

KEANMILLER

KEAN MILLER HAWTHORNE D'ARMOND McCOWAN & JARMAN LLP
ATTORNEYS AT LAW

KYLE B. BEALL, PARTNER
225.382.3493x DIRECT FAX 225.215.4093
KYLE.BEALL@KEANMILLER.COM

October 29, 2009

U.S. Environmental Protection Agency
Clerk of the Board, Environmental Appeals Board
Colorado Building
1341 G Street, N.W., Suite 600
Washington, D.C. 20005

VIA FEDERAL EXPRESS

ENVIR. APPEALS BOARD

2009 OCT 30 PM 3:03

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U.S. E.P.A.

Re: **Petition for Review**
Williams Four Corners, LLC – Los Mestenos Compressor Station
Part 71 Operating Permit No. R6NM-04-09R1

To Whom It May Concern:

Attached is a Petition for Review filed on behalf of Williams Four Corners, LLC for the above-referenced Part 71 permit issued by EPA Region 6. An original petition and five copies are attached.

Please call me at (225)382-3493 if you have any questions concerning this matter.

Very truly yours,



Kyle B. Beall

Attachments

cc: Aaron Dailey
Raj Basi

**BEFORE THE ENVIRONMENTAL APPEALS BOARD
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.**

IN THE MATTER OF:

**Williams Four Corners, LLC
188 County Road 4900
Bloomfield, NM 87413**

**Part 71 Operating Permit
Los Mestenos Compressor Station
Permit No. R6NM-04-09R1**

RECEIVED
U.S. EPA.
2009 OCT 30 PM 3:02
ENVIR. APPEALS BOARD

PETITION FOR REVIEW

Pursuant to 40 C.F.R. § 71.11(l), Williams Four Corners, LLC (“Williams”) hereby requests review of certain conditions set forth in Part 71 Permit No. R6NM-04-09R1, dated September 30, 2009 and effective on October 30, 2009 (the “Title V Permit”). Williams received the final permit on October 5, 2009 by certified mail. Only the permit conditions discussed in this request are contested. Pursuant to the conditions of the permit, Williams understands that the provisions specifically appealed will be suspended by a request for hearing.

FACTUAL BACKGROUND

Williams owns and operates the Los Mestenos Compressor Station, a natural gas compressor station located in Rio Arriba County, New Mexico. The compressor station is located within the Jicarilla Apache Indian Reservation and is a minor source of hazardous air pollutants. The small facility is located on a remote property and is approximately 7.5 miles from the nearest residence. An initial Title V Permit was issued by EPA Region 6 for this facility on November 17, 2003. Public notice of a draft Title V renewal permit for this facility was published and the public comment period ran from August 28, 2009 through September 28,

2009. Williams timely submitted comments to EPA Region 6 within the public comment period.

The Los Mestenos Compressor Station consists of a Solar Saturn 1200 horsepower (hp) gas turbine (Unit 1), a Caterpillar 399TA 750 hp internal combustion engine (Unit 2), and one 500-barrel condensate storage tank (Unit T-1). The turbine operates continuously, but the internal combustion engine operates intermittently in the warmer months and rarely during the winter. The facility is permitted by EPA Region 6 pursuant to the Federal Operating Permits Program set forth in 40 C.F.R. Part 71. The gas turbine is subject to NSPS Subparts A and GG, as applicable. No other federal environmental regulations are applicable to the Los Mestenos Compressor Station.

PROCEDURAL REQUIREMENTS

Williams satisfies the threshold requirements for filing a petition for review as follows:

1. Williams has standing to petition for review of the permit decision because it participated in the public comment period on the permit. *See*, 40 C.F.R. § 71.11.
2. The issues raised by Williams in its petition were raised during the public comment period and, therefore, were preserved for review. Copies of the comments provided by Williams to EPA Region 6 on September 16, 2009, and EPA's response to comments, dated September 30, 2009, are attached to this petition.

APPEALED CONDITIONS

The contested conditions, and the grounds therefore, are described below:

1.

