



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TX 75202-2733

October 21, 2010

Mr. Jim Mahoney  
Executive Vice President, Operations Excellence & Compliance  
Koch Industries, Inc.  
4111 East 37<sup>th</sup> Street North  
Wichita, Kansas 67220

Re: Flint Hills Resources, LP (FHR) – Flexible Permits

Dear Mr. Mahoney:

Thank you for your letter dated October 20, 2010, expressing the intention to transition FHR's four Texas Subchapter G flexible air permits to Subchapter B New Source Review (NSR) State Implementation Plan-approved (SIP-approved) permits, according to the process that you have been discussing with Texas Commission on Environmental Quality (TCEQ) and United States Environmental Protection Agency (EPA) staff over the past 90 days. We appreciate the hard work of you and your staff, and believe that your proposed transition process (attached) represents an appropriate and reasonable means of restoring SIP-approved permits for FHR's Texas facilities. My staff and I stand ready to work with you and the TCEQ as you implement this process for your Texas facilities.

By completing this transition process, you will address our concern about FHR's flexible permits. Accordingly, as long as FHR continues in good faith to complete the steps outlined in your October 20, 2010 letter and in the attached transition document, EPA will not object to the minor Title V permit modifications or the later action to incorporate new Subchapter B NSR terms into FHR's Title V permits on the grounds that FHR's facilities hold underlying flexible permits. We want you to fix your permits quickly and in an appropriate manner, and we believe that the process you have developed achieves those goals. However, EPA reserves its rights to object if the transition process is not completed, or if other grounds for objection arise. Further, both of our organizations have reserved all rights in the event that noncompliance is identified during this process.

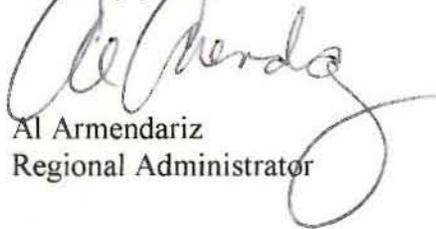
On December 4, 2009, EPA objected to a proposed minor revision of the Title V permit for FHR's (Corpus Christi, Texas) East Refinery. In the objection letter, EPA noted objections to 1) the incorporation of a flexible permit into the Title V permit, 2) the incorporation by reference of underlying permits into the Title V permit, 3) the general recordkeeping provision (length of time that records must be maintained), and 4) the identification of stationary vents in the Title V permit. On June 30, 2010, TCEQ

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submitted a response to the objection and a proposed revised Title V permit. The information submitted by TCEQ on June 30, 2010 resolves EPA's objections to items 3 and 4. This transition process from a Subchapter G flexible permit to a Subchapter B permit addresses EPA's objections to items 1 and 2. Therefore, when TCEQ approves FHR's minor Title V permit modification (provided it is consistent with Step One of the transition process), the issues raised in EPA's December 4, 2009 objection letter will be fully resolved.

We appreciate your cooperation and hard work over the last several months to address these issues, and look forward to our continued discussions.

Sincerely yours,



Al Armendariz  
Regional Administrator

Attachment

cc: Mark Vickery  
Texas Commission on Environmental Quality



October 20, 2010

Dr. Alfredo Armendariz  
United States Environmental Protection Agency  
Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, Texas 75202-2733

Re: Flint Hills Resources, LP – Flexible Permits

Dear Dr. Armendariz:

As you know, the United States Environmental Protection Agency, Region 6 (“EPA, Region 6”) issued to Flint Hills Resources, LP (“FHR”) a letter dated May 25, 2010 in which it stated that if FHR did not submit a new permit application to EPA pursuant to 40 CFR, Part 71, by September 15, 2010, FHR would no longer be authorized to operate its East Refinery. By letter of July 19, 2010, EPA stated that “in light of [FHR’s] clear willingness to work cooperatively to resolve EPA concerns regarding FHR’s air permits at the refinery, [EPA is] sending this letter to supersede and replace the May 25, letter. The May 25 letter is void and of no effect. EPA and FHR have agreed to enter into discussions for a period of 60 days to identify a joint path forward for addressing the air permits at the refinery.” These discussions proceeded and EPA subsequently extended the 60-day period an additional 30 days, recognizing the progress the parties had made in the discussions.

