

STATE OF MONTANA AIR QUALITY CONTROL IMPLEMENTATION PLAN	Subject: Yellowstone County Air Pollution Control Program
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BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

In the Matter of the Application
of the Department of Health and
Environmental Sciences for Revision
of the Montana State Air Quality
Control Implementation Plan Relating
to Control of Sulfur Dioxide Emissions
in the Billings/Laurel Area, Affecting
the Following Industries: Cenex, Inc.
(Laurel); Conoco, Inc.; Exxon Company,
USA; Montana Power Company, (J.E.
Corette and F. Bird Plants); Montana
Sulphur & Chemical Company; The
Western Sugar Company; and Yellowstone
Energy Limited Partnership.

STIPULATION OF
DEPARTMENT AND
CENEX HARVEST STATES
COOPERATIVES

The Department of Environmental Quality ("Department"), and CENEX HARVEST STATES COOPERATIVES ("Cenex"), formerly Cenex, Inc., hereby stipulate to the following paragraphs 1-20, including Exhibit A and Attachments, in regard to the above-captioned matter and present the same for consideration and adoption by the Board of Environmental Review ("Board").

This Stipulation nullifies and supersedes all Stipulations which were executed by Cenex and the Department in response to the EPA SIP call letter of March 4, 1993

1. On April 30, 1971, the United States Environmental Protection Agency ("EPA") promulgated national ambient air quality standards ("NAAQS") for Sulfur Oxides (measured as sulfur dioxide "SO₂"). The primary annual standard is 80 micrograms per cubic meter (annual arithmetic mean) or 0.03 parts per million (PPM); the primary 24-hour standard is 365 micrograms per cubic meter (24-hour maximum concentration) or 0.14 parts per million (PPM), not to be exceeded more than once per year. A secondary standard for SO₂ was also promulgated by EPA. The secondary standard is 1300 micrograms per cubic meter (maximum 3-hour concentration) or 0.5 PPM of SO₂ not to be exceeded more than once per year. These standards were promulgated by EPA pursuant to Section 109 of the Federal Clean Air Act, 42 U.S.C. 7401, as amended by the Clean Air

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1 Act Amendments of 1990 ("Act").

2 2. Section 110 of the Act requires each state to submit an implementation plan
3 for the control of each air pollutant for which a national ambient air quality standard has
4 been promulgated. Since a national standard has been promulgated for sulfur oxides, the
5 State of Montana is required to submit to EPA an implementation plan for SO₂.

6 3. In April, 1979, the Department submitted an addendum to the State
7 Implementation Plan for the Billings/Laurel area designed to achieve compliance with the
8 NAAQS for SO₂ (hereafter "Billings/Laurel Plan"). EPA approved the Billings/Laurel
9 Plan in September, 1979.

10 4. In a March 4, 1993, letter to the Governor of Montana, EPA stated that it
11 had determined the Billings/Laurel Plan to be substantially inadequate to attain and
12 maintain the SO₂ NAAQS and EPA stated that the Plan must be revised. The letter called
13 for a SIP revision for the Billings/Laurel area to assure attainment and maintenance of the
14 SO₂ NAAQS.

15 5. The EPA letter of March 4, 1993, established September 4, 1994, as the
16 deadline to submit to EPA a revised or new SO₂ plan for the Billings/Laurel area.

17 6. Utilizing a dispersion modeling analysis, Cenex and the Department have
18 developed an emission control strategy that, together with similar control strategies for
19 other Billings/Laurel industries, is intended to assure attainment and maintenance of the
20 primary and secondary SO₂ NAAQS. Cenex's acceptance of this Stipulation and of the
21 assumptions and results of the dispersion modeling analysis conducted in this case is for
22 the sole and exclusive purpose of implementing the SO₂ emission control strategy
23 contained in this Stipulation, Exhibit A, and Attachments. In the event of future revisions
24 to the SO₂ emission control strategy contained in this Stipulation, Exhibit A, and
25 Attachments, Cenex does not waive and shall not be precluded from raising any objections
26 it may have including but not limited to those pertaining to the dispersion modeling
27 analysis.

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1 7. The purpose of this Stipulation and the emission limitations and other
2 limitations contained in Exhibit A and Attachments is to establish an emission control
3 strategy for Cenex which, together with similar control strategies for the other
4 Billings/Laurel industries, will assure attainment and maintenance of the primary and
5 secondary SO₂ NAAQS. The Stipulation, Exhibit A, and Attachments do not address
6 attainment or maintenance of the Montana Ambient Air Quality Standards (MAAQS).

7 8. Exhibit A, which is attached to this Stipulation and incorporated herein by
8 reference, contains emission limitations and other conditions, including but not limited to:
9 methods for determining compliance with emission limitations, requirements by which
10 such emission limitations are made quantifiable and enforceable by the Department, and
11 facility modification requirements. Cenex shall comply with the terms of this Stipulation,
12 the emission limitations and other conditions set forth in Exhibit A and Attachments.

13 9. The following Attachments are attached to Exhibit A and are incorporated
14 therein and in this Stipulation by reference:

15 Attachment 1: Performance Specifications for Stack Flow Rate Monitors,
16 Fuel Oil Flow Meters, and Fuel Oil Sulfur Analysis.

17 Attachment 2: Analytical Methods for Analyzing Sour Water Stripper
18 Overheads for Hydrogen Sulfide and Precision and Accuracy Methods for
19 the Sour Water Stripper Flow Meter.