Section 3.2.4.1.1 of the Title V permit requires an initial set of compliance tests for the gas turbine (Unit 1). Specifically, the permit specifies that Williams must test Unit 1 for carbon monoxide (CO), particulate matter less than 10 microns (PM₁₀), volatile organic compounds

(VOC), and speciated hazardous air pollutants (HAPs). Unit 1 is subject to NSPS Subpart GG which sets forth emissions standards only for nitrogen oxides (NO_x) and sulfur dioxide (SO₂). Unit 1 is not subject to any other technology-based emissions control standard. The annual potential to emit (PTE) emission estimates for Unit 1 (included in the permit “for informational purposes only”) are set forth in Table 2 and include the following:

SOURCE	VOC (tpy)	PM ₁₀ (tpy)	HAPs (tpy)
Unit 1	0.4	Negligible	0.4

Williams contests the requirement to test VOC, PM₁₀, and HAPs. First, there is no regulatory requirement to test these constituents. In addition, the emissions factors used to establish the PTE estimates for VOC, PM₁₀, and HAPs are well-established for turbines and there has been no basis set forth by EPA to test these constituents. Finally, the PTE estimates for these sources are all less than 0.5 tons per year and will result in insignificant off-site impact based on the location of the facility. Because there is no statutory or regulatory basis for the testing requirements, the EPA erred in requiring initial compliance tests for VOC, PM₁₀, and HAPs. These conditions should be removed from Section 3.2.4.1 of the final Title V permit.

As a practical matter, Williams notes that compliance tests for Unit 1 will be expensive and will require certain equipment to be reconfigured to accomplish the testing required by the permit. Because there is a sound basis for the emissions estimates, there will be very little benefit to the tests compared to the costs and effort to perform them.

2.

Section 3.2.4.1.1 of the Title V permit specifies that Williams must test Unit 2 for NO_x, SO₂, CO, PM₁₀, and speciated HAPs. Unit 2 is not subject to any federal technology-based

emissions control standards. The annual PTE emission estimates for Unit 2 (included in the permit “for informational purposes only”) are set forth in Table 2 and include the following:

SOURCE	SO ₂ (tpy)	VOC (tpy)	PM ₁₀ (tpy)	HAPS (tpy)
Unit 2	Negligible	2.9	Negligible	0.7

Williams contests the requirement to test SO₂, VOC, PM₁₀, and HAPs. First, there is no regulatory requirement to test these constituents. In addition, the emissions factors used to establish the PTE estimates for SO₂, VOC, PM₁₀, and HAPs are well-established for internal combustion engines and there has been no basis set forth by EPA to test these constituents. Williams currently measures the sulfur content of the fuel as an acceptable surrogate for estimating SO₂ emissions.¹ Finally, the PTE estimates for these sources are very low and will result in insignificant off-site impact based on the location of the facility. Because there is no statutory or regulatory basis for the testing requirements, the EPA erred in requiring initial compliance tests for SO₂, VOC, PM₁₀, and HAPs. These conditions should be removed from Section 3.2.4.1 of the final Title V permit.

As a practical matter, Williams notes that compliance tests for Unit 2 will be expensive and will require certain equipment to be reconfigured to accomplish the testing required by the permit. Because there is a sound basis for the emissions estimates, there will be very little benefit to the tests compared to the costs and effort to perform them.

¹ Williams notes that the Los Mestenos Compressor Station has monitored the sulfur content of the facility’s fuel gas for at least 12 years pursuant to NSPS Subpart GG and the August 19, 1997 EPA-approved Custom Fuel Monitoring Schedule for Unit 1 and the results have been non-detectible or extremely low during this period.

3.

Section 3.2.4.1.2 of the Title V permit requires the permittee to “record the heat input rate and heat capacity of the fuel used, and the engine speed (rpm), horsepower and load of the Units, plus all calculations from EPA AP-42 or site specific emissions factors for emission rates.” Williams contests this condition, as written, and asserts that it is ambiguous and unduly burdensome. Specifically, all of the parameters specified are not necessary to assure compliance with the underlying PTE emissions estimates. Williams believes that Section 3.2.4.1.2 should only require that the following parameters be recorded:

1. the heat input rate and heat capacity of the fuel used;
2. the engine speed (rpm), horsepower and load of the Units; and
3. all calculations required for the applicable EPA test methods.

4.

