



**NAVAJO NATION ENVIRONMENTAL PROTECTION
AGENCY**

**Navajo Nation Operating Permit Program
Rt. 112 North, Building F004-051
P.O. Box 529, Fort Defiance, AZ 86504**



Detailed Information

Permitting Authority: NNEPA

County: Coconino

State: Arizona

AFS Plant ID: 04-005-N0565

Facility: El Paso Natural Gas Company (EPNG) - Leupp Compressor Station

Document Type: RESPONSES TO COMMENTS

RESPONSES TO COMMENTS

**on the Part 71 Permit to Operate
El Paso Natural Gas Company (EPNG) - Leupp Compressor Station**

Permit No. NN-OP-04-004

On January 28, 2008, the Navajo Nation Environmental Protection Agency (NNEPA) had notices published in the Navajo Times of Window Rock, Arizona and the Flagstaff Daily Sun of Flagstaff, Arizona stating that El Paso Natural Gas Company (EPNG) - Leupp Compressor Station, located at E1/2 NE1/4 SE 1/4 Section 10, Township 22-N, Range 12-E, 8 miles West of Leupp Trading Post, Arizona, had applied for a Part 71 Operating Permit renewal to operate a natural gas compressor station. The notice also stated that NNEPA proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that they would have thirty (30) days to provide comments on whether or not the permit should be issued as proposed.

On February 25, 2008, EPNG - Leupp Compressor Station (referred to as "the permittee") submitted comments on the proposed Part 71 Operating Permit. Their comments are listed as Comments 1 and 2. On March 12, 2008, U.S. EPA submitted comments on the proposed Part 71 Operating Permit. Their comments are listed as Comments 3 through 11. This Response to Comment document provides responses to all of these comments. When permit language is included in the response, bolded language indicates additions to the permit and language with a line through it has been deleted from the permit.

Comments from the Permittee (Comments 1 and 2)

Comment 1:

The permittee stated that Condition II.B.2 has a typographical error and should be revised

as follows:

Gas turbine D-01 is exempt from Condition II.B.1 of this permit when being fired with an emergency fuel. According to 40 CFR § ~~60.~~60.331(r), “emergency fuel” is defined as “a fuel fired by a gas turbine only during circumstances, such as natural gas supply curtailment or breakdown of delivery system, that make it impossible to fire natural gas in the gas turbine. [40 CFR § ~~60.~~60.332(k)]

Response to Comment 1:

Condition II.B.2 has been corrected as requested.

Comment 2:

The permittee requested to add the rule citations to Condition II.C (PSD Minor Limits) and the typographical error in Condition II.C.2 should be corrected. The permittee suggested the following changes made to Condition II.C:

1. In order to render the requirements of 40 CFR § 52.21 (PSD) not applicable to the modification project that occurred in 2001, the operating hours for the auxiliary engine AUX D-01 shall not exceed 100 hours per twelve (12) consecutive month period with compliance determined at the end of each month. [NNOPR Subpart I § 102.32(d)]
2. The permittee shall maintain monthly records of the hours of operation for the auxiliary engine AUX D-01. [NNOPR Subpart I § 302 (E)(2)]

Response to Comment 2:

The authority to include the requirements in Condition II.B is based on CAA § 304(f) and 40 CFR § 71.6(b). The rule citations for Condition II.B have been added to the permit and the specific changes to this condition are shown in the response to comment 7.

Comments from the U.S. EPA (Comments 3 through 11)

Comment 3:

U.S. EPA stated that the proposed permit lacks a condition requiring source periodic testing to demonstrate compliance with the NO_x emission limit in NSPS, Subpart GG. The permit has boilerplate language regarding testing requirements in condition III.A, but does not have a separate condition that specifically requires the facility to conduct performance tests for NO_x on D-01. The U.S. EPA provided additional detail on this comment in an e-mail received on April 2, 2008. The U.S. EPA stated that the permittee should perform NO_x testing for turbine D-01 once per permit term as well as monitor the operating parameters continuously to show that turbine D-01 is operating in low NO_x mode.

Response to Comment 3:

Pursuant to 40 CFR 60.334(f)(2), for any lean premix stationary combustion turbine, the permittee shall continuously monitor the appropriate parameters to determine whether the unit is operating in low-NOx mode. The permittee indicated that unit D-01 has a monitor from the manufacturer to identify when the unit is operating either in or out of SoLoNOx lean premix mode (SoLoNOx is Solar Turbine's brand name for their lean premix combustor). The permittee proposed to keep the records of this monitor to fulfill the continuous monitoring requirements in 40 CFR 60.334(f)(2). This requirement was not listed in the draft permit specifically and has been added to Condition II.B in the revised permit.

