

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
Air Quality Division
1110 W. Washington Street • Phoenix, AZ 85007 • Phone: (602) 771-2316

I. SIGNIFICANT PERMIT REVISION TO AIR QUALITY CONTROL PERMIT
(As required by Title 49, Chapter 3, Article 2, Section 49-426, Arizona Revised Statutes)

This air quality control permit does not relieve applicant of responsibility for meeting all air pollution regulations

1. PERMIT TO BE ISSUED TO (Business license name of organization that is to receive permit) _____

North Baja Pipeline, LLC

2. NAME (OR NAMES) OF OWNER OR PRINCIPALS DOING BUSINESS AS THE ABOVE ORGANIZATION _____

3. MAILING ADDRESS **1400 SW 5th Ave. Suite 900**

Portland, OR 97201

4. ORIGINAL EQUIPMENT LOCATION/ADDRESS **50650 Colorado River Road**

Ehrenberg, La Paz County, AZ 85334

5. FACILITIES OR EQUIPMENT DESCRIPTION **Compressor Station**

6. THIS PERMIT ISSUED SUBJECT TO THE FOLLOWING **Conditions as described in attached**

7. ADEQ SIGNIFICANT REVISION NUMBER **49138** PERMIT CLASS **Class II**

SIGNIFICANT REVISION ISSUED THIS _____ DAY OF _____, 2009

SIGNATURE

Nancy C. Wrona, Director, Air Quality Division

TITLE

Operating Permit

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ATTACHMENT "B"

SPECIAL CONDITIONS

Addenda (Significant Revision) to Operating Permit No. 41447

For

North Baja Pipeline, LLC

The following conditions are amendments to the requirements set forth in Attachment "B" of Operating Permit No. 41447:

Condition I.B of Attachment "B" has been revised to read as follows:

I. FACILITY WIDE LIMITATIONS

B. Facility Wide Emissions Limitations

[A.A.C. R18-2-306.A.2, -306.01, -306.02, and -331.A.3.a]
[Material Permit Conditions are identified by italics and underlines]

1. The Permittee shall not burn more than 1,500,000 MMBtu/Year of fuel in the gas turbines combined, based on a 12-month rolling total.
2. The Permittee shall not emit more than 0.12 pounds of carbon monoxide (CO) per MMBtu of fuel combusted in the gas turbine engines.
3. The Permittee shall not emit more than 0.106 pounds of nitrogen oxides (NO_x) per MMBtu of fuel combusted in the gas turbine engines.
4. Performance Testing Requirements
 - a. The Permittee shall conduct a performance test of the stack of the gas turbines to determine the concentration of CO.
 - b. Performance testing shall be conducted and data reduced in accordance with EPA Reference Method 10, 40 CFR 60, Appendix A.

[A.A.C.R18-2-306.A.3.c]
 - c. Performance tests shall be done annually within 60 days but no later than 180 days of the anniversary of the preceding test to determine the emission rate of carbon monoxide.

[A.A.C.R18-2-306.A.3.a]

Condition II of Attachment "B" has been revised to read as follows:

II. COMBUSTION TURBINE REQUIREMENTS, UNITS GT-1 and GT-2

A. Applicability

This Section applies to the natural gas turbines GT-1 and GT-2 as identified in Attachment "C".

B. Nitrogen Oxides

1. Emission Limitations/Standards

The Permittee shall not cause to be discharged into the atmosphere from each Gas Turbine (Units GT-1 and GT-2) any gases which contain nitrogen oxides (NO_x) in excess of:

$$\text{STD} = \frac{0.0150(14.4)}{Y} + F$$

where:

STD = allowable ISO corrected NO_x emission concentration (percent by volume at 15 percent oxygen and on a dry basis),

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour), or actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour, and

F = NO_x emission allowance for fuel-bound nitrogen = 0.
[A.A.C. R18-2-901(40), 40 CFR 60.332(a)(2), 60.332(a)(3), 60.332(c)]

2. Monitoring of Operations

[40 CFR.60.334(c)]

The Permittee shall maintain a permanent record of the nitrogen content of the fuel burned in the gas turbine.

3. Performance Testing Requirements

[40 CFR.60.335(a)(1), A.A.C.R18-2-306.A.3.c]

a. The Permittee shall conduct a performance test of the stack of the gas turbines to determine the concentration of NO_x.

b. Performance testing will be conducted and data reduces in accordance with EPA Reference Method 20, 40 CFR 60, Appendix A.

c. Performance tests will be done annually within 60 days but no later than 180 days of the anniversary of the preceding test.

4. Permit Shield

Compliance with Condition II.A shall be deemed compliance with the following requirements as of the date of issuance of this permit: 40 CFR 60.332(a)(2), 40 CFR 60.332(a)(3), 40 CFR 60.332(c), 40 CFR 60.334(c), 40 CFR 60.335(a)(1), and A.A.C. R18-2-901(40).

[A.A.C.R18-2-325]

C. Sulfur Dioxide

1. Emission Limitations/Standards

On or after the date on which the performance test required to be conducted by 40 CFR 60.8 is completed, the Permittee shall comply with one or the other of the following Conditions II.C.1.a or II.C.1.b:

a. The Permittee shall not burn in Gas Turbine Units GT-1 and GT-2 any fuel that contains total sulfur in excess of 0.8 percent by weight.

