitting purposes. According to PSCo, since the addition of engine unit E003 in 1980, which caused the facility to become major for PSD permitting, no modification to the facility has increased its NO_x PTE in amounts that meet the significance threshold for major PSD sources of 40 tpy. Therefore, though PSD applies to the facility it is not required to obtain a PSD permit. The GHG emissions at the Tiffany Compressor

Station are not “subject to regulation” as defined in RAC 1-103(65).

New Source Performance Standards (NSPS)

40 CFR Part 60, Subpart A: General Provisions. This subpart applies to the owner or operator of any stationary source that contains an affected facility, the construction or modification of which is commenced after the date of publication of any standard in Part 60. The general provisions under Subpart A apply to sources that are subject to the specific subparts of Part 60.

As explained below, the Tiffany Compressor Station is not subject to any specific subparts under 40 CFR Part 60. **Therefore, the General Provisions of Part 60 do not apply.**

40 CFR Part 60, Subpart Dc: Standards of Performance for Small Industrial-Commercial-Institutional Steam Generating Units. This rule applies to steam generating units with a maximum design heat capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr and commenced construction, modification, or reconstruction after June 9, 1989.

According to PSCo, the Tiffany Compressor Station has no steam generating units with a maximum design heat input capacity of 100 MMBtu/hr or less, but greater than or equal to 10 MMBtu/hr at the at the facility. **Therefore, Subpart Dc does not apply.**

40 CFR Part 60, Subpart K: Standards of performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After June 11, 1973, and Prior to May 19, 1978. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. 40 CFR Part 60, Subpart K does not apply to storage vessels for petroleum or condensate stored, processed, and/or treated at a drilling and production facility prior to custody transfer.

According to PSCo, the Tiffany Compressor Station has no tanks with a storage capacity greater than 40,000 gallons. **Therefore, Subpart K does not apply.**

40 CFR Part 60, Subpart Ka: Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to June 23, 1984. This rule applies to storage vessels for petroleum liquids with a storage capacity greater than 40,000 gallons. Subpart Ka does not apply to petroleum storage vessels with a capacity of less than 420,000 gallons used for petroleum or condensate stored, processed, or treated prior to custody transfer.

According to PSCo, the Tiffany Compressor Station has no tanks with a storage capacity greater than 40,000 gallons. **Therefore, Subpart Ka does not apply.**

40 CFR Part 60, Subpart Kb: Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) for which Construction, Reconstruction, or Modification Commenced After July 23, 1984. This rule applies to storage vessels with a capacity greater than or equal to 75 cubic meters (~629 bbl).

According to PSCo, the Tiffany Compressor Station has no tanks with a capacity greater than 75 m³ (~629 bbl or 19,813 gal) that are used to store volatile organic liquids. **Therefore, Subpart Kb does not apply.**

40 CFR Part 60, Subpart GG: Standards of Performance for Stationary Gas Turbines. This rule applies to stationary gas turbines, with a heat input at peak load equal to or greater than 10.7 gigajoules per hour (10 MMBtu/hr), that commenced construction, modification, or reconstruction after October 3, 1977.

According to PSCo, there are no stationary gas turbines located at the Tiffany Compressor Station. **Therefore, Subpart GG does not apply.**

40 CFR Part 60, Subpart KKK: Standards of Performance for Equipment Leaks of VOC from Onshore Natural Gas Processing Plants for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to compressors and other equipment at onshore natural gas processing facilities. As defined in this subpart, a natural gas processing plant is any processing site engaged in the extraction of natural gas liquids (NGLs) from field gas, fractionation of mixed NGLs to natural gas products, or both. NGLs are defined as the hydrocarbons, such as ethane, propane, butane, and pentane that are extracted from field gas.

According to PSCo, the Tiffany Compressor Station does not extract natural gas liquids from field gas, nor does it fractionate mixed NGLs to natural gas products, and thus does not meet the definition of a natural gas processing plant under this subpart. **Therefore, subpart KKK does not apply.**

40 CFR Part 60, Subpart LLL: Standards of Performance for SO₂ emissions from Onshore Natural Gas Processing for which construction, reconstruction, or modification commenced after January 20, 1984, and on or before August 23, 2011. This rule applies to sweetening units and sulfur recovery units at onshore natural gas processing facilities. As defined in this subpart, sweetening units are process devices that separate hydrogen sulfide (H₂S) and carbon dioxide (CO₂) from a sour natural gas stream. Sulfur recovery units are defined as process devices that recover sulfur from the acid gas (consisting of H₂S and CO₂) removed by a sweetening unit.

