

Responsiveness Summary
for the Draft CAAPP Permit for:

CenterPoint Energy - Mississippi River Transmission Corporation

Permitting Authority:

Illinois Environmental Protection Agency
Bureau of Air, Permit Section

I.D. No.: 119818AAA

Permit No.: 95120153

Date Prepared: May 31, 2011

CHAPTER I - BACKGROUND

The Clean Air Act Permit Program (CAAPP) permit is Illinois' operating permit program for major sources of emissions, as required by Title V of the Clean Air Act. The conditions of CAAPP permits are enforceable by the public, as well as by the USEPA and Illinois EPA.

On February 10, 2004, the Illinois EPA, Bureau of Air received an air permit application from CeneterPoint Energy - Mississippi River Transmission Corporation. The air permit application requested a renewal of their Clean Air Act Permit Program (CAAPP) permit.

An air permit application must appropriately address compliance with applicable air pollution control laws and regulations before a permit can be issued. Following an initial review of the application, the Illinois EPA's Bureau of Air made a preliminary determination that the application met the standards for issuance and prepared a draft permit for public review and comment.

A summary of the significant comments raised, as well as the Agency's response is required pursuant to 35 IAC 166.192. This Responsiveness Summary fulfills that requirement.

1.0 PUBLIC NOTICE PERIOD

The Bureau of Air, pursuant to 35 IAC 270.503(d)(3), provided the Permittee with a reasonable opportunity to review and comment on the preliminary draft CAAPP permit prior to public notice. This review period began April 08, 2010 and ended April 26, 2010.

Public participation in the air pollution control permit program is required pursuant to 35 IAC 252.201 and 35 IAC 252.102(a)(5). The public comment period was noticed in the *Highland News Leader* and began November 11, 2010 and ended December 11, 2010. The USEPA's review period began November 11, 2010 and ended December 26, 2010.

Sufficient interest for the draft permit was not expressed during the public participation period, therefore a hearing was not held.

CHAPTER II - RESPONSE TO COMMENTS

1.0 Significant Comments

1.1 Permit Condition 5.6.1

Source Comment

"The VOM calculation without the storage equipment onsite would be 3.51 tpy and with the storage equipment would only be 3.63 tpy. Not sure where the 4.75 is coming from."

Illinois EPA Response

The value of 7.75 tpy is consistent with the information provided in the source's CAAPP application for renewal submit in February 2004. The CAAPP 292 (i.e., Fee Determination form) lists 4.60 tpy of VOM from various emission units and 0.15 tpy of fugitive VOM emissions, equaling the 4.75 tpy seen in the table of Condition 5.6.1.

1.2 Permit Condition 5.7.1(b)

Source Comment

"Any testing must be done pursuant to proper MRT safety requirements while onsite."

Illinois EPA Response

While the source's comment is noted, the condition references verbatim the regulation at 35 IAC 201.282(b). The comment does not justify a change to this condition. Any such change however would be moot as the regulation would necessarily provide the same authority. As the comment expresses concern about testing conducted by the IEPA on-site, the IEPA would work with the source to satisfy MRT safety requirements in addition to the Agency's own safety requirements.

1.3 Permit Condition 6.0

Source Comment

"What about the IL NO_x rule? Unit 1 and Unit 2 are subject to this rule, but meet the exemption requirements. Records are kept to prove this."

Illinois EPA Response

This comment brings to light an error in the draft and proposed permit. Condition 7.1.4(e)(i) and 7.2.4(e)(i) erroneously provided a non-applicability statement for the affected engines and turbine from 35 IAC 217 Subpart Q, when in fact those emission units are subject to those provisions. Therefore, the non-applicability statement at Condition 7.1.4(e)(i) and 7.2.4(e)(i) has been removed. Furthermore, to address the applicability of those provisions, it was necessary to include

new conditions (i.e., Conditions 7.1.13 and 7.2.13) to address the fact that this particular applicable provision is a so-called "State Only Condition" as Subpart Q has not yet been approved into the state SIP.

1.4 Permit Condition 7.1.3(e)

Source Comment

"MRT would like to request that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date."

Illinois EPA Response

The language cited to is standard language used when an applicant submits a Request to Operate with Excess Emissions during Startup of Equipment (form 203-CAAPP), and that request is granted. This language applies specifically to an exceedance of a State regulation. The referenced federal rule cannot overlap the authorization allowed by 35 IAC 201.149, 161 or 262. With regard to the future applicable standards, such requirements are addressed by the Future Emission Standards of Condition 5.3.5.