Sections 3.2.4.1.4 and 3.2.4.2 of the Title V permit requires the permittee to conduct quarterly tests using a portable analyzer for CO and NO_x for Unit 2 “if the portable analyzer results are consistent with EPA test methods.” Williams contests this condition, as written, and asserts that it is ambiguous and unduly burdensome. First, the EPA has failed to demonstrate why the quarterly tests are necessary if the tests performed in accordance with 40 C.F.R. Part 51, Appendix M demonstrate compliance with the CO and NO_x emissions estimates set forth in Table 2 of the Title V permit. Further, the EPA has failed to define the term “consistent” with respect to the results of the EPA test methods and the portable analyzer. Finally, the EPA has failed to provide adequate flexibility in the permit when Unit 2 is not operating. As noted, Unit 2 only operates intermittently in the warmer months and rarely operates during the winter months. It makes little practical, economic or environmental sense to require the facility to start an

emissions source for the sole purpose of conducting a quarterly test with a portable analyzer.

There is no statutory or regulatory basis for the quarterly testing requirement. For this reason, Williams requests that Section 3.2.4.1.4 and 3.2.4.2 (and all related subsections, including 3.2.6.7.5 and 3.2.6.7.6) be removed from the Title V permit. At a minimum, the Title V permit should allow the facility to not test when Unit 1 or Unit 2 is not operating.

5.

Section 3.2.5.2 of the Title V permit requires that "The actual heat input rate for emission unit No. 2 (IC engine) shall be monitored on a monthly basis, through records of heat capacity of fuel used, records of rpm/load of engine, and calculations from EPA AP-42 or site specific emission factors, along with calculations of horsepower from correlations with rpm from the compliance test." Williams asserts that part of this monitoring requirement is unnecessary and unduly burdensome.

Specifically, the facility should not be required to monitor "records of rpm/load of engine, and calculations from EPA AP-42 or site specific emission factors, along with calculations of horsepower from correlations with rpm from the compliance test" to determine the actual heat input rate of the emission unit as this parameter is already directly measured. For this reason, Williams believes that EPA should only require that heat capacity be monitored in Section 3.2.5.2 (and 3.2.6.5).

6.

Williams requests that the EPA clarify that Table 4 of the Title V permit is for informational purposes and does not constitute enforceable emissions limits. Neither the permit nor the EPA's response to comments is clear on this issue. As noted, the gas turbine (Unit 1) is subject to NSPS Subpart GG. Section 4.2 of the permit sets forth the only emissions limits for

Unit 1 pursuant to NSPS Subpart GG. No other federal environmental emissions standards are applicable to the Los Mestenos Compressor Station.

CONCLUSION

For the above reasons, Williams requests that the Environmental Appeals Board issue an Order directing the EPA make the changes requested in this petition for review.

Respectfully submitted:

By: Kyle Beall
Kyle B. Beall, Bar Roll No. 24957
Maureen N. Harbourt, Bar Roll No. 1068
Tokesha Collins, Bar Roll No. 31672
Kean, Miller, Hawthorne,
D'Armond, McCowan & Jarman, L.L.P.
Baton Rouge, LA 70821
Tel: (225) 387-0999

Counsel for Williams Four Corners, LLC

Dailey, Aaron

From: Dailey, Aaron
Sent: Wednesday, September 16, 2009 11:41 AM
To: Penland.Catherine@epamail.epa.gov
Subject: R6 NM-04-09R1 Draft permit comments
Attachments: Los Mesterios proposed alternate permit conditions 916.09.doc

Cathy,

My apologies on the previous draft comments I sent you; please disregard that e-mail. Please consider this our draft comment submittal for the public notice period. Long story short—I goofed up by looking at the pre-public notice draft thinking that it was the public notice draft, so I was confusing myself.

Please see the attached comments for the Los Mestenos draft permit. In addition, here are some other comments that we had on the permit:

- Condition 1 Plant Contact position = Environmental Specialist (no 'senior')
- Table 1 Unit T-1 Model No. = N/A
- Table 1 Unit F-1 Serial No. = N/A
- Table 4 should be removed from the permit. NSPS GG only establishes NOx ppm standards, not pph or tpy limits, and the ppm standard is identified in Condition 4.1.1.

Please don't hesitate to contact me if you have any questions or concerns. Thank you for contacting me and letting me know you had difficulty understanding what I sent you; I appreciate it!