[A.A.C. R18-2-901(40), 40 CFR 60.333(b)]

- b. The Permittee shall not cause to be discharged into the atmosphere from any stationary gas turbine any gases which contain sulfur dioxide in excess of 0.015 percent by volume at 15 percent oxygen and on a dry basis.

[A.A.C. R18-2-901(40), 40 CFR 60.333(a)]

2. Monitoring, Recordkeeping, and Reporting Requirements

The Permittee shall maintain a vendor-provided copy of that part of the Federal Energy Regulatory Commission (FERC)-approved Tariff agreement that contains the sulfur content and the lower heating value of the pipeline quality natural gas.

[A.A.C. R18-2-901(40), 40 CFR 60.334(h)(3)]

3. Permit Shield

Compliance with Condition II.B shall be deemed compliance with 40 CFR 60.333, 40 CFR 60.334(h)(3), and A.A.C. R18-2-901(40).

[A.A.C. R18-2-325]

Condition VII has been added to Attachment "B" of the permit as follows:

VII. COMBUSTION TURBINE REQUIREMENTS, UNITS GT-3 and GT-4

A. Applicability

This Section applies to the natural gas turbines GT-3 and GT-4 as identified in Attachment "C".

B. General Provisions

The following requirements apply to the operation, maintenance, recordkeeping and testing of the natural gas turbine in accordance with 40 CFR Part 60:

1. The Permittee shall operate and maintain the natural gas turbine, air pollution control equipment, and monitoring equipment in a manner consistent with good air pollution control practices for minimizing emissions at all times including startup, blowdown, shutdown, and malfunction.
[40 CFR 60.4333(a)]
2. For the purpose of submitting compliance certifications or establishing whether or not the Permittee has violated or is in violation of any standard in 40 CFR Part 60, nothing shall preclude the use, including the exclusive use, of any credible evidence or information, relevant to whether a source would have been in compliance with applicable requirements if the appropriate performance or compliance test or procedure had been performed.
[40 CFR 60.11(g)]
3. The Permittee shall comply with the "General Notification and Reporting Requirements" found in 40 CFR 60.19.
[40 CFR 60.19]
4. The Permittee shall not build, erect, install, or use any article, machine, or equipment or process, the use of which conceals an emission which would otherwise constitute a violation of an applicable standard. Such concealment includes, but is not limited to, the use of gaseous diluents to achieve compliance with opacity standard or with a standard which is based on the concentration of a pollutant in the gases discharged to the atmosphere.
[40 CFR 60.12]

C. Nitrogen Oxides (NO_x)

1. Emission Limitation Standard

The Permittee shall not cause the natural gas turbine to discharge into the atmosphere any gas

which contains NO_x in excess of 100 ppm at 15% O₂ or 690 ng/ J of useful output (5.5 lb/MWH).
[40 CFR 60.4320(a) Table 1, Row 2]

2. Performance Test Requirement

The Permittee shall perform an annual performance test on the applicable turbines for NO_x in accordance with 40 CFR 60.4400.

[40 CFR 60.4340(a)]

3. Permit Shield

Compliance with the conditions of this Section shall be deemed compliance with 40 CFR 60.4320(a) and 40 CFR 60.4340(a).

[A.A.C. R18-2-325]

D. Sulfur Dioxide (SO₂)

1. Emission Limitations/Standards

The Permittee shall not burn in the natural gas turbine any fuel which contains total sulfur potential emissions in excess of 26 ng SO₂/J (0.060 lb SO₂/MMBtu) heat input.

[40 CFR 60.4330(a)(2)]

2. Monitoring, Recordkeeping, and Reporting Requirements

The Permittee shall demonstrate compliance with Condition VII.D.1 above by maintaining one of the following:

a. The Permittee shall maintain a copy of a current, valid purchase contract, tariff sheet or transportation contract for the fuel, specifying the maximum sulfur content of the fuel combusted in the natural gas turbine.

[40 CFR 60.4365(a)]

b. The Permittee shall maintain representative fuel sampling data showing the sulfur content of the fuel combusted in the natural gas turbine. At a minimum, the amount of fuel sampling data specified in Section 2.3.1.4 or Section 2.3.2.4 of Appendix D to 40 CFR 75 is required.

[40 CFR 60.4365(b)]

3. Permit Shield

Compliance with the conditions of this Section shall be deemed compliance with 40 CFR 60.4365(a), 40 CFR 60.4365(b), and 40 CFR 60.4330(a)(2).

ATTACHMENT "C": EQUIPMENT LIST

Addenda (Significant Revision) to Operating Permit No. 41447
For
North Baja Pipeline, LLC

This significant revision results in the following change to Attachment "C" of permit No. 41447.

EQUIPMENT TYPE	MAX. CAPACITY	MAKE	MODEL	EQUIPMENT ID NUMBER	DATE OF MFG.
Natural Gas Combustion Turbine	7,040 hp	Rolls Royce	501-KC7 DLE	GT-1	06/2001
Natural Gas Combustion Turbine	7,040 hp	Rolls Royce	501-KC7 DLE	GT-2	06/2001
Natural Gas Combustion Turbine	7,700 hp	Solar	Taurus 60	GT-3	06/2008
Natural Gas Combustion Turbine	7,700 hp	Solar	Taurus 60	GT-4	06/2008
Natural Gas Generator	1,085 hp	Caterpillar	G3516-130LE	G-1	06/2001