According to PSCo, the Tiffany Compressor Facility does not perform sulfur recovery at the facility. **Therefore, subpart LLL does not apply.**

40 CFR Part 60, Subpart JJJJ: Standards of Performance for Stationary Spark Ignition Internal Combustion Engines. This subpart establishes emission standards and compliance requirements for the control of emissions from stationary spark ignition (SI) internal combustion engines (ICE) that commenced construction, modification or reconstruction after June 12, 2006, where the SI ICE are manufactured on or after specified manufacture trigger dates. The manufacture trigger dates are based on the engine type, fuel used, and maximum engine horsepower.

For the purposes of this subpart, the date that construction commences is the date the engine is ordered by the owner or operator (See 40 CFR 60.4230(a)).

PSCo provided the following information:

**Table 3 - NSPS Subpart JJJJ Applicability Determination
PSCo Gathering Company, Tiffany Compressor Station**

Unit	Serial No	Unit Description	Fuel	Maximum HP	Manufacture/ Commence Construction, Modification, or Reconstruction Date	Install/ Startup Date	Trigger Date for Applicability- Manufactured on or after
E001	21086	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	800	Manufactured Prior to June 12, 2006	11/15/74	07/01/07
E002	268139	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	800	Manufactured Prior to June 12, 2006	01/01/77	07/01/07
E003	274239	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	800	Manufactured Prior to June 12, 2006	01/01/80	07/01/07

According to PSCo, E001, E002, and E003 were manufactured prior to June 1, 2007 (trigger date for rich-burn engines with maximum engine power greater than or equal to 500 hp). The engines have not been reconstructed or modified (as defined in §60.15) since June 12, 2006. **Therefore, the requirements of Subpart JJJJ do not apply.**

Should PSCo propose to install a replacement engine for E001, E002, or E003 that is subject to Subpart JJJJ, PSCo will not be allowed to use the off permit changes provision, and will be required to submit a minor permit modification application to incorporate Subpart JJJJ requirements into the permit.

40 CFR Part 60, Subpart OOOO: Standards of Performance for Crude Oil and Natural Gas Production, Transmission and Distribution. This subpart establishes emission standards and compliance schedules for the control of VOC and SO₂ emissions from affected facilities that commence construction, modification or reconstruction after August 23, 2011. Affected facilities under this subpart include gas wells, compressors, pneumatic controllers, storage vessels, process unit equipment, and sweetening units. The effective date for this subpart is October 15, 2012.

According to PSCo, the Tiffany Compressor Facility does not have any affected facilities under the rule were constructed, reconstructed, or modified after August 23, 2011. **Therefore, Subpart OOOO does not apply.**

National Emission Standards for Hazardous Air Pollutants (NESHAP)

40 CFR Part 63, Subpart A: General Provisions. This subpart contains national emissions standards for HAPs that regulate specific categories of sources that emit one or more HAP regulated pollutants under the CAA. The general provisions under subpart A apply to sources that are subject to the specific subparts of Part 63.

As explained below, the Tiffany Compressor Station is subject to the August 20, 2010 revisions to 40 CFR part 63, subpart ZZZZ. Therefore the General Provisions of Part 63 apply as specified in the relevant subpart. However, the final compliance date for the engine subject to subpart ZZZZ is not until October 19, 2013.

40 CFR Part 63, Subpart HH: National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities. This subpart applies to the owners and operators of affected units located at natural gas production facilities that are major sources of HAPs, and that process, upgrade, or store natural gas prior to the point of custody transfer, or that process, upgrade, or store natural gas prior to the point at which natural gas enters the natural gas transmission and storage source category or is delivered to a final end user. The affected units are glycol dehydration units, storage vessels with the potential for flash emissions, and the group of ancillary equipment, and compressors intended to operate in volatile hazardous air pollutant service, which are located at natural gas processing plants.

According to PSCo, the Tiffany Compressor Station is a natural gas transmission facility or storage facility and not a natural gas production facility. **Therefore, Subpart HH does not apply.**

40 CFR Part 63, Subpart HHH: National Emission Standards for Hazardous Air Pollutants from Natural Gas Transmission and Storage Facilities. This subpart applies to natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to a final end user, and that are a major source of hazardous air pollutant (HAP) emissions. Natural gas transmission means the pipelines are used for long distance transport (excluding processing).