1.5 Permit Condition 7.1.4(a)

Source Comment

"There are no units onsite subject to 40 CFR 60 NSPS IIII. We are also not subject to 40 CFR 60 NSPS JJJJ."

Illinois EPA Response

With regard to NSPS IIII, the Illinois EPA agrees with this comment and included the non-applicability to shield the source from the Federal Rule given the type of engine (compression or spark-ignited) is not generally distinguishable from its appearance.

With regard to NSPS JJJJ, while the source may be regarded as not subject, the source has not affirmatively demonstrated that the engines were not reconstructed or existing through the proper certification. Thus the Illinois EPA has not included a non-applicability statement for NSPS JJJJ.

1.6 Permit Condition 7.1.4(b)(ii)

Source Comment

"MRT requests that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements be added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date."

Illinois EPA Response

This request is denied. Such future applicable provisions are covered under Condition 5.3.5 (Future Emission Standards).

1.7 Permit Condition 7.1.8(a)

Source Comment

"These are not diesel engines and thus we recommend removing this requirement. MRT shows compliance with the opacity limits by using only pipeline quality natural gas as fuel."

Illinois EPA Response

The notation of the erroneous emission unit type (diesel engine) will be corrected, however the request relating to removing the opacity monitoring is denied. This comment has not sufficiently justified how a specific type of fuel might be sufficient to demonstrate compliance with an opacity limit. For example, factors beyond fuel type, such as proper engine tuning or failing components can affect the level of opacity from a given engine.

1.8 Permit Condition 7.1.9(b)

Source Comment

"Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed."

Illinois EPA Response

Individual fuel records are required as an appropriate periodic monitoring approach, as required by 39.5(7)(d) of the Act. Furthermore, individual fuel usage records are necessary for the emission calculations stipulated in the compliance procedures of Condition 7.1.12(c).

1.9 Permit Condition 7.1.9(c)

Source Comment

"MRT requests that this be removed and the new RICE MACT (40 CFR 63 Subpart ZZZZ) requirements be added instead. SN-01 and SN-02 will be subject to the RICE MACT and both units will be in compliance by the required October 19, 2013 compliance date."

Illinois EPA Response

Such future applicable provisions are covered under Condition 5.3.5 (Future Emission Standards).

1.10 Permit Condition 7.1.10(c)

Source Comment

"This is more stringent than any federal regulation and since we will be complying with the RICE MACT, this requirement should be removed."

Illinois EPA Response

The condition in question is appropriate as it is standard permit language used as a result of the source's request to operate in excess of applicable state standards during a startup event. The allowance by the Illinois EPA to exceed certain standards comes at the tradeoff of increased periodic monitoring which includes record keeping and reporting. Whether this condition is more stringent than a federal regulation is not relevant given this relief is pertaining to a state regulation. Also, see comment #1.4.

1.11 Permit Condition 7.1.11

Source Comment

"Please add the following language to this section, "Replacement equipment and emissions are limited to equipment and emissions which are not a modification under NSPS, NESHAPS, or a significant modification under PSD. For existing PSD facilities, the Permittee shall calculate the PTE or the net emissions increase resulting from the replacement to document that it does not exceed significance levels. Engines installed are allowed under the replacement allowances that are subject to 40 CFR Part 63 Subpart ZZZZ and/or CFR Part 60, Subpart JJJJ shall comply with all applicable requirements.""

Illinois EPA Response

The comment is not justifiable and no change has been made to the condition. The request is not supported by the application which describes the nature of the operational flexibility that is desired such that the Illinois EPA cannot determine whether the request is appropriate. The Illinois EPA also cannot determine whether the request would extend to activities for which a permit is required by 35 IAC 201.142, construction of a new unit for which an NSPS or NESHAP is applicable with accompanying performance testing, or even a major project subject to 35 IAC Part 203 MSSCAM or 40 CFR 52.21 PSD.

1.12 Permit Condition 7.2.4(a)(i)

Source Comment

"The turbine is not subject to 40 CFR 60 Subpart GG or KKKK because it was constructed in 1975."

Illinois EPA Response

The Illinois EPA agrees with this comment. This condition is a non-applicability statement.

