UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region8

Ref: 8ARD-PM

Ethan Hinkley
Air Quality Compliance Manager
Red Cedar Gathering Company
125 Mercado Street, Suite 201
Durango, Colorado 81301

Re: Red Cedar Gathering Company, Antler Power Station,
Permit # SMNSR-SU-000476-2021.001
Final Synthetic Minor New Source Review Permit and Response to Comments

Dear Mr. Hinkley:

The U.S. Environmental Protection Agency Region 8 has completed its review of Red Cedar Gathering Company's (Red Cedar) application to obtain a synthetic minor permit pursuant to the Tribal Minor New Source Review (MNSR) Permit Program at 40 CFR part 49 for the Antler Power Station located on Indian country lands within the Southern Ute Indian Reservation, in La Plata County, Colorado.

The Antler Power Station permit establishes legally and practicably enforceable limits on nitrogen oxide (NO_X) emissions and operating hours for the four natural gas fired turbines. The hours of operation will be reduced by 50% of full-time operation, but the reduced hours may not be evenly distributed between each of the four units. As such, to allow operational flexibility at Red Cedar's request, this permit limits the combined run hours of all four units to 17,520 hours and establishes a facility-wide NO_X emissions limit of 230 tons per year (tpy) and a 25.4 lb/hr NO_X emissions limit for each turbine to establish the source as a synthetic minor source for the purpose of the Prevention of Significant Deterioration (PSD) Permit Program at 40 CFR part 52. The limitations in this permit do not include any add-on emission controls to meet the emission limits described above. This permit contains construction approval and limitations, emissions limits, operational limitations, and associated monitoring, recordkeeping and reporting requirements. Upon compliance with the permit, Red Cedar will have legally and practicably enforceable restrictions on emissions that can be used when determining the applicability of other Clean Air Act (CAA) permitting requirements, such as those imposed by the PSD Permit Program.

A 30-day public comment period was held from August 10, 2022, to September 8, 2022. The EPA received comments from the Southern Ute Indian Tribe on September 2, 2022. The EPA's responses to the public comments are enclosed. The EPA made revisions to the permit based on the comments. The final permit will be effective on July 7, 2023.

Based on the information submitted in Red Cedar's permit application, and in consideration of the public comments received on the proposed permit, the EPA hereby issues the enclosed final synthetic MNSR permit for the Antler Power Station. Please review each condition carefully and note any restrictions placed on this source.

Pursuant to 40 CFR 49.159, within 30 days after the final permit decision has been issued, any person who commented on the specific terms and conditions of the draft permit may petition the Environmental Appeals Board to review any term or condition of the permit. Any person who failed to comment on the specific terms and conditions of this permit may petition for administrative review only to the extent that the changes from the draft to the final permit or other new grounds were not reasonably ascertainable during the public comment period. The 30-day period within which a person may request review begins with this dated notice of the final permit decision. If an administrative review of the final permit is requested, the specific terms and conditions of the permit that are the subject of the request for review must be stayed.

If you have any questions concerning the enclosed final permit, please contact Claudia Smith, at (303) 312-6520 or at smith.claudia@epa.gov.

Sincerely,

Recoverable Signature

X Adrienne Sandoval

Signed by: Environmental Protection Agency

Adrienne Sandoval
Director
Air and Radiation Division

cc: Danny Powers, Manager, Air Quality Program, Southern Ute Indian Tribe

EPA Responses to Comments from the Southern Ute Indian Tribe on the Proposed Synthetic MNSR Permit for the Antler Power Station Pursuant to the MNSR Permit Program at 40 CFR Part 49.

Comments on Proposed Permit Issuance:

General Comments

Comment #1: The permit application submitted by Red Cedar does not account for emissions from startup, shutdown or times of reduced operating load for the four natural gas-fired turbines in calculations for potential to emit (PTE), or in actual emissions calculations to support emission limits achieved through reduced hours of turbine operation. Emissions of carbon monoxide (CO), oxides of nitrogen (NOx), and volatile organic compound (VOC) emissions from natural gas-fired turbines are higher during periods of startups, shutdowns and reduced operating loads. The Air Quality Planning Unit (AQP) was unable to estimate these emissions because emission factors are not included in the application for times of startup, shutdown, or operating loads under 50%. Prior to the reduction in operating hours, NOx emissions were above prevention of significant deterioration (PSD) thresholds, and CO emissions were within 5 tons per year (tpy) of the thresholds without taking into account these periods of startups, shutdowns, and reduced load operating.