According to PSCo, the Tiffany Compressor Station accepts natural gas from a number of producers. At the inlet to the plant there is a custody transfer of the gas to PSCo. There are no liquid removal operations at the station before distribution to the customer. Thus, the Tiffany Compressor Station is a transmission facility potentially subject to this subpart, but the facility's potential HAP emissions are below the major source thresholds. **Therefore, Subpart HHH does not apply.**

40 CFR Part 63, Subpart ZZZZ (RICE MACT): National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. This rule establishes national emission limitations and operating limitations for HAPs emitted from stationary spark ignition internal combustion engines (SI ICE) and stationary compression ignition internal combustion engines (CI ICE).

For the purposes of this standard, construction or reconstruction is as defined in §63.2.

Summary of Applicability to Engines at Major HAP Sources

Major HAP Sources			
Engine Type	Horse Power Rating	New / Existing	Applicability Trigger Date
SI ICE – All ¹	≥ 500 hp	New	On or After: 12/19/2002
SI ICE – 4SRB	> 500 hp	Existing	Before: 12/19/2002
SI ICE – All ¹	≤ 500 hp	New	On or After: 6/12/2006
SI ICE – All ¹	≤ 500 hp	Existing	Before: 6/12/2006
CI ICE – All ²	≥ 500 hp	New	On or After: 12/19/2002
CI ICE – Non Emergency	> 500 hp	Existing	Before: 12/19/2002
CI ICE – All ²	≤ 500 hp	New	On or After: 6/12/2006
CI ICE – All ²	≤ 500 hp	Existing	Before: 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Summary of Applicability to Engines at Area Hap Sources

Area HAP Sources			
Engine Type	Horse Power Rating	New / Existing	Applicability Trigger Date
SI ICE – All ¹	All hp	New	On or After: 6/12/2006
SI ICE – All ¹	All hp	Existing	Before: 6/12/2006
CI ICE – All ²	All hp	New	On or After: 6/12/2006
CI ICE – All ²	All hp	Existing	Before: 6/12/2006

1. All includes emergency ICE, limited use ICE, ICE that burn land fill or digester gas, 4SLB, 2SLB, and 4SRB.
2. All includes emergency ICE and limited use ICE

Applicability of 40 CFR 63, Subpart ZZZZ to the Tiffany Compressor Station:

Unit	Serial Number	Unit Description	Fuel	Site Rated BHP	Commenced Construction, Reconstruction, or Modification Date	Initial Installation Date
E001	21086	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	658	11/15/74	Prior to 06/12/06
E002	268139	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	658	01/01/77	Prior to 06/12/06
E003	274239	White Superior 8G-825 4SRB Compressor Engine	Natural Gas	658	01/01/80	Prior to 06/12/06

According to PSCo, the Tiffany Compressor Station is an area source as defined in subpart ZZZZ. Units E001, E002 and E003 are four-stroke rich-burn (4SRB) stationary RICE constructed before June 12, 2006, and have not been reconstructed since this date. Therefore, these engines are considered existing stationary RICE located at an area source of HAP. According to 40 CFR 63.6595(a)(1), 40 CFR 63.6602, and Table 2c of Subpart ZZZZ, **Units E001, E002, and E003 must comply with the applicable emission limitations and operating limitations no later than October 19, 2013.**

40 CFR Part 63, Subpart DDDDD (Boiler MACT): National Emission Standards for Hazardous Air Pollutants for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters. This rule establishes national emission limitations and operating limitations for HAPs emitted from new and existing industrial boilers, institutional boilers, commercial boilers, and process heaters that are located at major sources of HAPs. Boilers or process heaters that combust natural gas for fuel or have a maximum

designed heat input capacity less than 10 MMBtu/hr are subject to work practice standards in lieu of emission limits. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

On March 21, 2011, EPA published the final rule for Subpart DDDDD (76 FR 15608). On May 18, 2011, EPA published a notice delaying the effective dates of Subpart DDDDD until the proceedings for judicial review of the rule are complete or until the EPA completes its reconsideration of the rules, whichever is earlier. On January 9, 2012, the United States District Court for the District of Columbia vacated EPA's May 18, 2011, notice that delayed the effective dates of the rule. On February 7, 2012, EPA issued a No Action Assurance letter indicating its intent to not pursue enforcement actions for violations of certain notification deadlines in the final rule. EPA intends to issue the final reconsideration rule prior to any of the compliance dates for existing sources.