1.13 Permit Condition 7.2.7(a)

Source Comment

"MRT shows compliance with opacity by using pipeline quality natural gas as fuel. Please rewrite to allow MRT to show compliance with opacity by keeping a copy of the FERC gas tariff."

Illinois EPA Response

As explained in response 1.7, the use of a given fuel type may not assure compliance to a given opacity standard.

1.14 Permit Condition 7.2.8

Source Comment

"Since this is not a subpart GG turbine, as mentioned above, these requirements should be removed."

Illinois EPA Response

The monitoring requirements of Condition 7.2.8 are not derived from 40 CFR 60 Subpart GG, rather the requirements are necessary to satisfy the periodic monitoring requirements as required by 39.5(7)(d) of the Act. In this case the requirements are necessary to assure compliance to the opacity standard listed at Condition 7.2.3(b) (35 IAC 212.123).

1.15 Permit Condition 7.2.9(a)

Source Comment

"This is a turbine not a diesel engine. Therefore these requirements should be removed from the permit."

Illinois EPA Response

The notation of the erroneous emission unit type (diesel engine) will be corrected. The comment however does not justify the removal of the requirement of periodic monitoring based from the type of fuel used.

1.16 Permit Condition 7.2.9(b)

Source Comment

"Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed."

Illinois EPA Response

Individual fuel records are required as an appropriate periodic monitoring approach, as required by 39.5(7)(d) of the Act. Furthermore, individual fuel usage records are necessary for the emission calculations stipulated in the compliance procedures of Condition 7.2.12(c).

1.17 Permit Condition 7.2.9(c)

Source Comment

"If this is not subject to NSPS GG or KKKK why do we have to do startup records?"

Illinois EPA Response

The permittee's comment implies that the requirements of Condition 7.2.9(c) are related to a federal rule; however the permittee is required to perform recordkeeping of startup events as a result of the permittee's request to operate with excess emissions from state rules (See comment response # 1.10).

1.18 Permit Condition 7.2.10

Source Comment

"Since 7.2.9(c) does not apply then neither should 7.2.10(c). MRT requests that this be removed from the permit."

Illinois EPA Response

As discussed in response 1.17, Condition 7.2.9(c) is applicable and necessary as a result of the source requesting exceedance during startup events.

1.19 Permit Condition 7.4.6(a)

Source Comment

"The dehy doesn't use methanol. However, there is methanol used onsite"

Illinois EPA Response

The comment is noted, however this condition is a T1 carryover as established in construction permit #96020085. Revisions to a T1 condition can only be revised through a revision to the underlying construction permit or via the EPA approved T1R/T1N process. The Permittee did not request such revision and thus the condition has not been changed.

1.20 Permit Condition 7.4.6(a)

Source Comment

"The dehy emissions are based on the mix the unit is capable of running so these records should not be required. The only way for the facility to exceed this would be to change the equipment which would require additional permitting."

Illinois EPA Response

The comment is noted, however the condition cited to is not a listing of record keeping but rather a set of emission limits established by construction permit #96020085. Furthermore, the records necessary to ensure compliance with this limit are found in Condition 7.4.9(b).

1.21 Permit Condition 7.5.2

Source Comment

"Since this has specific condition requirements and is subject to 40 CFR 60 NSPS JJJJ it cannot be considered an insignificant activity."

Illinois EPA Response

The comment's assertion is incorrect. By rule, 35 IAC 201.210 and 211, this emission unit is an insignificant activity. However, like all insignificant activities the emission unit is still required to follow all applicable regulations. In this case, because a federal rule applies the Illinois EPA chose to enumerate that requirement in standard Section 7 format while providing a notation that the emission unit is in fact an insignificant activity.

1.22 Permit Condition 7.5.5

Source Comment

"MRT requests this be removed. MRT only uses pipeline quality natural gas as fuel for the engines and turbine."

Illinois EPA Response

The comment is noted, however this condition has been provided for clarity as Condition 8.5 allows for the testing of fuel types.

1.23 Permit Condition 7.5.8

Source Comment

"This requirement should be removed. MRT demonstrates compliance with opacity limits by using only pipeline quality natural gas as fuel."

Illinois EPA Response

See comment response # 1.17.

1.24 Permit Condition 7.5.9(a)

Source Comment

"This requirement should be removed. MRT demonstrates compliance with opacity limits by using only pipeline quality natural gas as fuel.

Illinois EPA Response

See comment response # 1.17.