The effect of startups, shutdowns, and reduced load operations on CO, NOx, and VOC emissions is outlined in the paper by Macak lll *Evaluation of Gas Turbine Startup and Shutdown Emissions for New Source Permitting*. Performances tests showed a NOx emission rate of 52.7 lb/hr at a base load. When the load was decreased to 40% the emission rate increases to 245.8 pounds per hour (lb/hr). The same trend was present for CO, where the 31.l lb/hr emission rate at a base load increased to 93.5 lb/hr at 40% load. Emissions during these periods should be accounted for when calculating PTE for the facility and for ensuring that the proposed l-hour and annual emission limitations are achieved. The proposed permit places a pounds per hour (lb/hr) emission limit on NOx. After re-evaluation of the PTE for CO when accounting for startup and shutdown, if the CO emissions are at or near PSD thresholds, an emission limit may also be appropriate for CO.

<u>EPA Response</u>: Red Cedar provided manufacturer startup emission factors consisting of a 10-minute startup time to full load and the following emissions estimates per startup: NOx 2.0 lb, CO-2.2 lb and VOC 0.6 lb which Red Cedar converted per hour: NOx 12.0 lb/hr, CO 13.2 lb/hr and VOC 3.6 lb/hr. Red Cedar indicated that shutdown is an instantaneous process resulting in negligent emissions (consistent with the information provided in the referenced technical paper). Red Cedar also provided estimated numbers and durations for startups for the facility at 400 total events lasting 15 minutes each totaling 100 hours of startup, and 100 total hours of shutdown time per year. We note that the emission rate provided for NOx is higher at 100% load (NOx 25.37 lb/hr) compared to the 50% load condition. The emission rates for CO and VOC are reported to be the same at both 50% and 100% load conditions.

Further, Red Cedar has indicated they do not foresee operating the turbines at less than 50% load during normal operations and that normal operations would be closer to 100% load. Lastly, Red Cedar used the highest available emissions factors (lb/hr at 100% load) for all their calculations. Email communications regarding this information are available in the docket.

The EPA acknowledges that the referenced technical paper presents an analysis that natural gas turbine emissions are higher at lower loads and during startup conditions compared to normal operations. The paper presents information that emissions begin to increase somewhere between 40% and 60% loads. The paper suggests that CO emissions from startups can be as much as 11.3 times higher than during normal operations. To understand how such a startup emission rate might affect CO PTE and CO proposed allowable emissions for the facility and to determine if it would be appropriate to include a CO limit in the permit, we did some hypothetical calculations. For CO PTE, we assumed that all 4 turbines would operate full time and accounted for a conservative initial startup duration of 3 hours, with an emission rate 11.3 times that of the manufacturer-specified 14 lbs/hr for operations at greater than 50% load, or 158.2 lbs/hr. That calculation resulted in an increase of the CO PTE from 245.28 tpy to 246.16 tpy, an increase of less than 1 tpy, resulting in a PTE that is still less than the major source threshold of 250 tpy, albeit closer. Given the proposed hours of operation limit, proposed allowable emissions and actual emissions are expected to be much lower. When we applied the 158.2 lbs/hr rate to an estimated annual operations startup duration of 100 hours total for the facility, and applied the 14 lbs/hr rate to the other allowable hours (17,520 hours minus 100 hours, or 17, 420 hours) that increased the proposed allowable emissions of CO from 122.64 tpy to 129.85 tpy, an increase of less than 10 tpy. Further, federal regulations for turbines, particularly the regulation these turbines would be subject to at 40 CFR part 60, subpart KKKK, only regulate NO_X emissions from gas-fired turbines and do not require emissions controls for these turbines. With the NO_X emission limit and annual NO_X testing requirements in the permit, the permit would assure compliance with that underlying applicable regulation, as required by 40 CFR 49.154(c)(4). Therefore, considering the hours of operation limit in the permit, the lack of CO emissions limits in federal regulations for gas turbines, the already assured compliance with those applicable federal regulations, and that PTE recalculations considering possible elevated startup emissions indicate CO PTE is still below major source levels, we do not believe a CO emission limit for the permit is necessary.

Based on the equipment manufacturer specifications and planned operating conditions, potential emissions increases at loads below 50% are uncertain. We also believe it is uncertain if the 50% load asserted by Red Cedar is truly representative of startup conditions. To ensure these stated operating loads are followed in practice and tracked, and to factor in a margin for startup emissions rate uncertainty, we have made several revisions to the proposed permit, which we discuss throughout this response to comments document. We have revised the permit to require Red Cedar to operate the turbines at a minimum of 50% load during normal operations and to regularly measure and record operating loads. We have revised the permit to specify that the 25.4 lb/hr NO_X emission limit applies during normal operations, which we have defined to mean all times except during startups, shutdowns and malfunctions. We have also revised the permit require Red Cedar to account for the effects of startups, shutdowns, and malfunctions on NOx emissions from the four natural gas-fired turbines when calculating actual monthly and 12-month consecutive emissions to demonstrate compliance with the 230 tpy facility-wide annual

NOx emissions limit. This includes adding a requirement to conduct NO_X portable analyzer monitoring during startups and malfunctions and to use the measured emission rates to calculate NOx emissions from startups and malfunctions. The added requirement to also keep records of each shutdown period is presumed to imply that Red Cedar would calculate zero emissions for periods that a turbine is shut down.