In addition, pursuant to 40 CFR § 71.6(a)(3)(i)(B), a Part 71 permit shall include periodic monitoring or testing requirements to ensure compliance with the emission limits in the permit. Therefore, a once-per-permit term NOx testing requirement for turbine D-01 has been added to Condition II.B. The testing will indicate whether the NSPS emission limits are met and will verify that the operating parameters do indicate compliance.

Section 4(a) of the Statement of Basis (SoB) has been revised to include the above monitoring and testing requirements. Condition II.B in the permit has been revised as follows to include the above changes:

II.B. NSPS, Subpart GG Requirements

...

5. **The permittee shall continuously monitor turbine D-01 and record whether or not the turbine is operating in SoLoNOx lean premix mode. The results shall be recorded and included in the semi-annual monitoring reports required by Condition III.C.1. [40 CFR § 60.334(f)(2)]**
6. **At least once during the permit term, the permittee shall conduct or cause to be conducted performance tests (as described in 40 CFR 60.8) for NOx on the exhaust of turbine D-01. The performance tests shall be conducted to determine the current emission rate of the turbine. The test shall be conducted using EPA Method 7. The test for NOx shall be conducted at no less than 80% of the maximum operating capacity of the turbine being tested. [40 CFR § 71.6(a)(3)(i)(B) and (C); 71.6(a)(3)(ii); 71.6(c)(1)]**

Comment 4:

The proposed permit requires the permittee to submit compliance certifications to NNEPA on a semi-annual basis. U.S. EPA stated that 40 CFR Part 71 requires permitted sources to submit certifications annually. NNEPA's operating permit regulations require semiannual submittal (Part H of NNEPA's air quality control regulations). Since Part H is

not part of an EPA-approved Part 70 program, neither EPA nor citizens can enforce the semiannual requirement. While NNEPA may require more frequent compliance certifications than Part 71 requires, it should do so in a separate condition that is marked as tribally enforceable only. U.S. EPA recommends revising condition IV.C.1. to require annual submittals, postmarked by January 30. The new tribally enforceable condition would require a submittal by July 31 and cover the period from January 1 through June 30. See comment 5 below for suggested language.

Comment 5:

U.S. EPA stated that EPNG's most recent compliance certification for the Leupp facility covered a one year period that ended on May 11, 2007. The renewal permit must ensure that as the facility is converted to calendar year based certifications, there are no gaps in the periods of time for which the facility must certify compliance. To avoid a gap in compliance certification coverage while converting to calendar year certifications, condition IV.C.1. should be revised to allow for two special reporting periods. U.S. EPA suggests adding the additional language as follow:

The permittee shall submit to NNEPA and U.S. EPA Region 9 a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by January 30 and covering the previous calendar year, **except that the first reporting period shall cover the period from May 12, 2007 through May 11, 2008 and shall be postmarked by June 10, 2008, and the second reporting period shall cover the period from May 12, 2008 through December 31, 2008 and shall be postmarked by January 30, 2009.**

Response to Comments 4 and 5:

Condition IV.C.1 has been revised as follows as a result of these comments:

IV.C. Compliance Certifications [40 CFR § 71.6(c)(5)] [NNOPR § 302(I)]

1. The permittee shall submit to NNEPA and U.S. EPA Region 9 ~~semi-annually~~ a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by January 30 ~~and July 31 of each year~~ and covering the previous ~~six (6) calendar months~~ year, **except that the first certification period shall cover the period from May 12, 2007 through May 11, 2008 and the certification shall be postmarked by June 10, 2008, and the second certification period shall cover the period from May 12, 2008 through December 31, 2008 and the certification shall be postmarked by January 30, 2009.** The compliance certification shall be certified as to truth, accuracy, and completeness by the permit-designated responsible official consistent with Section IV.E. of this permit and 40 CFR § 71.5(d) [40 CFR § 71.6(c)(5)] ~~[NNOPR § 302(I)]~~.

2. The permittee shall submit to NNEPA a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by July 30 and covering the previous six (6) months, except that the first certification period shall cover the period from the effective date of this Part 71 permit through June 30, 2008. The compliance certification shall be certified as to truth, accuracy, and completeness by the permit-designated responsible official consistent with Section IV.E. of this permit. This condition is enforceable by NNEPA only [NNOPR § 302(I)].