This letter is to memorialize the successful completion of EPA’s, TCEQ’s and FHR’s discussions concerning the process by which FHR will, through permitting actions at TCEQ, proceed to take its “flexible permits” at its Corpus East Refinery, Corpus West Refinery, Port Arthur Chemicals Facility, and Longview Facility from Subchapter G permits to a Subchapter B permits under Texas SIP-approved rules. FHR understands that EPA and TCEQ will continue to evaluate comments on the proposed voluntary “Process for Transitioning Texas Subchapter G Flexible Permits to Subchapter B NSR SIP-Approved Permits” to be implemented by TCEQ. FHR recognizes that the final voluntary transition process available to other companies may differ from the process described in this letter for FHR. In order to address this matter expeditiously and due to the unique circumstances presented by the original May 25 and July 19 letters from EPA, Region 6 to FHR, it has been determined that it is appropriate for FHR to proceed now to transition to Subchapter B permits as set out below.

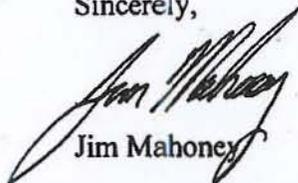
Beginning with its Corpus East Refinery, no later than 30 days after FHR’s receipt of EPA’s concurrence, FHR will submit a minor modification to its Title V permit to

incorporate the provisions set out in attachment A. Following this, FHR will sequentially submit minor modifications to its Corpus West Refinery, Port Arthur Chemicals Facility, and Longview Facility, so that those facilities will begin the same process. Pursuant to the terms and conditions of the minor Title V modification, FHR will take the steps more fully explained in "Draft 10/20/10: Agreed Process for Transitioning Flint Hills Resources, LP's Texas Air Permits with Subchapter G Flexible Permits to Subchapter B NSR SIP-Approved Permits" attachment B. FHR will satisfy the requirements of both its minor Title V modification permit terms and the attached transition process through submittal of the following deliverables:

- Six month interim report
- Chronological Permit History and Summary Table, Step 2(c) and Steps 2(d)(7)-(9) (example included as attachment C)
- Emission Unit Limitations, Permit History Cross-Reference and MRR, Step 2 (example included as attachment D)

FHR sincerely appreciates the amount of work and time that you and your staff have put into developing a process focused on obtaining transparent permits under Texas SIP-approved rules. FHR understands that so long as it continues to complete the steps outlined in this letter EPA will not object to the minor Title V permit modifications or the later actions to incorporate new Subchapter B NSR terms into FHR's Title V permits. Notwithstanding, FHR understands that such withholding of objection does not mean that EPA may not object on other grounds, does not approve FHR's flexible permits, and reserves all rights in the event that circumvention of major NSR or PSD is identified by FHR during its review of permit history. Likewise, as set out in the attachments and EPA's letter to FHR of July 19, FHR also reserves all of its rights and by entering into this process does not admit that circumvention of major NSR or PSD has occurred. Further, by entering into this process FHR does not admit to any liability or responsibility for periods prior to FHR's period of ownership for a given facility. Upon receipt of EPA's concurrence that FHR may proceed as outlined in this letter, FHR will do so. FHR is looking forward to actively continuing to work with you and the TCEQ to transition its major flexible permits.

Sincerely,



Jim Mahoney

cc: Mark Vickery, P.G., TCEQ  
John Sadlier, TCEQ  
Richard Hyde, P.E., TCEQ  
Stephanie Bergeron Purdue, TCEQ  
Steve Hagle, P.E., TCEQ  
Zach Covar, TCEQ

October 20, 2010

**Agreed Process for Transitioning Flint Hills Resources, LP's Texas  
Air Permits with Subchapter G Flexible Permits to State  
Implementation Plan (SIP)-Approved Permits**

This document provides information and/or guidance to Flint Hills Resources, LP (FHR) on how FHR, United States Environmental Protection Agency (EPA), and Texas Commission on Environmental Quality (TCEQ) intend to transition the FHR air permits with a subchapter G flexible permit to a SIP approved permit under 30 Texas Administrative Code (TAC) 116 Subchapter B and to conduct all appropriate analyses involved in such transition.