Section I.C – Construction and Operational Requirements

Comments #2

2.1 Permit provision I.C.2.(b) limits the combined run hours of all four natural gas-fired turbines to 17,520 hours in any consecutive l2-month period. This permit provision is in support of permit provision I.D.(a) which limits NOx emissions to 230 tons in any consecutive l2-month period. The Tribe requests that EPA include an estimation for startup and shutdown NOx emissions in their evaluation of the maximum number of allowable runtime hours that are compliant with the l2-month NOx emission limit.

2.2 The permit does not require the turbines to be operated at a minimum load at all times. Emissions of CO, NOx, and VOC increase significantly during reduced load operations. The Tribe requests the addition of a permit provision which requires the turbines to be operated at a minimum of a 50% load at all times during normal operation to ensure the hourly and annual NOx emission limit is met. The Tribe also requests sufficient monitoring, recordkeeping and reporting requirements be added to the permit to ensure compliance with this requirement.

<u>EPA Response</u>: *We have revised the permit to incorporate a minimum turbine operation load of 50% at all times during normal operations along with related monitoring, recordkeeping and reporting requirements. We also defined the term "normal operations" to exclude times of startups, shutdowns and malfunctions. The following testing and monitoring requirements have been added to the permit: "At least once per week and at the same time as each NO_X emissions portable analyzer measurement during normal operations, the Permittee shall read and record the operating load of each natural gas-fired turbine using the turbine's digital readout that continuously measures the load once synced to the power grid." Also, the following recordkeeping requirements have been added to the permit: "The number and length of startups, shutdowns and malfunctions for each turbine" and "Each reading of natural gas-fired turbine engine load using the turbine's digital readout"*

Section I.D – Emission Limits

Comment #3: Permit provision I.D.(a) establishes a facility-wide NOx emission limit of 230 tpy. The AQP suggests including language in the permit provision clarifying if the emission limit applies only to the four natural gas-fired turbines, or if it also applies to other NOx emission sources, such as heaters, located at the Antler Power Station.

If any other NOx emission sources are located at the Antler Power Station, emissions from these sources should also be accounted for in the facility's PTE and facility-wide NOx emission limit.

EPA Response: We have revised the permit to reflect that the facility-wide NOx emissions limit of 230 tpy applies to the four natural-gas fired turbines and any other NOx emission sources at the facility. According to Red Cedar, there are no other NOx emissions sources aside from the four turbines. However, if Red Cedar adds NOx emission sources that do not trigger the need for a permit modification, we have added language that emissions from any other such NOx emissions sources shall be included in the facility wide calculations.

Comment #4: Permit provision I.D.(c) states that "Emission limits shall apply at all times, unless otherwise specified in this permit." As previously stated, emissions during periods of startups and shutdown can be significantly higher than during normal operation. Therefore, during these periods, turbines could exceed the one-hour NOx emission limit established by this permit or if these occurrences are frequent, potentially result in an exceedance of the annual NOx emission limit established by this permit. The Tribe requests this permit provision language be revised to clearly specify that emission limits apply at all times, including during periods of startup and shutdown.

EPA Response: We have revised the permit to require Red Cedar to account for the effects of startups and malfunctions on NO_X emissions from the four natural gas-fired turbines in the monthly and 12-month consecutive emissions calculations. According to Red Cedar, shutdowns are instantaneous and would not result in measurable NOx emissions and we have revised the emissions calculation requirements to reflect this. See EPA's response to comments 1 and 2 above.

Section I.E – Testing and Monitoring Requirements

Comment #5: Permit provision I.E.(d)(i) requires measurement of NOx emissions at the "normal operating load" using a portable analyzer and a monitoring protocol approved by EPA. The term "normal operating load" should be further defined in the same manner as specified in I.E.(b): "Each performance test shall be conducted at a load condition within plus or minus 25 percent of 100, percent of peak load." Because this emission rate can be used for calculating one-hour and 12-month emission rates, it is important that the term be defined and that the operating load is recorded and known during portable analyzer testing.

EPA Response: We have revised the permit to define the term "normal operating load" and have incorporated a requirement to read and record the operating load at least weekly and at the time of each measurement of NOx emissions using a portable analyzer during normal operations. We have also added the requirement to measure NO_X emissions with a portable analyzer during each turbine startup and malfunction, in addition to at least quarterly during normal operations. This, along with the requirement to keep records of the duration of each startup and malfunction, will provide an emissions rate to use in calculating emissions during startups and malfunctions to demonstrate compliance with the 230 tpy facility-wide NO_X emission limit. According to Red Cedar, shutdowns are instantaneous and would not result in measurable emissions and we have revised the emissions calculation requirements to reflect this. See EPA's response to comments 1 and 2 above.