Sincerely,
aaron

Aaron Dailey
Environmental Specialist
Williams Four Corners, LLC
Office: (505)632-4708
Cell: (505)787-0719
Fax: (505)632-4781
aaron.dailey@williams.com

3.2.4 Compliance Tests: A compliance test on calculated and projected potential to emit (PTE's) for all pollutants with safety factors from units at this source will be conducted, using applicable EPA Methods established within 40 CFR Part 51, Appendix M, or as otherwise specified in the permit by applicable requirements, within 2 months of permit issuance date.

3.2.4.1. Potential to Emit (PTE):

3.2.4.1.1. Compliance tests are required on for the combustion turbine (Unit No. 1) and the IC engine (Unit No. 2) for nitrogen oxides (NOx) and carbon monoxide (CO). Tests are to be conducted within two (2) months of permit issuance date, and are to be conducted using applicable EPA test methods established within 40 CFR Part 51, Appendix M.

3.2.4.1.2. Emissions from individual units at this source will be corrected/calculated in units of the underlying applicable emission limitation or calculation method (grams per horsepower hour, pounds per MMBtu, pounds per hour, tons per year). Emission calculations resulting in either a greater than insignificant increase (> 2 tpy) or greater than 10% decrease estimated PTE from the levels established in this permit will be retested to verify results, using the methodology described in Condition 3.2.4.1.1 of this permit. If the difference remains either greater than an insignificant increase (> 2 tpy) or greater than a 10% decrease estimated the PTE in this permit, the permittee will reapply for modification to this Title V permit.

3.2.4.1.3. Concurrent with the EPA method compliance tests of Condition 3.2.4.1.1, Units 1 and 2 shall also be tested with a portable analyzer for NOx and CO for comparison with the EPA Method tests. The portable analyzer shall be operated in accordance with the Environmental Protection Agency's, Office of Air Quality Planning & Standards, Emission Measurement Center Conditional Test Method - Determination of Oxygen, Carbon Monoxide and Nitrogen oxides from Stationary Sources For Periodic Monitoring (Portable Electrochemical Analyzer Procedure) [CTM-034] (September 8, 1999). If the portable analyzer test results are consistent with the EPA method tests, then subsequent quarterly tests below may be accomplished using only the portable analyzer test procedures.

3.2.4.1.4. A report will be submitted within forty-five (45) days of conclusion of test to EPA Region 6 at the address listed in Condition 5.5.

3.2.4.2 Subsequent compliance tests on Units 1 and 2 will be conducted quarterly for one year.

3.2.4.2.1 If the test results of Condition 3.2.4.1 demonstrated consistency between the EPA method tests and the portable analyzer tests, then these quarterly tests may be conducted with portable analyzers which shall be operated in accordance with the Environmental Protection Agency's, Office of Air Quality Planning & Standards, Emission Measurement Center Conditional Test Method - Determination of Oxygen, Carbon Monoxide and Nitrogen oxides from Stationary Sources For Periodic Monitoring (Portable Electrochemical Analyzer Procedure) [CTM-034] (September 8, 1999). Otherwise, the tests shall be conducted in accordance with EPA Part 51, Appendix M test methods.

3.2.4.2.2 At the time of each quarterly test, the permittee will record the heat input rate and heat capacity of the fuel used, and the engine speed (rpm), horsepower and load of the Units.

3.2.4.3 After one year of tests on the combustion turbine (Unit No. 1) and the IC engine (Unit No. 2), the permittee may apply for a change in emissions for this unit to reflect more accurate PTEs. Any increases above the permitted levels may require additional ambient air quality modeling and evaluation under all applicable rules and regulations.

3.2.5 Monitoring

3.2.5.1 The fuel flow/consumption of Unit No. 1 and Unit No. 2 shall be monitored continuously and the average daily rate be recorded in a monthly report.

3.2.5.2 The heat content of the fuel for Unit No. 1 and Unit No. 2 shall be monitored at least monthly to be used to calculate each unit's actual heat input rate in Condition 3.2.6.5.