20 10. Upon written certification by the Department that an Attachment has been
21 revised in accordance with the requirements of Exhibit A, the revision shall be deemed
22 incorporated in Exhibit A and this Stipulation by reference, and shall be enforceable from
23 the date of the Department certification.

24 11. Disputes between the parties, during the development of a revised
25 Attachment, as to whether a draft revision is in accordance with the requirements of
26 Exhibit A must be submitted to the Board prior to judicial review of the dispute. The
27 Board will exercise reasonable diligence in rendering a determination on the disputed

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1 matter. This paragraph shall not be construed to preclude the Department from directly
2 seeking judicial enforcement of final Attachments or of any other provision of this Stipula-
3 tion or Exhibit A.

4 12. For the exclusive purpose of implementing the sulfur dioxide emission
5 control strategy contained in this Stipulation, Exhibit A, and Attachments, ARM 17.8.322
6 shall be interpreted to mean that no person shall burn solid, liquid, or gaseous fuels such
7 that the aggregate sulfur content of all fuels burned within a plant during any day exceeds
8 one pound of sulfur per million BTU fired. The rule shall be interpreted to allow for a
9 daily deviation of 0.1 pound of sulfur per million BTU fired. The rule shall be interpreted
10 to allow the blending of all fuels burned in a plant during a given time period in
11 determining the aggregate sulfur content for purposes of the rule, and it shall not be
12 construed to require blending or physical mixing of fuels at any given furnace or heater
13 within the plant complex.

14 13. The Stipulation, Exhibit A, and Attachments shall become effective
15 immediately upon the issuance of an order by the Board in this proceeding, except where
16 another effective date is specified in Exhibit A or Attachments.

17 14. It is the intent of the parties that this Stipulation, Exhibit A, and
18 Attachments, after adoption and incorporation by Board order, shall be submitted to the
19 Environmental Protection Agency for review and approval as the Cenex control strategy
20 for the attainment and maintenance of the primary and secondary SO₂ NAAQS in
21 Yellowstone County, as part of the State Implementation Plan. The Stipulation
22 Requirements shall supersede any less stringent corresponding conditions pertaining to SO₂
23 sources in any existing permit currently issued to Cenex.

24 15. The Stipulation, Exhibit A, and Attachments are intended to assure
25 attainment and maintenance of the primary and secondary NAAQS for SO₂. The
26 Stipulation, Exhibit A, and Attachments are not intended to address attainment or
27 maintenance of the Montana Ambient Air Quality Standards (MAAQS).

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1 used to modify the SIP to include textual modifications under subparagraph 17(d) and
2 implementation approvals under subparagraph 17(e), provided that the following two
3 conditions are met:

4 (i) Cenex has been issued a Title V operating permit and the State has adopted
5 an enabling administrative rule that complies with the federal requirements for
6 modification of SIP requirements through the Title V process; and

7 (ii) the particular modification of the plan or implementation approval pertains
8 to testing, monitoring, recordkeeping, calculation, reporting, or operating requirements or
9 methodologies.

10 h. Minor Modifications. When a modification or approval under subparagraph
11 17(d) or (e) is proposed the Department shall consult with EPA to determine whether the
12 modification or approval is a "major" or "minor" modification. Such determinations shall
13 be made within 45 days from the submittal of the proposed modification or approval to
14 EPA.

15 18. Cenex does not waive and expressly reserves its right to contest any Board
16 order or Department or federal action which, without the written consent of Cenex,
17 modifies this stipulation, Exhibit A, or Attachments.

18 19. Accordingly, the parties agree that the Board shall issue an order adopting
19 the terms of this Stipulation, including the emission limitations and other conditions
20 contained in Exhibit A and Attachments. Except where another effective date is provided
21 in Exhibit A or Attachments, upon adoption in a Board Order, the Stipulation, Exhibit A,
22 and Attachments shall be enforceable by the Department.

23 ~~20. Notwithstanding any other provision of this Stipulation, Cenex's and the~~
24 ~~Department's consent to be bound by the terms of this Stipulation is conditioned upon the~~
25 ~~adoption of SO₂ emission control strategies, for all the affected industries in this matter,~~
26 ~~which are in their common terms substantially similar to one another. This condition of~~
27 ~~substantial similarity extends only to the initial control strategies, adopted by the Board or~~

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1 by the U.S. EPA as a Federal Implementation Plan, and which are adopted in response to
2 the EPA letter of March 4, 1993 calling for revision of the Billings/Laurel SO₂ SIP. This
3 condition of substantial similarity does not extend to subsequent revisions of such initial
4 emissions control strategies, but does extend to and include any revisions of such emission
5 control strategies resulting from any challenge or appeal of the initial adopted emissions
6 control strategies. In the event that an initial control strategy is finally adopted by the
7 Board or EPA, for any of the affected industries in this matter, which is not substantially
8 similar in its common terms to this Stipulation or Exhibit A, either Cenex or the Depart-
9 ment may, in a writing delivered to the other party and to the other affected industries in
10 this matter within 60 days of receiving written notice of the adoption, withdraw its consent
11 to this Stipulation.

12
13 CENEX HARVEST STATES
14 COOPERATIVES

Montana Department of
Environmental Quality

15
16 By Ronald E. Oltch

By Mark Simonich
Mark Simonich
Director

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19
20 Date 5/29/98

Date 6/9/98

21
22 Approved as to form:

Approved as to form:

23
24 By Jolene D. Veale
Attorney

By James M. Madden
Attorney

25
26
27 Date 5-29-98

Date 6/9/98

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