Section I.F – Emission Calculation Requirements

Comment #6: The permit provisions require facility-wide NOx emissions to be calculated monthly. The permit provision fails to specify the inclusion of emissions from startup and shutdowns or excess emissions from process upsets.

EPA Response: We have revised the permit to require Red Cedar to account for the effects of startups and malfunctions on NOx emissions in the monthly and consecutive 12-month emissions calculations. For startups and malfunctions, Red Cedar must use the NO_X emissions rate measured using a portable analyzer for that event. According to Red Cedar, shutdowns are instantaneous and would not result in measurable emissions and we have revised the emissions calculation requirements to reflect this. See EPA's response to comments 1 and 2 above.

Section I.G – Recordkeeping and Reporting Requirements

Comment #7: The Tribe requests that a requirement be included in the permit to keep records of startups and shutdowns, including the number and length of these occurrences for each turbine and the resulting emissions. These records are necessary for verification of compliance with the established emission limitations of this permit and for emission inventory purposes.

EPA Response: We have revised the permit to include a requirement to keep records of startups, shutdowns, and malfunctions along with the resulting emissions.

Comment #8: Permit provision G.l3. The Tribe requests the Tribe be added to these reporting provisions. This will allow the AQP to assess compliance with all applicable requirements of the future Title V operating permit for the Antler Power Station. Please add the following language for submittals to the Tribe:

Southern Ute Indian Tribe
Environmental Programs Division
Part 70 Program
PO Box 737 MS #84
Ignacio, Colorado 81 137

Documents may be submitted via electronic mail to airquality@southemute-nsn.gov

EPA Response: We have revised provision G.13 of the permit as requested.

United States Environmental Protection Agency
Region 8, Air and Radiation Division
1595 Wynkoop Street
Denver, Colorado 80202

Air Pollution Control
Minor Source Permit to Construct

40 CFR 49.151

 # SMNSR-SU-000476-2021.001

Synthetic Minor Permit to Construct to establish emission limits to avoid the requirements of the Prevention of Significant Deterioration Permitting (PSD) Program at 40 CFR part 52 with respect to nitrogen oxide (NO_X) emissions.

Permittee:

Red Cedar Gathering Company

Permitted Facility:

Antler Power Station
Southern Ute Indian Reservation
La Plata County, Colorado

Summary

On January 19, 2021, the EPA received an application from Red Cedar Gathering Company (Red Cedar), requesting a synthetic minor permit for the Antler Power Station (Antler Power) in accordance with the requirements of the Tribal Minor New Source Review (MNSR) Permit Program at 40 CFR part 49. The application was determined complete on February 23, 2021. The EPA held a public comment period for the proposed permit from August 10, 2022 – September 8, 2022, and comments were received from the Southern Ute Indian Tribe. This permit action applies to construction and operation of a new facility on the Southern Ute Indian Reservation in Durango, Colorado. The physical location is Latitude 37.017969, Longitude -108.027573, in La Plata County, Colorado.

The location was previously occupied by a gas treating plant which had been shut down and all equipment had been removed. The new Antler Power Station consists of four GE LM2500 natural gas fired turbine electric power generating units. Red Cedar's medium pressure system provides natural gas to fire the four units. With the exception of carbon dioxide (CO_2), fuel gas must be pipeline quality.

This permit establishes legally and practicably enforceable limits on NO_X emissions and operating hours for the four natural gas fired turbines. The hours of operation will be reduced by 50% of full-time operation, but the reduced hours may not be evenly distributed between each of the four units. As such, to allow operational flexibility at Red Cedar's request, this permit limits the combined run hours of all four units to 17,520 hours, and establishes a facility-wide NO_X emissions limit of 230 tons per year (tpy) and a 25.4 lb/hr NO_X emissions limit for each turbine to establish the source as a synthetic minor source for the purpose of the Prevention of Significant Deterioration (PSD) Permit Program at 40 CFR part 52. The limitations in this permit do not include any add-on emission controls to meet the emission limits described above.

This permit contains construction approval and limitations, emissions limits, operational limitations, and associated monitoring, recordkeeping and reporting requirements. Upon compliance with the permit, Red Cedar will have legally and practicably enforceable restrictions on emissions that can be used when determining the applicability of other Clean Air Act (CAA) permitting requirements, such as those imposed by the PSD Permit Program.

The EPA has determined that issuance of this MNSR permit will not contribute to National Ambient Air Quality Standards (NAAQS) violations or have potentially adverse effects on ambient air quality.