**1. STEP ONE: Minor Permit Revision of the Title V operating permit to commit to restructuring a 30 TAC Chapter 116, Subchapter G permit to 30 TAC Chapter 116, Subchapter B permit ("Transition Process").<sup>1</sup>**

a. **Commitment:** FHR will submit to TCEQ a request for a minor permit revision of its Federal Clean Air Act (FCAA) Title V permit (according to 30 TAC Chapter 122.215 (Minor Permit Revision)), to add a new permit term/condition, as a transitional matter to assure compliance with all federal applicable requirements. The minor permit revision will set out a commitment and schedule (using Steps 1-4) to transition their 30 TAC Chapter 116, Subchapter G flexible permit to a 30 TAC Chapter 116, Subchapter B SIP-Approved New Source Review (NSR) permit, and to request that the Subchapter B permit conditions be included in a Title V permit in accordance with 30 TAC Chapter 122. This process is intended to ensure that all other federal applicable requirements are included in the Title V permit, and to include a requirement that FHR will comply with all requirements of the Title V permit and all federal applicable requirements (e.g., SIP-authorization).

b. **Public Comment:** Under 30 TAC Sections 122.217 and 122.312, a public announcement will be published on the commission's publicly accessible electronic media, available at [insert internet site address]. The announcement will state that TCEQ will receive public comment for thirty (30) days after the draft permit is published and prepare a response to comments. It will include a description of the comment procedures. Comments will be sought on the narrow question of the commitment and schedule, not on all other conditions in the Title V permit. TCEQ, in coordination with EPA, will respond to comments consistent with 30 TAC Section 122.345.

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<sup>1</sup> For those minor sources that do not have a Title V permit, it is recommended that FHR communicate directly with TCEQ regarding the appropriate approach to transition from a Subchapter G to a Subchapter B permit. EPA will be notified and consulted with any final decisions that are made.

c. Schedule: The schedule will provide FHR with up to twelve (12) months to submit a draft Subchapter B permit amendment application to TCEQ and a copy to EPA. FHR may seek a short extension of time, not to exceed three (3) months, from the TCEQ Executive Director (ED) (in consultation with EPA), based on good cause. The ED will notify EPA if an extension is granted.

d. Interim Report: At a time not to exceed six (6) months from the submission date of Title V minor revision application, FHR will submit to TCEQ and EPA an electronic report that lists: (a) the major NSR authorizations; (b) the minor NSR authorizations/alterations (i.e. alterations, Permits by Rule (PBRs), standard permits, amendments, qualified facility changes, etc); and (c) final enforcement actions, including consent decrees and/or judicial determinations, which set forth allowable emission rates. The report will include the date of each authorization and final enforcement action, a list of emission units affected by each authorization and/or final enforcement action, and the date when controls will be or were installed. FHR will supplement its Interim Report with any additional information and/or corrections in its application required under Step 3.

## **2. STEP TWO: Determining federally-applicable requirements**

FHR will provide the following in the permit amendment application to be submitted in Step 3:

a. Emission point identification: A list of emission points authorized in the current flexible permit;

b. Review of permit history, NSR and federally applicable requirements:

This process is to facilitate the transition of the flexible permit to a Subchapter B NSR permit with unit specific emission limits (both pounds per hour and tons per year) and later for inclusion in a Federal Operating Permit (FOP) under FCAA, Title V. Following is an overview of the process described further below.