23. The certification shall include the following:

...

Comment 6:

U.S. EPA stated that the semi-annual monitoring reporting condition (III.C.1.) should also be revised to allow for the first reporting period to be shorter than the subsequent periods, i.e., from the effective date of the permit through June 30, 2008.

Response to Comment 6:

Condition III.C.1 has been revised as follows as the result of this comment:

III.C. Reporting Requirements [40 CFR § 71.6 (a)(3)(iii)] [NNOPR § 302 (G)]

1. The permittee shall submit to NNEPA and U.S. EPA Region 9 reports of any monitoring required under 40 CFR § 71.6(a)(3)(i)(A), (B), or (C) each six month reporting period from January 1 to June 30 and from July 1 to December 31, **except that the first reporting period shall cover the period from the effective date of this Part 71 permit through June 30, 2008.** All reports shall be submitted to NNEPA and U.S. EPA and shall be postmarked by the 30th day following the end of the reporting period. All instances of deviations from permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official consistent with Condition IV.E of this permit.

...

Comment 7:

U.S. EPA stated that NNEPA should add a condition that requires the facility to install, operate, and properly maintain a dedicated non-resettable elapsed time meter to record the total number of hours that AUX D-01 operates, in order to provide practical enforceability to the 100 hour operation limit for AUX D-01 that EPNG needs to avoid triggering permitting under the Prevention of Significant Deterioration (PSD) program.

In addition, the record-keeping requirement for the engine hours of operation (Condition II.C.2.) should be more specific. U.S. EPA recommended that the condition require the permittee to maintain a log, to be updated monthly by the end of the first week of each month, that includes both the number of hours AUX D-01 operated during the previous month and the cumulative hours for the last 12 months.

U.S. EPA also stated that these PSD avoidance conditions lack a citation of origin and authority. NNEPA should cite CAA § 304(f) and 40 CFR § 71.6(b) for these requirements.

U.S. EPA recommended that the SoB explain that any relaxation of the PSD avoidance conditions would trigger PSD review pursuant to 40 CFR 52.21(r)(4).

Response to Comment 7:

Condition II.C has been revised as follows as the result of this comment:

II.C. PSD Minor Limits [CAA § 304(f)][40 CFR § 71.6(b)]

...

- 2. The permittee shall install, operate, and properly maintain a dedicated non-resettable elapsed time meter to record the total number of hours that AUX D-01 operates.**

- 32. The permittee shall maintain a log, to be updated monthly by the end of the first week of each month, that includes both the number of hours AUX D-01 operated during the previous month and the cumulative hours for the last 12 months** monthly records of the hours of operation for the auxiliary engine AUX D-01.

The last paragraph in Section 3 of the SoB has been revised to include the statement suggested in this comment.

Comment 8:

U.S. EPA stated that the following three conditions in the proposed permit include language that does not contain any requirements for the facility. This language should be removed from the permits and incorporated into the SoB:

Condition II.B.2:

Gas turbine D-01 is exempt from Condition II.B.1 of this permit when being fired with an emergency fuel. According to 40 CFR § 60.331(r), "emergency fuel" is defined as "a fuel fired by a gas turbine only during circumstances, such as

~~natural gas supply curtailment or breakdown of delivery system, that make it impossible to fire natural gas in the gas turbine. [40 CFR § 60.332(k)]~~

Condition II.B.4:

~~The permittee has elected not to monitor the total sulfur content of the gaseous fuel combusted in the turbine by combusting only the natural gas which meets the definition of natural gas in §60.331(u). The permittee shall use one of the following sources of information to make the required demonstration [40 CFR § 60.334(h)(3)]:~~

~~...~~

Condition II.C.1:

~~In order to render the requirements of 40 CFR 52.21 (PSD) not applicable to the modification project occurred in 2001,~~ The operating hours for the auxiliary engine AUX D-01 shall not exceed 100 hours per twelve (12) consecutive month period with compliance determined at the end of each month.

Response to Comment 8:

Conditions II.B.2, II.B.4, and II.C.1 have been revised as suggested. Section 4(a) of the SoB for this permit has been revised to include the deleted language in Condition II.B.2. The deleted language in Condition II.B.4 and II.C.1 was included in the SoB for public notice.