3.2.5.3 Maintenance and repair activities for Unit No. 1 and Unit No. 2 shall be monitored.

3.2.6 Reporting/Recordkeeping

- 3.2.6.1 The permittee shall keep records of all tests and reports, as required by compliance requirements of this permit, for a period of at least five years from the date of testing.
- 3.2.6.2 The permittee shall keep records on all repair and maintenance activities performed on all emission units. These records shall identify the relevant emission unit and describe the work performed.
- 3.2.6.3 The permittee shall keep records of the serial numbers for each emission unit. The emission units and their serial numbers are listed in Table 1 above. A change in serial number should also be reflected in the reports required by Condition 3.2.6.7.
- 3.2.6.4 The records of fuel consumption shall be recorded on a monthly basis and maintained for Unit No. 1 and Unit No. 2.
- 3.2.6.5 The hours of operation for Unit No. 1 and Unit No. 2 shall be recorded on a monthly basis, and in conjunction with the monthly fuel consumption records and heat content analysis, shall be used to determine each unit's actual heat input rate for that month.
- 3.2.6.6 Retention of these records and supporting information shall be for a period of at least five years from the date of measurement, monitoring or report. Support information includes all calibration and maintenance records, all original strip-chart recordings or monitoring instrumentation and copies of all reports required by this permit.
- 3.2.6.7 The following reports/records shall be submitted to EPA within forty-five (45) days following every six months from the date of issuance of this permit:
- 3.2.6.7.1 Fuel flow/consumption records for Unit No. 1 and No. 2 showing the monthly and rolling twelve-month average fuel usage in mmscf/hr and mmscf/yr; and
 - 3.2.6.7.2 The heat input records of Unit No.1 and Unit No. 2 showing the monthly and rolling twelve-month average heat input in MMBtu/hr.
 - 3.2.6.7.3 Repair and maintenance records of Unit No.1 and Unit No. 2.
 - 3.2.6.7.4 The quarterly emission test reports of Condition 3.2.4.2.

3.2.6.8 Copies of these records shall also be sent, on the same schedule, to

Environment Director
Jicarilla Apache Reservation
P.O. Box 507, Dulce, NM 87528

(Eliminate 3.2.6.8 and 3.2.6.9 – quarterly test reporting conditions as the reports are now required in 3.2.6.7.4)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

SEP 30 2009

Mr. Don Wicburg
Director
Four Corners Area
Williams Four Corner, LLC
188 County Road, 4900
Bloomfield, NM 87413

RE: Response to Comments for Draft Permit Number R6NM-04-09R1 (Formerly R6FOPP71-04) Williams Four Corners, LLC Los Mestenos Compressor Station, Rio Arriba County, New Mexico

Dear Mr. Wicburg:

The U.S. Environmental Protection Agency (EPA), Region 6 would like to take this opportunity to offer the following response to public comments raised regarding the proposed Title V permits for Williams Four Corners, LLC Los Mestenos Compressor Station. The draft permit was out for a 30 day public comment period which ran from August 28, 2009, through September 28, 2009. The Region received a comment e-mail communiqué, in response to the Public Notice, from the company on September 16, 2009.

The Region addressed the comments by minor edits and incorporating a suggested reorganization of the Testing/Monitoring/Reporting/Recordkeeping sections of Subsection 3.2 of the draft permit to better reflect what units and what pollutants would be tested, and how they would be monitored, with reporting/recordkeeping. No substantive change has been made to the conditions of the permit. These comments are summarized below with our response.

Williams' comment: Condition 1 Plant Contact position: Remove reference to "senior" for Environmental Specialist

Williams' comment: Table 1, Unit T-1, Model Number: Replace "Unknown" with "N/A"

Williams' comment: Table 1, Unit F-1, Serial Number: Replace "Unknown" with "N/A"

EPA response: The EPA agrees with the above three comments and has corrected/amended the permit as requested. These changes to the permit are not substantive, and do not change conditions in the permit.

Williams' comment: Table 4 should be removed from the permit. New source performance standard (NSPS) GG only establishes nitrogen oxide (NOx) parts per million (ppm) standards, not parts per hundred or tons per year (tpy) limits, and the ppm standard is identified in Condition 4.1.1.