<u>Table of Contents</u>

I. Conditional Permit to Construct

A. General Information

Facility/Source:	Red Cedar Gathering Company–Antler Power Station
Permit Number:	SMNSR-SU-000476-2021.001
SIC Code and SIC Description:	4911- Electric Services
Site Location: Southern Ute Indian Reservation La Plata, Colorado Latitude 37.017969, Longitude -108.027573	Corporate Office Location Red Cedar Gathering 125 Mercado St., Suite 201 Durango, Colorado 81301

The equipment listed in this permit is authorized to be installed and operated by Red Cedar Gathering at the location described above.

B. Applicability

1. This Federal Permit to Construct is being issued under the authority of 40 CFR 49.151, MNSR Permit Program.

2. The requirements in this permit have been created, at the Permittee's request, to establish facility-wide legally and practically enforceable restrictions on NO_X emissions to avoid the requirements of the PSD Permit Program.

3. Any conditions otherwise established for this facility or any specific units at this facility pursuant to any permit issued under the authority of the PSD Permit Program or the MNSR Permit Program shall continue to apply.

4. By issuing this permit, the EPA does not assume any risk of loss which may occur as a result of the operation of the permitted facility by the Permittee, Owner and/or Operator, if the conditions of this permit are not met by the Permittee, Owner and/or Operator.

C. Construction and Operational Requirements

1. Before beginning construction of any emissions units authorized by this permit, the Permittee shall ensure that all existing emissions units are decommissioned and physically removed from the permitted location.

2. Natural Gas-Fired Turbine Generating Units

   (a) The Permittee is authorized to install and operate no more than four 252.5 MMBtu/hr natural gas fired turbine generating units, each limited to a maximum of 27.52

megawatts, and operated and restricted as specified in this permit.

(b) The combined run hours of all four natural gas-fired turbines shall be limited to 17,520 hours in any consecutive 12-month period.

(c) Each turbine shall be operated at a minimum of 50% load at all times during normal operations, which excludes times of startups, shutdowns and malfunctions.

(d) Each natural gas-fired turbine shall be equipped with a non-resettable hours meter that starts measuring hours as soon as the unit is initially started up.

3. Other Emissions Sources Approved for Construction and Operation:

The Permittee is authorized to install and operate the emissions sources identified below, which are not subject to any emissions restrictions:

(a) One 15,750 gallon produced water storage tank;
(b) One 140 gallon turbine lube oil tank;
(c) One 205 gallon generator lube oil tank
(d) One 40 gallon hydraulic lube oil tank;
(e) Water wash detergent (55 gallons); and
(f) Two transformer oil storage units, 8,500 gallons each.

D. Emission Limits

(a) Total facility-wide NO_X emissions shall not exceed 230 tons in any consecutive 12-month period.

(b) NO_X emissions from each natural gas fired turbine shall not exceed 25.4 pounds per hour (lbs/hr) during normal operations, which excludes times of startups, shutdowns and malfunctions.

(c) Emission limits shall apply at all times, including times of startups, shutdowns and malfunctions of the four natural gas-fired turbines, unless otherwise specified in this permit.

(d) The Permittee shall only fire each engine with natural gas. The natural gas shall be pipeline-quality in all respects.

E. Testing and Monitoring Requirements

(a) The Permittee shall conduct an initial NO_X performance test on each natural gas-fired turbine within 60 days after achieving the maximum production rate, but no later than 180 days after initial startup of each turbine to demonstrate continuous compliance with the 25.4 lbs/hr NO_X emissions limit specified in this permit.

(b) Subsequent NO_X performance tests shall be conducted on an annual basis (no more than 14 calendar months following the previous performance test).

Each performance test shall be conducted at a load condition within plus or minus 25 percent of 100 percent of peak load. Performance testing shall be conducted in accordance with the testing procedures in 40 CFR part 60, subpart KKKK, §60.4400.

(c) The Permittee shall monitor NO_X emissions from the exhaust of each natural gas-fired turbine at least quarterly during normal operations, to demonstrate compliance with the 25.4 lbs/hr NO_X emissions limit specified in this permit. To meet this requirement, the Permittee shall:

(i) Measure NO_X emissions at the normal operating load (load conditions within plus or minus 25% of 100% of peak load) using a portable analyzer and a monitoring protocol approved by the EPA;

(ii) Commence portable analyzer monitoring for NO_X emissions within 90 calendar days of the Permittee's submittal of the initial performance test results for NO_X emissions to the EPA.

(d) For each turbine, if the results of two consecutive quarterly portable analyzer measurements during normal operations demonstrate compliance with the 25.4 lbs/hr NO_X emissions limit specified in this permit, the required monitoring frequency may change from quarterly to semi-annually.

(e) For any one turbine, if the results of any one semi-annual portable analyzer measurement during normal operations demonstrate non-compliance with the 25.4 lbs/hr NO_X emissions limit specified in this permit, the required monitoring frequency shall revert back to quarterly.