Comment 9:

Condition III.C.3. requires the permittee to report certain types of deviations to NNEPA by telephone, facsimile, or electronic mail. U.S. EPA stated that NNEPA should revise this condition to require that these deviations be reported to both NNEPA and U.S. EPA. The e-mail address for reporting to EPA is r9.aeo@epa.gov.

Response to Comment 9:

Condition III.C.3 has been revised to require that the deviation reports be submitted to both NNEPA and U.S. EPA as a result of this comment. The e-mail address for U.S. EPA has been added to this condition also.

Comment 10:

U.S. EPA stated that Section 1.d. of the SoB incorrectly states that the 2001 modification did not trigger PSD "because the PTE of emission units at D plant is less than the PSD significant modification thresholds." Similarly, Section 3 of the SoB incorrectly states that the "modifications that commenced in 1988 did not have potential to emit greater than the significant modification thresholds in 40 CFR § 52.21." PSD is triggered at an

existing major source by a "significant" emission increase, as that term is defined in 40 C.F.R § 52.21, not by having a "potential to emit greater than the significant modification thresholds." NNEPA should correct the PSD applicability language in these sections of the SoB.

Response to Comment 10:

The discussions in Section 1.d and 3 of the SoB have been revised as suggested.

Comment 11:

Section 1.l(c) of the SoB states that "fugitive NO_x and SO₂ emissions from this source are counted toward determinations of PSD review." Since the facility is currently a major source under the PSD program due to its potential to emit (PTE) of criteria pollutants, is not making a physical change or a change in its method of operation, and it is not clear that the facility has any fugitive NO_x and SO₂ emissions, U.S. EPA stated that there is no need to address how fugitive emissions are evaluated for PSD applicability purposes and recommended deleting Section 1.l(c).

Response to Comment 11:

Section 1.l(c) has been removed from the SoB as a result of this comment.

Upon further review, NNEPA has decided to make the following additional changes to the permit:

1. For clarification purposes and in order to be consistent with recent issued Part 71 permits, Condition IV.A - Fee Payment has been revised as follows:

IV.A. Fee Payment [NNOPR Subpart VI] [40 CFR § 71.6(a)(7) and § 71.9]

1. The permittee shall pay an annual permit fee in accordance with the procedures outlined below [NNOPR Subpart VI §§ 603(A) and (B)].
 - 1a. The permittee shall pay the annual permit fee by September 1 of each year.
 - 2b. The fee payment shall be in United States currency and shall be paid by money order, bank draft, certified check, corporate check, or electronic funds transfer payable to the order of the Navajo Nation EPA Air Quality Control Program.
 - 3c. The permittee shall send **the** fee payment and a completed fee filing form to:

Navajo Nation Air Quality Control Program
Operating Permit Program
P.O. Box 529
Fort Defiance, AZ 86504

2. **The permittee shall submit a fee calculation worksheet form with the annual permit fee by September 1 of each year. Calculations of actual or estimated emissions and calculation of the fees owed shall be computed on the fee calculation worksheets provided by the EPA. Fee payment of the full amount must accompany each fee calculation worksheet. [40 CFR § 71.6(a)(7) and § 71.9(e)(1)] [NNOPR Subpart VI § 603(A)]**
 3. **The fee calculation worksheet shall be certified by a responsible official consistent with 40 CFR § 71.5(d). [40 CFR § 71.6(a)(7) and § 71.9(e)(3)]**
 - ~~4. The permittee shall send an updated fee calculation worksheet form and a photocopy of each fee payment check (or other confirmation of actual fee paid) submitted annually by the same deadline as required for fee payment to the address listed in Section IV.E. of this permit. [Permittee should note that an annual emissions report, required at the same time as the fee calculation worksheet by NNOPR Subpart VI § 603(B), has been incorporated into the fee calculation worksheet form as a convenience.]~~
54. Basis for calculating annual fee:
- a. The annual emissions fee shall be calculated by multiplying the total tons of actual emissions of all **“regulated fee pollutants”** ~~(for fee calculation)~~ emitted from the source by the ~~presumptive~~ **applicable** emissions fee (in dollars/ton) in effect at the time of calculation. **Emissions of any regulated air pollutant that already are included in the fee calculation under a category of regulated pollutant, such as a federally listed hazardous air pollutant that is already accounted for as a VOC or as PM10, shall be counted only once in determining the source’s actual emissions. [NNOPR Subpart VI §§ 602(A) and (B)(1)]**
 - ~~(1)~~a. **“Actual emissions”** means the actual rate of emissions in tpy of any **regulated fee** pollutant ~~(for fee calculation)~~ emitted from a part 71 source over the preceding calendar year. Actual emissions shall be calculated using each emissions unit’s actual operating hours, production rates, in-place control equipment, and types of materials processed, stored, or combusted during the preceding calendar year. **Actual emissions shall not include emissions of any one fee pollutant in excess of 4,000 TPY, or any emissions that come from insignificant activities** [See NNOPR Subpart VI, and Subpart I § 102.5].