Also, according to PSCo, the Tiffany Compressor Station is not a major source as defined in this subpart or in 40 CFR 63, Subpart HH for oil and gas production facilities. **Therefore, Subpart DDDDD does not apply.**

40 CFR Part 63, Subpart JJJJJ: National Emission Standards for Hazardous Air Pollutants for Area Sources: Industrial, Commercial, and Institutional Boilers. This rule establishes national emission standards and operating limitations for HAPs emitted from new and existing industrial boilers, institutional boilers, and commercial boilers that are fueled by coal, biomass, or oil and are located at area sources of HAPs. For the purposes of this subpart, an affected unit is an existing unit if it was constructed prior to June 4, 2010.

On March 21, 2011, EPA published the final rule for Subpart JJJJJ (76 FR 15554), and on December 23, 2011, published proposed amendments. The EPA then issued a No Action Assurance letter on March 13, 2012, stating that the agency would not pursue enforcement action for violations of the initial tune-up deadlines in the final rule. On July 18, 2012, EPA extended the expiration of the March 13, 2012, No Action Assurance to either December 31, 2012, or the effective date of a final rule addressing the proposed reconsideration, whichever is earlier. The No Action Assurance was also extended to apply to the deadline for submitting the Notification of Compliance Status regarding initial tune-ups. The No Action Assurance does not affect or apply to any other provisions in the Area Source Boiler Rule.

Also, according to PSCo, all emission sources at the Tiffany Compressor Station use only natural gas as a fuel. **Therefore, Subpart JJJJJ does not apply.**

Compliance Assurance Monitoring (CAM) Rule

40 CFR Part 64: Compliance Assurance Monitoring Provisions. According to 40 CFR 64.2(a), the CAM rule applies to each Pollutant Specific Emission Unit (PSEU) at a major source that is required to obtain a Part 70 or Part 71 permit if the unit satisfies all of the following criteria:

- 1) The unit is subject to an emission limitation or standard for the applicable regulated air pollutant other than an emissions limitation or standard that is exempt under §64.2(b)(1);

“§64.2(b)(1): Exempt emission limitations or standards. The requirements of this part shall not apply to any of the following emission limitations or standards:

- (i) Emission limitations or standards proposed by the Administrator after November 15, 1990 pursuant to Section 111 or 112 of the Act;*
- (ii) Stratospheric ozone protection requirements under Title VI of the Act;*
- (iii) Acid Rain Program requirements pursuant to Sections 404, 405, 406, 407(a), 407(b) or 410 of the Act;*
- (iv) Emissions limitations or standards or other applicable requirements that apply solely under an emissions trading program approved or promulgated by the Administrator under the Act that allows for trading emissions with a source or between sources;*
- (v) An emissions cap that meets the requirements specified in §70.4(b)(12) or §71.6(a)(13)(iii) of this chapter;*
- (vi) Emission limitations or standards for which a Part 70 or 71 permit specifies a continuous compliance determination method, as defined in §64.1.”*

“§64.1: Continuous compliance method means a method, specified by the applicable standard or an applicable permit condition, which:

- (1) Is used to determine compliance with an emission limitation or standard on a continuous basis, consistent with the averaging period established for the emission limitation or standard; and*
- (2) Provides data either in units of the standard or correlated directly with the compliance limit.”*

- 2) The unit uses a control device to achieve compliance with any such limit or standard; and
- 3) The unit has pre-control device emissions of the applicable regulated pollutant that are equal to or greater than 100% of the amount, in tons per year, required for a source to be classified as a major source.

According to PSCo, the CAM rule does not apply to any of the units at the Tiffany Compressor Station as the pre-controlled emissions for each unit are less than the major source threshold. **Therefore, CAM does not apply.**

Chemical Accident Prevention Program

40 CFR Part 68: Chemical Accident Prevention Provisions. This rule applies to stationary sources that manufacture, process, use, store, or otherwise handle more than the threshold quantity of a regulated substance in a process. Regulated substances include 77 toxic and 63 flammable substances which are potentially present in the natural gas stream entering the facility and in the storage vessels located at the

facility. The quantity of a regulated substance in a process is determined according to the procedures presented under §68.115. §68.115(b)(1) and (2)(i) indicate that toxic and flammable substances in a mixture do not need to be considered when determining whether more than a threshold quantity is present at a stationary source if the concentration of the substance is below one percent by weight of the mixture. §68.115(b)(2)(iii) indicates that prior to entry into a natural gas processing plant, regulated substances in naturally occurring hydrocarbon mixtures need not be considered when determining whether more than a threshold quantity is present at a stationary source. Naturally occurring hydrocarbon mixtures include condensate, field gas, and produced water.