1. A historical review and summary of each emission unit that is or was subject to the flexible permit cap during the term of the flexible permit to determine federally applicable requirements.
2. An analysis of whether changes authorized under the flexible permit should have undergone NSR review.
3. A review and summary of all federal requirements under the FCAA such as New Source Performance Standards (NSPS), Maximum Achievable Control Technology (MACT) Standards and SIP emission limits that apply to any unit under the flexible permit (Federal Requirements Review and Summary).
4. A summary:

- a. of all PBRs that apply to, or authorize emissions from, emission units under the flexible permit cap (PBR Analysis); and
  - b. For each emission unit under the flexible permit cap that also has emissions authorized by a PBR, a review to determine the total emission limit for the unit, considering all PBRs relevant to the unit; and
5. A review and summary of all final consent decrees and judicial determinations that contain provisions applying to emission units under the flexible permit cap-(Consent Decree Review and Summary) to determine specific emission limitations for inclusion in the NSR Subchapter B permit, or the FOP, as appropriate.
  6. A review and summary of appropriate monitoring, reporting and recordkeeping (MRR) requirements.
  7. The analysis of how FHR derived its proposed emissions limitation for each emission unit that is covered under the flexible permit cap.

**c. Historical Review and Summary:**

FHR will prepare an historical review and summary, organized chronologically, of physical or operational changes that required case-by-case NSR, PBR, standard permit authorization, qualified facility changes, and any other changes authorized under the flexible permit that did not require individual NSR authorization. The summary will include a description of Best Available Control Technology (BACT), air pollution control equipment, emission rates, and netting (as appropriate). The historical review and summary will begin with the last SIP approved authorization, if any, issued prior to the flexible permit and including any information contained in the application for the flexible permit. The historical review and summary will be used to determine the appropriate federally applicable requirements. Permit conditions established in the last SIP-approved permits for each emission unit issued prior to the flexible permit should be reviewed and tracked chronologically as part of this process, including for emission points outside the Subchapter G emission cap.

**d. NSR Analysis Components:**

The analysis of whether changes authorized under the flexible permit triggered major NSR review, will include a review of each project that affected or involved emission units under the flexible permit cap; including units that are not included in the cap for purposes of evaluating major Prevention of Significant Deterioration (PSD) or nonattainment NSR site-wide netting or significant threshold requirements, to determine, for each regulated pollutant:

1. Which emission units underwent a physical or operational change; and
2. For each emission unit, the emissions increase, if any, resulting from the project.

3. A summation of the emission increases for all emission units affected by, or involved in the project. Emission increases will be determined using a baseline actual to potential to emit (PTE) analysis, or, where appropriate, FHR may choose to use a baseline actual to projected actual emissions for this determination for existing facilities (e.g., FHR can follow the State rules and guidance documents in place in Texas at the time of the project). If the project involved the construction of new facilities, then the company must use PTE as the project increase; and
4. A determination of whether the summed emission increases, if any, is equal to or greater than, the applicable significance level for the pollutant undergoing evaluation.
5. For purposes of this commitment, the scope of projects to be reviewed are physical or operational changes that required case-by-case NSR, PBR, standard permit authorization, qualified facility changes, and any other changes authorized under the flexible permit that did not require independent NSR authorization (i.e., those changes authorized under 30 TAC Section 116.718). The scope of projects to be reviewed for major NSR will also be defined by applicable federal guidance, at the time of the project.
6. If the emissions increase for any project is equal to or greater than the applicable significant emission rate for the pollutant undergoing evaluation, then FHR must conduct an analysis of whether a significant net emission increase occurred according to the applicable major NSR regulations at the time the project occurred. For projects occurring on or after the effective date of Texas' adoption of NSR Reform (February 1, 2006 for PSD and Non-Attainment New Source Review (NNSR)), FHR may choose to use 30 TAC 116.160(b) (PSD) or 116.150(c) (NNSR) for determining whether a significant net emission increase occurred. If the resulting "net emission increase" is equal to, or greater than, the applicable significant emission rate for the regulated pollutant being evaluated, then major NSR is required.
7. FHR will include in its NSR Analysis a demonstration for each criteria pollutant regarding whether a major stationary source was constructed or major modification occurred for PSD and/or NNSR purposes that was not previously authorized, including the basis for the demonstration.
8. For Minor NSR, State BACT at the time of construction or modification applies for the purpose of determining unit-specific emission limits, or caps (if applicable).