EPA response: Any deletion of limitations from a Title V permit that incorporates requirements established under a New Source Review (NSR) program may be considered backsliding. Additionally, for Title V requirements, fee calculation methodology requirements under Condition 5.1.6. require emissions be reported in tpy. The Potential to Emit (PTE) for Unit Number 1 will also need to be reported in that unit, and must reflect current applicable requirements.

As part of the consideration of this response, a re-evaluation of presented PTE in draft permit documents was made, with respect to the regulated emission unit. The PTE for Unit Number 1 is limited under the regulatory requirements of NSPS. As such, the source-wide PTE will be affected by this limit, thus Table 2 of the Permit and Table 1 and 2 of the Statement of Basis will reflect the source-wide PTE and change to the PTE (only correction is that the reduction of CO is reduced by 121 tpy) to include the controlled and uncontrolled PTE for NOx, Carbon Monoxide, and volatile organic compounds. Footnotes will be placed under those Tables to identify which specific unit emissions are controlled, with further reference to the specific limitation applicable to NSPS, Subpart GG under Table 4. Uncontrolled emission unit PTEs will be noted for information purposes only in Table 2 of the permit and Table 1 of the Statement of Basis. The permit will continue to limit Unit No. 1 with emission rates in tpy under Title V requirements and ppm under NSPS. The requested change to the permit by Williams will not be made for the above reasons. No substantive change has been made to the permit conditions with these corrections, as they reflect current information in the permit and statement of basis as public noticed, except with respect to administrative representation.

Williams' comment: Williams' provided a proposed rewrite of condition 3.2.4 Compliance Tests, 3.2.5. Monitoring, 3.2.6, and Reporting/Recordkeeping. In a phone conversation with Mr. Aaron Daily, Plant Manager, on September 16, 2009, explanation was provided that explained suggested deletion of the requirements to testing/monitoring/reporting/recordkeeping for all other units at the site. Mr. Daily explained that there is only one unit at the site, besides tanks, that can be tested for other pollutants, and that is Unit No. 1. Unit No. 1 is already testing and monitoring sulfur dioxide and NOx under NSPS, Subpart GG requirements, but has not tested for other pollutants that are emitted. The tanks are currently measured and estimated using EPA methods already.

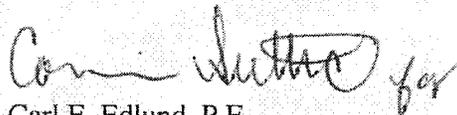
EPA response: With additional edits to the Williams' suggestions, and additional organization to include applicable pollutants to the units that would require tests for PTE, the requested sections have been rewritten to better clarify compliance testing/monitoring/reporting/recordkeeping

requirements. Rewrites not accepted for replacement in these Conditions are related to changes to compliance requirements with heat input rate limitations, and compliance with multiple test report submissions. These changes were not accepted, due to the lack of practical enforceability issues (actual heat input cannot be quantified without knowing the actual engine load) and the misunderstanding of what test reports would be required to be submitted (resolved with the reorganized rewrite). No substantive change has been made to the permit conditions with this rewrite, although Conditions have been reordered, combined and clarified.

Williams' comment/EPA clarification: In further clarification phone conversations with Mr. Aaron Daily on September 16, 2009, a previous submittal of comments was discussed, with respect to requested changes to testing/monitoring/recordkeeping requirements associated with language in the permit under the NSPS requirements in Condition 4 of the permit. It was explained to Mr. Daily that much of the requirements came from a custom schedule agreed upon between the permittee and Region 6 Enforcement Branch in a letter attached to the NSR permit as conditions of that permit. When these conditions were brought into the Title V permit, they were brought in their entirety, without change. Any changes to these conditions would have to be applied for and coordinated with the Region 6 Enforcement Branch, and then reapplied for in a modification to the Title V permit. Mr. Daily agreed that no change to the permit could result from this request to the Permit Section for a change to Title V, without first coordinating change with Enforcement.

The Region has taken appropriate steps to ensure that all the comments received during the public comment period were addressed. If you have further questions, please contact Ms. Catherine Penland of my staff at (214) 665-7122.

Sincerely yours,



Carl E. Edlund, P.E.
Director
Multimedia Planning and
Permitting Division

cc: Mr. Cordel DeCube
Program Director
Environmental Protection Office
Jicarilla Apache Nation

Mr. John Barth
Director
Western Clean Energy Campaign