Based on PSCo's application, Tiffany Compressor Station does not have regulated substances above the threshold quantities in this rule. **Therefore the facility is not subject to the requirement to develop and submit a risk management plan.**

Stratospheric Ozone and Climate Protection

40 CFR Part 82, Subpart F: Air Conditioning Units. According to PSCo there are two air conditioning units at Tiffany Compressor Station that contain Class I or Class II refrigerants (chlorofluorocarbons (CFCs)). Therefore, Tiffany Compressor Station must comply with the standards of part 82, subpart F for recycling and emissions reduction if they service, maintain, or repair the air conditioning units in any way or if they dispose of the units.

40 CFR Part 82, Subpart H: Halon Fire Extinguishers. According to PSCo, there are no halon fire extinguishers at Tiffany Compressor Station. However, should PSCo obtain any halon fire extinguishers, then it must comply with the standards of 40 CFR Part 82, Subpart H for halon emissions reduction, if it services, maintains, tests, repairs, or disposes of equipment that contains halon or uses such equipment during technician training. Specifically, PSCo would be required to comply with 40 CFR Part 82 and submit an application for a modification to this Title V permit.

Mandatory Greenhouse Gas Reporting

40 CFR Part 98: Mandatory Greenhouse Gas Reporting. This rule requires sources above certain emission thresholds to calculate, monitor, and report greenhouse gas emissions. The requirements of 40 CFR Part 98 and CAA §307(d)(1)(V), the CAA authority under which 40 CFR Part 98 was promulgated, however, need not be included in a tribal-issued part 70 permit because those requirements are not included in the definition of "applicable requirement" in either 40 CFR part 70 or RAC 1-103(11). Although the rule is not an applicable requirement under 40 CFR Part 70 or the RAC, the source is not relieved from the requirement to comply with the rule separately from compliance with its Part 70 operating permit. It is the responsibility of each source to determine whether Part 98 is applicable and to comply, if necessary.

Conclusion

Since Tiffany Compressor Station is located in Indian country, the State of Colorado's implementation plan does not apply to this source. In addition, no tribal implementation plan (TIP) has been submitted and approved for the Southern Ute Indian Tribe, and EPA has not promulgated a federal implementation plan (FIP) for the Southern Ute Indian Reservation. Therefore, Tiffany Compressor Station is not subject to any implementation plan.

The Southern Ute Indian Tribe/State of Colorado Environmental Commission is currently developing a Minor Source Program in order to fill a regulatory gap wherein sources of air pollution located on the Reservation have been subject to fewer requirements than similar sources located on land under the jurisdiction of a state air pollution control agency. Until such time that EPA approves the Minor Source Program as part of a TIP under the Tribal Authority Rule, affected sources must comply with the federal rule "Review of New Sources and Modifications in Indian Country" that was published on July 1, 2011 (76 FR 38748). This rule requires new and existing synthetic minor sources currently operating under federal operating permits for sources in Indian country (regulated at 40 CFR Part 71), as well as sources proposing minor modifications at existing major sources, to submit applications to EPA starting August 30, 2011. Existing true minor sources are required to register with the permitting authority no later than March 1, 2013. True minor sources that intend to construct or modify will have to apply by September 2, 2014.

3. Tribal Authority

The Reservation Air Code was adopted pursuant to the authority vested in the Southern Ute Indian Tribe/State of Colorado Environmental Commission by (1) the Intergovernmental Agreement Between the Southern Ute Indian Tribe and the State of Colorado Concerning Air Quality Control on the Southern Ute Indian Reservation dated December 13, 1999, (2) tribal law (Resolution of the Council of the Southern Ute Indian Tribe # 00-09), (3) State law (C.R.S. § 24- 62-101), and (4) as recognized in federal law (Act of October 18, 2004, Pub. L. No. 108-336, 118 Stat.1354).

On March 2, 2012, EPA determined that the Southern Ute Indian Tribe of the Southern Ute Indian Reservation had met the requirements of 40 CFR § 70.4(b) for full approval to administer its Clean Air Act Title V, Part 70 Permitting Program (Program). In concert with that Program approval, EPA also found that the Tribe met the requirements of Section 301(d)(2) of the CAA and 40 CFR § 49.6 for treatment "in the same manner as a state" for the purposes of issuing CAA Title V, Part 70 operating permits. EPA promulgated its approval of the Tribe's applications on March 15, 2012 (77 FR 15267).