9. Copies of all PSD BACT and/or Lowest Achievable Emission Rate (LAER) analyses performed by FHR, any state/federal agency or any consultant or contractor related to any emission point at the site for any of the changes in the table.

e. Federal Requirement Review and Summary:

All Federal requirements such as NSPS, MACT Standards and SIP emission limits that apply to any unit covered by the flexible permit will be identified.

f. PBR Analysis:

The company will conduct an analysis to compile, for each emission unit under the flexible permit:

1. PBRs that apply to, or authorize emissions from, an emission unit that is or was under the flexible permit cap; and
2. For each emission unit that is or was under the flexible permit that also has emissions authorized by a PBR, a review to determine the total emission limit for the unit, considering all PBRs relevant to the unit.

g. Consent Decree (CD) Review and Summary:

FHR will conduct an analysis of any final consent decree or other judicial determination that applies to emission units under the flexible permit to determine whether there are specific emission limitations required by the consent decree for individual emission units or groups of emission units covered by the flexible permit. FHR will provide a report that documents the emission limitations required by the consent decree for each emission unit or group of emission units. For emission points that are covered by CDs, it will not be necessary to examine the operational or permitting history of such units prior to the date controls were installed pursuant to the final CD for pollutant(s) covered by the CD when analyzing the federally applicable requirements for emission units covered in the CD. However, the NSR Analysis will include units covered by the CD in so far as projects affected or potentially affected federally applicable requirements for other units.

h. MRR analysis

FHR will provide an analysis of appropriate monitoring, reporting and recordkeeping (MRR) requirements.

i. Setting new emissions limits.

FHR will provide an analysis of how the company derived its proposed emissions limitation for each emission unit that is covered under the flexible permit.

j. Step Two Deliverables

1. For 2, (c), a review and summary of permit history that includes emission unit impacts and NSR applicability and supporting documentation;
2. For 2, (d)(7) - (9), documentation and demonstration that NSR applicability analysis was done correctly; and
3. For 2, for each emission unit, a chart establishing emission unit limits (and showing preflex limits, limits under the flex permit and the proposed post-flex limits), federal requirements and MRR, with a cross reference to the information provided for Step 2(c). If the pre-flex condition was a synthetic minor, the chart will include that information.

**3. STEP THREE: Application and Issuance of the NSR SIP-Approved Permit**

a. Permit Application Submittal: In accordance with 30 TAC Chapter 116, Subchapter B, FHR will submit to TCEQ the appropriate NSR SIP permit amendment application, and propose federally-applicable emission limitations, based on the results of the analyses in Step 2 with a copy to EPA, within twelve (12) months, unless an extension has been granted in Step 1(c).

b. Permit Application Content:

1. FHR will provide the summaries and analyses completed in Step 2 as part of their application for a NSR Subchapter B Permit Amendment.

For each emission unit authorized under the flexible permit, the application will include a listing of the control technology limit established at the time of issuance of the initial flexible permit or a subsequent modification.

The TCEQ review of the NSR Subchapter B Permit Amendment application will include:

- a. A review to assure that the appropriate BACT review (BACT at the time of the change) was completed and limits were established at the time the flexible permit was issued.
- b. For each emission unit authorized under the flexible permit that also has emissions authorized by a PBR, the NSR Subchapter B Permit will include an emission limit that reflects emissions authorized by both the PBR and the previous NSR authorization.
- c. There will be no requirement to establish current BACT limits except where the NSR Analysis indicates that major NSR review should have occurred.

- d. If the analysis shows that PSD or nonattainment NSR would have been required for a major source or a major modification during the timeframe when FHR had a flexible permit, then FHR must use current year LAER or PSD BACT in setting the emission limits for that unit/source in its permit application.
- e. Any specific emission limitations required by final consent decrees for individual emission units or groups of emission units, as appropriate.