1.25 Permit Condition 7.5.9(b)(i)

Source Comment

"Records are already being kept for the entire facility for this and therefore, this additional requirement for tracking on an individual basis should be removed."

Illinois EPA Response

Individual fuel records are required as an appropriate periodic monitoring approach, as required by 39.5(7)(d) of the Act. Furthermore, individual fuel usage records are necessary for the emission calculations stipulated in the compliance procedures of Condition 7.5.12(c).

1.26 Permit Condition 7.5.9(b)(ii)

Source Comment

"This is a natural gas engine, no propane will be used or kept onsite."

Illinois EPA Response

The notation of the fuel type (propane) has been corrected.

1.27 Permit Condition 7.5.10(b)(v)

Source Comment

"This should be removed as this does not apply to this emergency generator."

Illinois EPA Response

The comment fails to provide any rationale to the assertion, irregardless, the rule cited to (40 CFR 60.4245(c)), was

rechecked for an exemption or exclusion, and none was found which is supported by the application.

1.28 Source Comment

CeneterPoint MRT maintains that the St. Jacobs storage/dehydration facility should not be permitted along with the St. Jacobs compressor facility. Supporting this assertion, CeneterPoint MRT asserts the applicability of a USEPA policy.

Illinois EPA Response

The Illinois EPA addressed this issue in the Project Summary which accompanied the Draft permit to public and EPA notice. The substance of that discussion is reiterated here and, together with additional reasons identified below, the Illinois EPA is reaffirming its earlier decision to treat the dehydration and storage facility and the compressor facility as a single stationary source for purposes of Title V permitting.

The concept of single source permitting originates from the federal PSD program but is also codified in the Illinois' approved Title V program. The CAAPP provisions contained within the Illinois Environmental Protection Act specifically embodies the single source framework in the definitions of "source" and "support facility," as found at 415 ILCS 5/39.5(1). The relevant language states:

"Source" means any stationary source (or any group of stationary sources) that are located on one or more contiguous or adjacent properties that are under common control of the same person (or persons under common control) and that belongs to a single major industrial grouping. For the purposes of defining "source", a stationary source or group of stationary sources shall be considered part of a single major industrial grouping if all of the pollutant emitting activities at such source or group of sources located on contiguous or adjacent properties and under common control belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987, or such pollutant emitting activities at a stationary source (or group of stationary sources) located on contiguous or adjacent properties and under common control constitute a support facility. The determination as to whether any group of stationary sources are located on contiguous or adjacent properties, and/or are under common control, and/or whether the pollutant emitting activities at such group of stationary sources constitute a support facility shall be made on a case by case basis [emphasis added].

"Support facility" means any stationary source (or group of stationary sources) that conveys, stores, or otherwise

assists to a significant extent in the production of a principal product at another stationary source (or group of stationary sources). A support facility shall be considered to be part of the same source as the stationary source (or group of stationary sources) that it supports regardless of the 2-digit Standard Industrial Classification code for the support facility [emphasis added].

In evaluating single source issues under CAAPP, the Illinois EPA looks at the three criteria outlined in the statutory definitions: contiguous or adjacent properties, common control, and industrial grouping (i.e., belonging to the same two-digit SIC code or, alternatively, the existence of a support facility relationship).

Information necessary to review these topics was provided in the application and supplemental information provided July 12, 2006 and September 10, 2009. While each single source determination is made on a case by case basis, there are a variety of considerations that frequently enter into the determination. These considerations reflect one or more of the principle criteria mentioned above and, as applied to the present determination, reveal the following:

Contiguous or adjacent properties:

- The approximate straight line distance between the sources.
 - The compressor station and the dehydration and storage facility are located within 2.5 miles of one another.¹

- The existence of a common nexus, such a physical linkage or connection, between the sources.
 - The sources are connected by a natural gas pipeline.

- The degree to which the sources may be dependent on each other.
 - The dehydration and storage facility is 100% dependant on gas provided by the compressor station.

- Are materials routinely transferred between facilities?
 - Yes, material is routinely transferred by pipeline between the Centerpoint compressor

¹ Correspondence submitted by the company's air program manager in July 2006 stated that the facilities were located at least one mile apart. Later correspondence submitted on behalf of the company alleged that the distance between the facilities was at least 2.4 miles. For purposes of this evaluation, it is being assumed that the sources are located within 2.5 miles of one another, though it appears possible that the distance is closer.

station to the Centerpoint dehydration and storage facility.