4. Public Participation

a. Public Notice

Per RAC § 2-109, all Part 70 draft operating permits shall be publicly noticed and made available for public comment.

Public notice is given by publication in a newspaper of general circulation in the area where the source is located or in a state publication designed to give general public notice, to persons on a mailing list developed by the Tribe, including those who request in writing to be on the list, and by other means if necessary to assure adequate notice to the affected public. If an interested person would like to be added to the Tribe's mailing list to be informed of future actions on permits issued by the Tribe, please send your name and address:

by United State Postal Service to:

Part 70 Permitting Contact
Southern Ute Indian Tribe
Environmental Programs Division
PO Box 737 MS #84
Ignacio, Colorado 81137

by any other delivery service to:

Part 70 Permitting Contact
Southern Ute Indian Tribe
Environmental Programs Division
398 Ouray Drive
Ignacio, Colorado 81137

Public notice will be published in the Durango Herald as detailed in the cover letter of this draft permit package, giving opportunity for public comment on the draft permit and the opportunity to request a public hearing.

b. Opportunity For Comment

Members of the public will be given an opportunity to review a copy of the draft permit prepared by the Tribe, the application, this statement of basis for the draft permit, and all supporting materials for the draft permit. Copies of these documents are available at:

Southern Ute Indian Tribe
Environmental Programs Division
Air Quality Program
115 County Road 517
Ignacio, Colorado 81137

All documents are available for review at the Southern Ute Indian Tribe's Environmental Programs Division office Monday through Friday from 9:00 a.m. to 4:00 p.m. (excluding holidays).

Any interested person may submit written comments on the draft Part 70 operating permit during the public comment period to the Part 70 Permit Contact at the address listed above. The Tribe will consider and address comments in making a final decision on the permit. The Tribe keeps a record of the commenters and of the issues raised during the public participation process.

Anyone, including the applicant, who believes any condition of the draft permit is inappropriate should raise all reasonably ascertainable issues and submit all arguments supporting his or her position by the close of the public comment period. Any supporting materials submitted must be included in full and may not be incorporated by reference, unless the material has already been submitted as part of the

administrative record in the same proceeding or consists of Environmental Commission, tribal, state or Federal statutes and regulations, EPA documents of general applicability, or other generally available reference material.

c. Opportunity to Request a Hearing

A person may submit a written request for a public hearing to the Part 70 Permit Contact, at the address listed above, by stating the nature of the issues to be raised at the public hearing. Based on the number of hearing requests received, the Tribe will hold a public hearing whenever it finds there is a significant degree of public interest in a draft operating permit. The Tribe will provide public notice of the public hearing. If a public hearing is held, any person may submit oral or written statements and data concerning the draft permit.

d. Public Petitions to the Administrator

In the event the Administrator of the United States Environmental Protection Agency does not object to issuance of the permit, on the basis that it would not be in compliance with applicable requirements, within its 45-day review period, any person may then petition the Administrator within 60 days after the expiration of the Administrator's 45-day review period to make such objection. Any such petition must be based only on objections to the permit that were raised with reasonable specificity during the public comment period unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objections arose after such period. If the administrator objects to a permit as a result of this petition, the Tribe shall not issue the permit until the Administrator's objection has been resolved, except that a petition for review does not stay the effectiveness of a permit or its requirements if the permit was issued after the end of the 45-day review period and before the Administrator's objection.

d. Appeal of Permits

Within 60 days after the Tribe's final permit action, an applicant, any person who filed comments on the draft permit or participated in the public hearing, and any other person who could obtain judicial review of that action under applicable law, may appeal to the Environmental Commission in accordance with the RAC and the Commission's Procedural Rules.

Petitions for administrative review of final permit actions can be filed after the deadline designated by the Commission only if they are based solely on grounds arising after the deadline for administrative review has passed. Such petitions shall be filed no later than 60 days after the new grounds for review arise. If the final permit action being challenged is the Tribe's failure to take final action, a petition for administrative review may be filed any time before the Tribe denies or issues the final permit.

e. Notice to Affected States/Tribes

As described in RAC § 2-109(3), public notice will be given by notifying all affected programs.

The following entities will be notified:

- State of Colorado, Department of Public Health and Environment
- State of New Mexico, Environment Department
- Ute Mountain Ute Tribe, Environmental Programs Department
- Navajo Tribe, Navajo Nation EPA
- Jicarilla Tribe, Environmental Protection Office
- National Park Service, Air Resources Division, Denver, CO
- U.S. Department of Agriculture, United States Forest Service, Rocky Mountain Region

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