(f) The Permittee shall also monitor NO_X emissions from the exhaust of each natural gas-fired turbine during each turbine startup and malfunction, to demonstrate compliance with the facility-wide 230 tpy NO_X emission limit. The monitoring shall be conducted using a portable analyzer and according to the EPA-approved portable analyzer monitoring protocol, except that there is no operating load requirement at which measurement must be made.

(g) The Permittee shall submit portable analyzer specifications and monitoring protocols to the EPA at the following address for approval at least 45 calendar days prior to the date of initial portable analyzer monitoring.

U.S. Environmental Protection Agency, Region 8
Enforcement and Compliance Assurance Division
Air and Toxics Enforcement Branch, 8ENF-AT
1595 Wynkoop Street
Denver, Colorado 80202-1129

(h) Portable analyzer specifications and monitoring protocols that have already been approved by the EPA for the emission units approved in this permit may be used in lieu of new protocols unless the EPA determines it is necessary to require the submittal and approval of a new protocol. The Permittee may submit a new protocol for EPA approval at any time.

(i) As an alternative to subsequent annual performance testing and quarterly portable analyzer monitoring, the Permittee may demonstrate continuous compliance with the 25.4 lbs/hr NO_X emissions limit specified in this permit by installing, calibrating, maintaining and operating a continuous emission monitoring system as described in §60.4335(b) and §60.4345.

(j) At least once per week and at the same time as each NO_X emissions portable analyzer measurement during normal operations, the Permittee shall read and record the operating load of each natural gas-fired turbine using the turbine's digital readout that continuously measures the load once synced to the power grid.

(k) The Permittee is not required to conduct emissions monitoring on turbines that have not operated during the monitoring period. The Permittee shall certify that the turbine(s) did not operate during the monitoring period in the annual report specified in this permit.

(l) The Permittee shall monitor and record the hours of operation for each natural gas-fired turbine at the end of each calendar month, beginning with the first calendar month of operation under this permit, using the non-resettable hours meter. Prior to 12 full calendar months of operation under this permit, at the end of each calendar month, the Permittee shall add the hours for that month to the hours for the previous months and record the total. Thereafter, at the end of each calendar month, the Permittee shall add the hours for each calendar month to the total hours for the preceding 11 months and record a new total.

(m) Alternative testing and monitoring methods may be used by the Permittee upon written EPA approval.

F. Emissions Calculations Requirements

(a) Facility-wide actual NO_X emissions, including emissions from startups and malfunctions of the four natural gas-fired turbines, shall be calculated in tons and recorded at the end of each calendar month, beginning with the first calendar month that operations commence under this permit. Periods of shutdown may be calculated as periods of zero emissions from the affected turbine.

(b) NO_X emissions in lbs and tons shall be calculated using the hours of operation for each natural gas-fired turbine for each calendar month and the NO_X emissions rate in lbs/hr from the most recent performance test or portable analyzer measurement.

(c) All NO_X emission sources shall be included in the monthly and consecutive 12-month calculations, including, but not limited to: the four natural gas-fired turbines and any other NOx emissions sources. The addition of new NOx emissions sources that do not trigger the need for a permit modification shall be included in the facility wide calculations.

(d) Prior to 12 full months of facility-wide NO_X emissions calculations, the Permittee shall, at the end of each month, add the emissions for that month to the calculated emissions for all previous months since production commenced and record the total.

Thereafter, the Permittee shall, at the end of each month, add the emissions for that month to the calculated emissions for the preceding 11 months and record a new 12-month total.

G. Recordkeeping and Reporting Requirements

1. The Permittee shall maintain the permit application and all documentation supporting that application, including manufacturer or vendor specifications, maintenance schedules, and maintenance procedures, for the duration of time that the affected emissions units are covered under this permit.

2. The Permittee shall maintain records of:

   (a) The hours of operation for each month and consecutive 12-month period for each natural gas-fired turbine;

   (b) The NO_X emissions in lbs/hr and tons calculated for each month and consecutive 12-month period for each natural gas-fired turbine;

   (c) The facility-wide NO_X emissions in tons calculated for each month and consecutive 12-month period;

   (e) The number and length of startups, shutdowns and malfunctions for each turbine.

   (f) Each reading of natural gas-fired turbine engine load using the turbine's digital readout.

   (e) Each turbine NO_X emissions performance test and quarterly portable analyser measurement required by this permit; and

   (f) All deviations from the requirements of this permit.

3. The Permittee shall submit a written report of the results of each turbine NO_X emissions performance test before the close of business on the 60th day following the completion of the performance test for each affected natural gas-fired turbine.

4. Alternative methods of recordkeeping may be used by the Permittee upon written EPA approval.

5. The Permittee shall submit any record or report required by this permit upon EPA request.

6. The Permittee shall retain all records required by this permit for a period of at least 5 years from the date the record was created.