Common control:

- 1. Does the same "parent" company exist between the two facilities?
- 2. Is there a financial co-dependency between the two facilities?
- 3. Is there a shared managerial hierarchy between the two facilities?
- 4. Is there a financial interest between the two facilities?
 - Yes, because the compressor station and dehydration and storage facility are each owned and operated by CenterPoint Energy - Mississippi River Transmission Corp.
- Is there a process/production co-dependency between the two facilities?
 - Yes, because the dehydration and storage facility is 100% dependant on gas provided by the compressor station.
- Are there common employees between the two facilities?
 - Yes. At least the Sr. Environmental Specialist Laura Guthrie is listed as the environmental contact for both the dehydration and storage facility and the compressor station.

Single major industrial grouping:

- Do the two facilities have the same Major Group Standard Industrial Classification number (i.e., the same two-digit code)?
 - Yes. In fact, they both have the same SIC #4922, for Natural gas transmission.

Support facility relationship:

- Even if the facilities do not possess the same Major Group classification under the SIC code, does the source convey, store, or otherwise assists in the production of a principal product at another stationary source (or group of stationary sources).
 - Yes, the dehydration and storage facility provides both storage and dehydration of the gas, which is the principal product (or service in this case) for CenterPoint Energy - Mississippi River Transmission Corp.
- Are the source's processes solely supplied from/to another stationary source.
 - Yes, the dehydration and storage facility is supplied 100% from the compressor station, which it subsequently returns back to the pipeline.

While CenterPoint Energy - Mississippi River Transmission Corp. has argued against being permitted as a single major source, it

is evident that the three statutory criteria (i.e., contiguous or adjacent properties, common control and industrial grouping) are met for purposes of Title V permitting. The facts supporting this conclusion are reflected in the discussion above and, further, are essentially confirmed by CenterPoint Energy - Mississippi River Transmission Corp's July 12, 2006 transmittal to IEPA, page 3: "While the sources are under common control and are classified under the same two-digit SIC code, the station and the dehydrator are located at least 1 mile apart and thus could not be considered to be on contiguous or adjacent property." Although this statement disputes that the sources are adjacent because of the distance between them, the Illinois EPA is not convinced that such a relatively short distance between two interrelated facilities precludes a finding of adjacency.

In construing the meaning of "contiguous," USEPA has defined the term as meaning "contiguous or adjacent". See, 59 Fed Reg. 12408, 12412. USEPA has declined "to say precisely how far apart activities must be in order to be treated separately." See, 45 Fed. Reg. 52695. In cases in which property boundaries do not touch or intersect, as here, USEPA usually does not rely upon proximity alone but, rather, routinely considers the nature of the relationship between the sources.² Such consideration is typically evaluated in terms of the sources' operational dependency,³ including connecting pipelines or other modes of exchange or transport, and their intended or historical design and operation.⁴

In this instance, the close proximity of the sources and their operational ties warrant treating the sources as adjacent. The distance of roughly 2.5 miles between the dehydration and storage facility and the compressor station is potentially close enough to consider the facilities as one source based on proximity alone.⁵ Furthermore, consistent with USEPA's single source

² A commonly-cited example is of two General Motors' facilities located one mile apart, linked together by a dedicated rail-line and operating in tandem to produce a single line of automobiles. Memorandum from USEPA's Division of Air Stationary Source Enforcement to Region V, dated June 30, 1981. Another example is of two steel mills located within 4 miles apart in the Chicago area and connected by a commercial rail line that transport materials between the operations. Memorandum from Cheryl Newton, Chief, Permits Section, Region V, to Illinois EPA, dated March 13, 1998. In both cases, the inter-related activities and the physical connections between the sources resulted in USEPA concluding that the respective sources should be treated as one.

³ This consideration usually focuses upon the nature and degree of reliance or interaction between emission sources, including common activities, shared resources and physical linkages.

⁴ USEPA observed in the General Motors case that the sources had been "programmed" to work together and in Acme Steel, the "historical operation as one source" was influential to USEPA's analysis in a similar manner.