2. FHR may propose emissions caps and other permit conditions with appropriate MRR for sources where such emissions caps and permit conditions are allowed by and consistent with the federally-approved Texas SIP and federal rules. In addition, FHR may propose emissions caps as state-only requirements for units considered grandfathered under federal law.

#### c. Application Review

1. The rules in existence at the time of any modification(s) (see Step 2.d.6 for specifics) determine the applicable federal netting requirements for determining if past changes triggered Major NSR.

2. For Minor NSR, State BACT at the time of construction or modification applies for the purpose of determining unit-specific emission limits, or caps (if applicable).

3. The process of transitioning a flexible permit to a Subchapter B permit alone will not trigger NSR/PSD, including modeling to show compliance with a National Ambient Air Quality Standards (NAAQS).

4. Based on the preceding provisions, the application for or issuance of the Subchapter B permit will not automatically require a review or resetting of LAER or PSD BACT unless FHR did not comply with major NSR requirements before commencing construction of a major stationary source or a major modification during the timeframe when FHR had the flexible permit.

5. The assignment of unit-specific emission limits alone and the transition to SIP-approved permits by current flexible permit holders does not trigger NSR or BACT requirements for any regulated pollutant.

6. The TCEQ will conduct a technical review and prepare a draft NSR Subchapter B permit. The draft permit, including unit-specific emissions limitations (including mass per thru-put limits and mass per unit time limits) applicable pursuant to the Texas SIP and the CAA and any applicable compliance or state-only or nonattainment control strategy caps, and appropriate MRR for each emission unit at [FHR/site] are subject to 30 TAC Chapter 39

public participation requirements, as amended and effective June 24, 2010. Regardless of whether an amendment application triggers the requirements of 30 TAC § 39.402(a)(3)(A), (B) or (C), all amendment applications will be subject to public notice under 30 TAC § 39.402(a)(3)(D)(iv) because there is a reasonable likelihood of significant public interest in all amendment applications subject to the process set out in this document.

7. Greenhouse gases (GHGs) will become regulated NSR pollutants after January 2, 2011. After this date, sources in Texas and in all states undergoing major new construction or major modification will need to analyze the applicability of the major NSR permitting requirements for GHGs in accordance with the rules issued by EPA. However, EPA does not view the assignment of unit-specific emission limits alone and the transition to SIP-approved permits by current flexible permit holders as triggering NSR requirements for GHGs, even if this occurs after January 2, 2011.

8. If requested by TCEQ or EPA, or in cases where a cap is proposed, FHR will participate in meetings with the agency (/agencies) to review permit application contents or draft permit provisions.

9. If either the TCEQ or EPA determines that NSR requirements were not met, each agency reserves the right to take enforcement in accordance with its respective processes. By entering into this process, FHR does not admit that circumvention or any other violation has occurred and reserves its rights in the event enforcement is pursued by either TCEQ or EPA.

10. Upon issuance, this amendment will result in a SIP-approved Subchapter B permit.

#### **4. STEP FOUR: Revision of the CAA Title V Permit**

a. Within thirty (30) days of the effective date of the permit amendment in Step Three, FHR will submit an application to TCEQ (and a copy to EPA) for a revision to its Title V permit to incorporate the appropriate NSR SIP permit amendment requirements, consistent with procedures in 30 TAC Chapter 122 (for significant or minor revisions, as appropriate).

b. FHR will provide the Federal Requirement Analysis, PBR analysis, and Consent Decree Summaries as part of their application to the TCEQ to revise their FOP to include the NSR Subchapter B Permit. FHR may also propose alternate operating scenarios to be included in the Title V permit. FHR will maintain records consistent with State law (30 TAC Chapter 122 (5 years)) and federal law.

c. The TCEQ review of the FOP application will include:

