

November 30, 2021

Mr. Scott Faber Alaska Department of Environmental Conservation Air Permit Program 555 Cordova Street Anchorage, Alaska 99501

Re: Title V Operating Permit AQ0225TVP05 Public Notice Packet

Dear Mr. Faber:

Alaska Power & Telephone Company (AP&T) has concluded its review of the Operating Permit renewal public notice packet that the Department published on November 17, 2021.

Enclosed are AP&T's review notes and comments on this packet. Here is the summary list:

- Streamlining and corrections;
- Emission Unit 7 changes;
- ULSD and assessable emission estimates.

We look forward to receiving the final renewal operating permit decision. If you have questions regarding the enclosed note and comments, please contact Mr. Jim Baumgartner by e-mail at <u>james.b@aptalaska.com</u> or by telephone at 907-789-1951 Extension 5.

Sincerely,

Michael Garrett, President Alaska Power and Telephone

 Cc: Mickey Henton, APT Tok Power Operations Manager Tom Ervin, APT Chief Operating Officer Edward Settle, TAPIS Energy Group, 6241 Rainshadow Lane, Loveland, CO 80538

COMMENTS: AQ0225TVP05 Public Notice Packet

Section 1, Stationary Source Information, Fee and Permit Contact: Please update the contact information. AP&T's P. O. Box mailing address has a different zip code than the street address. The phone number area code has transposed numbers. Further, AP&T's telephone system assigns an extension number for each of the Juneau staff. Below is the corrected contact information.

Jim Baumgartner, Manager of Permitting, Licensing, Compliance PO Box 34195, Juneau, Alaska 99803 or 3000 Vintage Blvd, Ste. 250 Juneau, AK 99801 (907) 789-1951 Extension 5; james.b@aptalaska.com

Table A—Emission Inventory. Please add emission unit 7 as listed in the application. This table is inconsistent with the filed renewal application information.

Page 15, Condition 12 CEG and 12.1 Table B and related Statement of Basis references. AP&T has not requested that Unit 7 be removed from the operating permit inventory or permit terms. Instead, AP&T listed Unit 7 as part of the Tok Generating Station's inventory and listed its applicable requirements in the pending renewal application.

18 AAC 50.326(j) lists the regulatory basis for the Department's permit content. Subparagraph (4) requires the department to include terms and conditions that are necessary to implement an applicable requirement.

It appears that the Department has proposed to change applicable requirements developed under AQ0225MSS03 because components of Emission Unit 7 were relocated from the Tok Generating Station to Haines. Although not documented in the proposed decision, we understand that the Department may be taking action under AS 46.14.280(a)(2) to modify the permit due to a material change in the quantity or type of air pollutant emitted from the stationary source. Given that the quantity and type of air pollutants remain unchanged for this diesel electric generating plant under this condition, we are unconvinced that this change qualifies under AS 46.14.280.

Condition 12 is based upon an owner requested limit established through the State Minor Permit Program and its enabling statutes. Minor permit applicability to protect air quality are classified in 18 AAC 50.502. Several categories are based on changes in potential emissions.

AP&T recognizes that under the State Construction Permit Program, permit applicability for modifications is based upon a different set of factors, some of which depend upon the date for which physical changes have occurred (ie. contemporaneous changes). However, the Minor Permit program does not incorporate these complex factors. Nor is the Tok Generating Station currently subject to the Construction Permit Program. Development of the underlying minor permit terms through the minor permitting program with Department concurrence provides a degree of flexibility for like-in-kind unit replacement including that for Unit 7. In the event AP&T locates a suitable replacement unit, the language under the Minor permit and expiring operating permit reduces paperwork burden for both the Department and the permittee by avoiding the need for an ambient air quality minor permit actions to allow a like-in-kind replacement.

Therefore, to benefit both the Department and AP&T please restore the references to Unit 7 into the final renewal permit and the final statement of basis.

Condition 20.3. Please double check the citation "…each requirement under Condition 33.2," as it appears to be in error. If so, we recommend that the Department check the document's cross references for accuracy.

Condition 31.1—Assessable Emission Estimates. See Statement of Basis (SOB) Emission Section. If SOB Table D is corrected in response to AP&T comments, then change this condition's listed potential to emit consistent with the Table.

Condition 56: Emission Inventory Reporting. Please remove non-applicable provisions (56.1 and 56.2(b)) to streamline this condition. Removing superfluous language better serves the needs of the program under 18 AAC 50.346(a). Removing inapplicable text removes the risk of mistaken interpretations on behalf of AP&T and Department compliance staff.

SOB Emissions, Table D and last sentence. The SOB indicates the Department assumed 0.5 percent fuel sulfur to calculate sulfur dioxide emissions. Non-ULSD fuel oils are no longer available for the Tok Generating Station's reciprocating internal combustion engines. Please recalculate SO_2 PTE using a fuel content of 0.015 percent by weight and update the table.

SOB Table E "how condition was revised" column. If the Department accepts AP&T's Condition 12 request, then update the table consistent with the final language of Condition 12.

SOB Conditions 12 through 13. The Department lists no legal and factual basis for the Department's proposal to remove Unit 7 from Condition 12. As noted above, AP&T objects to the proposed change. If the Department rejects AP&T's objection, then provide the legal and factual basis for the Department's unilateral decision.