7. Records shall be kept in the vicinity of the facility, such as at the facility, the location that has day-to-day operational control over the facility or the location that has day-to-day responsibility for compliance of the facility.

8. <u>Notification of Startup of Operations</u>: The Permittee shall submit a written notice (may be

electronic) within 30 days from when the Permittee begins actual construction, and when the permit begins operations or resumes subsequent operations after any shut down.

9. The Permittee shall submit a written annual report each calendar year no later than April 1st. The annual report shall cover the period for the previous calendar year. All reports must be certified to truth and accuracy by the person responsible for CAA compliance for the Permittee. The report shall include:

    (a) Facility-wide monthly and consecutive 12-month NO_X emissions;
    (b) An evaluation of the permitted source's compliance status with the requirements in this permit;
    (c) Summaries of the required monitoring and recordkeeping in this permit; and
    (d) Summaries of deviation reports submitted pursuant to this permit.

10. The Permittee shall promptly submit to the EPA a written report of any deviations of emissions or operational limits specified in this permit and a description of any corrective actions or preventative measures taken. A "prompt" deviation report is one that is post marked or submitted via electronic mail to R8AirReportEnforcement@epa.gov as follows:

    (a) Within 30 days from the discovery of a deviation that would cause the Permittee to exceed the operational or emission limits in this permit; and

    (b) By April 1st for the discovery of a deviation of recordkeeping or other permit conditions during the preceding calendar year that do not affect the Permittee's ability to meet the control or operational limits, included as part of the Annual Reports required in this permit.

11. Notification of Change in Ownership or Operator: If the permitted source changes ownership or operator, then the Permittee shall submit to the EPA a written notice (may be electronic) within 90 days before or after the change in ownership or operator is effective. In the report, the Permittee shall provide the reviewing authority a written agreement containing a specific date for the transfer of ownership or operator, and an effective date on which the new owner or operator assumes partial and/or full coverage and liability under this permit. The submittal shall identify the previous owner or operator, and update the name, street address, mailing address, contact information and any other information about the permitted source if it would change as a result of the change of ownership or operator. The Permittee shall ensure that the permitted source remains in compliance with this permit during any such transfer of ownership.

12. Notification of Closure: The Permittee shall submit to the EPA a report of any permanent or indefinite closure in writing (may be electronic) within 90 days after the cessation of all operations at the permitted source. The notification shall identify the owner and the operating location of the permitted source.

[Note: to help meet notification requirements, the EPA has developed forms "OWN" (for notifications of change in ownership) and "CLOSURE" (for notifications of facility closure). The forms may be found on the EPA's website at: https://www.epa.gov/caa-permitting/tribal-nsr-permits-region-8.]

13. All documents required to be submitted under this permit shall be submitted to:

U.S. Environmental Protection Agency, Region 8
Enforcement and Compliance Assurance Division
Air and Toxics Enforcement Branch, 8ENF-AT
1595 Wynkoop Street
Denver, Colorado 80202-1129

Documents may be submitted via electronic mail to R8AirPermitting@epa.gov and R8AirReportEnforcement@epa.gov.

And

Southern Ute Indian Tribe
Environmental Programs Division
Part 70 Program
PO Box 737 MS #84
Ignacio, Colorado 81 137

Documents may be submitted via electronic mail to airquality@southemute-nsn.gov.

II. General Provisions

A. Conditional Approval

Pursuant to the authority of 40 CFR 49.151, the EPA hereby conditionally grants this permit to construct. This authorization is expressly conditioned as follows:

1. *Document Retention and Availability:* This permit and any required attachments shall be retained and made available for inspection upon request at the location set forth herein.

2. *Permit Application:* The Permittee shall abide by all representations, statements of intent and agreements contained in the application submitted by the Permittee. The EPA shall be notified 10 days in advance of any significant deviation from this permit application as well as any plans, specifications or supporting data furnished.

3. *Permit Deviations:* The issuance of this permit may be suspended or revoked if the EPA determines that a significant deviation from the permit application, specifications and supporting data furnished has been or is to be made. If the proposed source is constructed, operated or modified not in accordance with the terms of this permit, the Permittee will be subject to appropriate enforcement action.

4. *Compliance with Permit:* The Permittee shall comply with all conditions of this permit, including emission limitations that apply to the affected emissions units at the permitted facility/source. Noncompliance with any permit term or condition is a violation of this permit and may constitute a violation of the CAA and is grounds for enforcement action and for a permit termination or revocation.

5. *Fugitive Emissions:* The Permittee shall take all reasonable precautions to prevent and/or minimize fugitive emissions during the construction period.

6. *NAAQS and PSD Increments:* The permitted source shall not cause or contribute to a NAAQS violation or a PSD increment violation.