⁵ See, Region V determination letter, dated May 19, 1999, from Winston Smith, Director, Air, Pesticides and Toxic Division, to Randy Poole, Mecklenburg County

guidance, the interrelated operation of the two facilities is a factor that supports treating them as adjacent. Centerpoint Energy - Mississippi River Transmission Corp. operates the two facilities in an integrated fashion, with the dehydration and storage facility serving as a means for ensuring the proper operation of the compressor station in its role of natural gas distribution. The pipeline connecting the facilities is fundamental to this operation, analogous to the type of physical connections that existed in USEPA guidance referenced above.⁶ Presumably, the supporting role that the dehydration and storage facility plays in this arrangement is consistent with its intended design and/or historical operation. It should also be noted that in the absence of the compressor station, it is not clear what purpose or role, if any, the dehydration and storage facility would serve.⁷

CenterPoint Energy - Mississippi River Transmission Corp. also contends that combining emissions from the two facilities is prohibited by USEPA's Part 70 regulations implementing Title V. Citing to Part 70.2, which governs Title V applicability for major sources of HAPs, CenterPoint Energy - Mississippi River Transmission Corp. argues that the language precludes combining emissions from the dehydration and storage facility with emissions from the compressor station. This argument is misplaced, as the source is not major for CAAPP by reason of its HAP emissions and therefore the cited provision is not applicable.⁸

Department of Environmental Protection, concerning Williams Energy Ventures (distance of slightly less than a mile found sufficient to satisfy adjacency requirement).

⁶ See also, Memorandum, dated January 25, 1996, from Robert G. Kellam, Office of Air Quality Planning and Standards to Richard R. Long, Region VIII, concerning Anheuser-Busch brewery and land farm (where the existence of a six mile pipeline connecting the brewery with a land farm operation, used as a disposal site, "strengthens the conclusion that the brewery... is dependent on land farm operations."

⁷ CenterPoint Energy - Mississippi River Transmission Corp. suggests that the dehydrator and the compressor station are not "interdependent," as the dehydrator is not always in operation during the injection process. Conversely, the compressor engines are bypassed whenever gas is withdrawn from the storage well and placed back into the transmission line. This argument is unpersuasive. CenterPoint Energy - Mississippi River Transmission Corp. acknowledges that the various emission units can operate together. More importantly, the proper analysis need only address the operation of the facilities as a whole, not the inner-workings of individualized emission units. For example, during the injection process, some component of the dehydration and storage facility is utilized; though the dehydrator may not operate during this period, the compressors are nonetheless relying upon access to the storage well to perform its necessary distribution. Similarly, the fact that the compressor station is bypassed during the gas withdrawal phase does not mean it is not dependent with the dehydration and storage facility. Whether gas is returned directly to the transmission pipeline with or without the aid of the compressors, the dehydration and storage facility is still supporting a process that was initiated through, and for the mutual benefit of, the compressor station. In this regard, the Illinois EPA's source determination is not based so much upon the interdependency of both sources (one equally dependent upon the other) as that the dehydration and storage primarily serves the compressor station in its role of regulating the transmission of pipeline gas.

⁸ Even assuming that the text of the cited provision did apply, it would not apply in the manner suggested by CenterPoint Energy - Mississippi River Transmission Corp. The

In its September 10, 2009, letter, CenterPoint Energy - Mississippi River Transmission Corp. makes an argument that relies upon a USEPA memorandum entitled "Source Determinations for Oil and Gas Industries." The thrust of the argument is that it is inappropriate under this USEPA guidance policy to aggregate emissions for the oil and gas industries by focusing on operational dependency. However, this argument must also be rejected. While it is true that the referenced memorandum gave primary consideration to operational dependency (i.e., nature of the relationship between two sources) rather than proximity (i.e., physical distance between two sources), the memorandum was withdrawn by USEPA on September 22, 2009. In withdrawing the memorandum, USEPA emphasized that single source determinations for the oil and gas industry should adhere to the same approach that guides other determinations (i.e., consideration of "all three criteria" derived from the regulations and applied by USEPA in permitting actions for the last twenty years).

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provision, which is statutory text carried over from Section 112 of the CAA, prohibits the aggregation of emissions from exploration or production wells (which are arguably distinct from storage wells) with other similar type of wells and, similarly, prohibits the aggregation of emissions from pipeline compressor or pump stations with other similar compressors or pump stations. This wording suggests that only the aggregation of like-kind emission units, likely separated from each other by distance yet connected by some means of transport or conveyance, is prohibited by the provision. Nothing from the text of the provision prevents combining emissions from discrete emissions units located at two separate facilities that operate in an integrated fashion.