- (2)b. Actual emissions shall be computed using methods required by the permit for determining compliance, such as monitoring or source testing data [~~See NNOPR Subpart VI, and Subpart I § 102.5~~ **40 CFR § 71.6(a)(7) and § 71.9(e)(2)**].
 - (3)c. If actual emissions cannot be determined using the compliance methods in the permit, the permittee shall use other federally recognized procedures [~~See NNOPR Subpart VI, and Subpart I § 102.5~~ **40 CFR § 71.6(a)(7) and § 71.9(e)(2)**].
 - d. **The term “fee pollutant” is defined in NNOPR Subpart I § 102(24).**
 - (4)e. The term “regulated air pollutant” (~~for fee calculation~~) is defined in NNOPR Subpart I § 102.50, **except that for purposes of this permit the term does not include any pollutant that is regulated solely pursuant to 4 N.N.C. § 1121 nor does it include any hazardous air pollutant designated by the Director pursuant to 4 N.N.C. § 1126(B).**
 - (5)f. The permittee should note that the ~~presumptive~~ **applicable** fee amount is revised each year to account for inflation, and it is available from NNEPA starting on ~~September~~ **March** 1 of each year.
 - g. **The total annual fee due shall be the greater of the applicable minimum fee and the sum of subtotal annual fees for all fee pollutants emitted from the source. [NNOPR Subpart VI § 602(B)(2)]**
- b. ~~The permittee shall exclude the following emissions from the calculation of fees:~~
- (1) ~~The amount of actual emissions of each regulated pollutant (for fee calculation) that the source emits in excess of 4,000 tons per year [See NNOPR Subpart VI, and Subpart I § 102.5].~~
 - (2) ~~Actual emissions of any regulated pollutant (for fee calculation) already included in the fee calculation [See NNOPR Subpart VI, and Subpart I § 102.5]; and~~
 - (3) ~~The quantity of actual emissions (for fee calculation) of insignificant activities [Defined in NNOPR Subpart I § 102.29, and 40 CFR § 71.5(e)(11)(i)] or of insignificant emissions levels from emissions units identified in the Permittee’s application pursuant to~~

NNOPR Subpart I § 102.30, and 40 CFR § 71.5(e)(11)(ii) [See NNOPR Subpart VI, and Subpart I § 102.5].

6. ~~Fee calculation worksheets shall be certified as to truth, accuracy, and completeness by a responsible official. [Permittee should note that the fee calculation worksheet form already incorporates a section to help you meet this responsibility.]~~
75. The permittee shall retain, **in accordance with the provisions of 40 CFR § 71.6(a)(3)(ii), all** fee calculation worksheets and other emissions-related data used to determine fee payment for 5 years following submittal of fee payment. Emission-related data include, for example, emissions-related forms provided by NNEPA and used by the permittee for fee calculation purposes, emissions-related spreadsheets, and ~~emissions-related data, such as~~ records of emissions monitoring data and related support information required to be kept in accordance with 40 CFR § 71.6(a)(3)(ii) [See NNOPR Subpart III § 302(F), and Subpart VI § 602(B) **40 CFR § 71.6(a)(7) and § 71.9(i)**].
86. Failure of the permittee to pay fees in a timely manner shall subject the permittee to assessment of penalties and interest in accordance with NNOPR Subpart VI § 603(C).
97. When notified by NNEPA of underpayment of fees, the Permittee shall remit full payment within 30 days of receipt of notification [~~NNOPR Subpart VI § 603(C)~~ **40 CFR § 71.9(j)(2)**].
108. A Permittee who thinks an NNEPA assessed fee is in error and wishes to challenge such fee, shall provide a written explanation of the alleged error to NNEPA along with full payment of the NNEPA assessed fee [~~See NNOPR Subpart VI § 603(B)~~ **40 CFR § 71.9(j)(3)**].