7. *Compliance with Federal and Tribal Rules, Regulations, and Orders:* Issuance of this permit does not relieve the Permittee of the responsibility to comply fully with all other applicable federal and tribal rules, regulations and orders now or hereafter in effect.

8. *Enforcement:* It is not a defense, for the Permittee, in an enforcement action to claim that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

9. *Modifications of Existing Emissions Units/Limits:* For proposed modifications, as defined at 40 CFR 49.152(d), that would increase an emissions unit's allowable emissions of pollutants above its existing permitted annual allowable emissions limit, the Permittee shall first obtain a permit modification pursuant to the MNSR regulations approving the increase. For a proposed modification that is not otherwise subject to review under the PSD or MNSR regulations, such proposed increase in the annual allowable emissions limit shall be approved through an administrative permit revision as provided at 40 CFR 49.159(f).

10. *Relaxation of Legally and Practically Enforceable Limits:* At such time that a new or modified source within this permitted facility/source or modification of this permitted facility/source becomes a major stationary source or major modification solely by virtue of a relaxation in any legally and practically enforceable limitation which was established after August 7, 1980, on the capacity of the permitted facility/source to otherwise emit a pollutant, such as a restriction on hours of operation, then the requirements of the PSD regulations shall apply to the source or modification as though construction had not yet commenced on the source or modification.

11. *Revise, Reopen, Revoke and Reissue, or Terminate for Cause:* This permit may be revised, reopened, revoked and reissued or terminated for cause. The filing of a request by the Permittee, for a permit revision, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. The EPA may reopen this permit for a cause on its own initiative, e.g., if this permit contains a material mistake or the Permittee fails to assure compliance with the applicable requirements.

12. *Severability Clause:* The provisions of this permit are severable, and in the event of any challenge to any portion of this permit, or if any portion is held invalid, the remaining permit conditions shall remain valid and in force.

13. *Property Rights:* This permit does not convey any property rights of any sort or any exclusive privilege.

14. *Information Requests:* The Permittee shall furnish to the EPA, within a reasonable time, any information that the EPA may request in writing to determine whether cause exists for revising, revoking and reissuing, or terminating this permit or to determine compliance with this permit. For any such information claimed to be confidential, the Permittee shall also submit a claim of confidentiality in accordance with 40 CFR part 2, subpart B.

15. *Inspection and Entry:* The EPA or its authorized representatives may inspect this permitted facility/source during normal business hours for the purpose of ascertaining compliance with all conditions of this permit. Upon presentation of proper credentials, the Permittee shall allow the EPA or its authorized representative to:

(a) Enter upon the premises where this permitted facility/source is located or emissions-related activity is conducted, or where records are required to be kept under the conditions of this permit;

(b) Have access to and copy, at reasonable times, any records that are required to be kept under the conditions of this permit;

(c) Inspect, during normal business hours or while this permitted facility/source is in operation, any facilities, equipment (including monitoring and air pollution control equipment), practices or operations regulated or required under this permit;

(d) Sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this permit or other applicable requirements; and

(e) Record any inspection by use of written, electronic, magnetic and photographic media.

16. *Permit Effective Date:* This permit is effective immediately upon issuance unless a later effective date is specified in the permit, or unless comments resulted in a change in the proposed permit, in which case this permit is effective 30 days after issuance. If within 30 days after the service of notice of the final permit issuance, a person petitions the Environmental Appeals Board to review any condition(s) of the final permit in accordance with 40 CFR 49.159(d), the specific terms and conditions of the permit that are the subject of the request for review must be stayed.

17. *Permit Transfers:* Permit transfers shall be made in accordance with 40 CFR 49.159(f). The Air and Radiation Division Director shall be notified in writing at the address shown below or via email to R8AirPermitting@epa.gov if the company is sold or changes its name.

U.S. Environmental Protection Agency, Region 8
Air and Radiation Division
Tribal Air Permitting Program, 8ARD-PM
1595 Wynkoop Street
Denver, Colorado 80202

18. *Invalidation of Permit:* Unless this permitted source of emissions is an existing source, this permit becomes invalid if construction is not commenced within 18 months after the effective date of this permit, construction is discontinued for 18 months or more, or construction is not completed within a reasonable time. The EPA may extend the 18-month period upon a satisfactory showing that an extension is justified. This provision does not apply to the time period between the construction of the approved phases of a phased construction project. The Permittee shall commence construction of each such phase within 18 months of the projected and approved commencement date.

19. *Notification of Start-Up:* The Permittee shall submit a notification of the anticipated date of initial startup of this permitted source to the EPA within 60 days of such date, unless this permitted source of emissions is an existing source.

B. Authorization

Authorized by the United States Environmental Protection Agency, Region 8

6/7/2023

X Adrienne Sandoval

Signed by: Environmental Protection Agency

Adrienne Sandoval
Director
Air and Radiation Division