1. The results of the Federal Requirement Review and Summary, including:
    - a. All unit specific emission requirements with their associated MRR; and
    - b. Any limits which involve alternative compliance options or operating scenarios will conform to EPA's guidance on the use of these mechanisms. Where the federal requirement allows multiple compliance options, FHR will:
      - i. State in the FOP the compliance option it has chosen, or
      - ii. Where FHR is using multiple compliance options the FOP should reflect those options being used.
      - iii. FHR will maintain records of which compliance option was chosen consistent with Title V requirements.
  2. For each emission unit under the flexible permit, a list of all PBRs that apply to that unit; and
  3. For each emission unit under the flexible permit, any specific emission limitations or permit conditions required by final consent decrees and/or judicial determinations for individual emission units or groups of emission units, as appropriate.
- d. The applicable emissions limitations and standards, including those operational requirements from underlying major NSR SIP permits that assure compliance with all applicable requirements, will be properly identified in the Title V permit, without incorporation by reference (IBR) of major NSR, and with minor IBR only consistent with the approved operating permits program.
- e. Public notice and comment will be provided, according to 30 TAC Chapter 122.

10/20/10

**Title V Permit Terms and Conditions – Agreed Process for Transitioning  
Flint Hills Resources, LP's Texas Air Permits with Subchapter G Flexible  
Permits to State Implementation Plan (SIP)-Approved Permits**

As provided in FHR's letter and attachments dated October 20, 2010 to TCEQ and EPA, FHR shall do the following:

1. Within six (6) months from the date of application for this minor modification, FHR shall submit to TCEQ and EPA an electronic report that lists: (a) the major NSR authorizations; (b) the minor NSR authorizations/alterations (i.e. alterations, Permits by Rule (PBRs), standard permits, amendments, qualified facility changes, etc); and (c) final enforcement actions, including consent decrees and/or judicial determinations, which set forth allowable emission rates. The report shall include the date of each authorization and final enforcement action, a list of emission units affected by each authorization and/or final enforcement action, and the date when controls will be or were installed. FHR shall supplement its Interim Report as necessary.
2. As a transitional matter, until a Subchapter B permit is issued pursuant to Condition #3, FHR shall comply with the terms of its flexible permit.
3. FHR will conduct:
  - a. An historical review and summary of each emission unit that is or was subject to the flexible permit cap during the term of the flexible permit to determine federally applicable requirements.
  - b. An analysis of whether changes authorized under the flexible permit should have undergone NSR review (NSR Analysis).
  - c. A review and summary of all federal requirements under the FCAA, such as New Source Performance Standards (NSPS), Maximum Achievable Control Technology (MACT) Standards and SIP emission limits that apply to any unit under the flexible permit (Federal Requirements Review and Summary).
  - d. A summary:
    - i. of all PBRs that apply to, or authorize emissions from, emission units under the flexible permit cap (PBR Analysis); and
    - ii. For each emission unit under the flexible permit cap that also has emissions authorized by a PBR, a review to determine the total emission limit for the unit, considering all PBRs relevant to the unit; and
  - e. A review and summary of all final consent decrees and judicial determinations that contain provisions applying to emission units under the flexible permit cap (Consent Decree Review and Summary) to determine specific emission limitations for inclusion in the NSR Subchapter B permit, or the FOP, as appropriate.

- f. A review and summary of appropriate monitoring, reporting and recordkeeping (MRR) requirements.
- g. The analysis of how FHR derived its proposed new emissions limitation for each emission unit that is covered under the flexible permit cap.
- h. FHR shall submit to TCEQ:
  - i. A review and summary of the permit history that includes emission unit impacts and NSR applicability and supporting documentation;
  - ii. Documentation and demonstration that NSR applicability analysis was done correctly; and
  - iii. For each emission unit, a chart establishing emission unit limits (and showing preflex limits, limits under the flex permit and the proposed post-flex limits), federal requirements and MRR, with a cross reference to the information provided for the permit history. If the preflex condition was a synthetic minor, the chart shall include that information.

4. Within twelve (12) months from date of the application of the minor permit modification, in accordance with 30 TAC Chapter 116, Subchapter B, FHR will submit to TCEQ the appropriate NSR SIP permit amendment application, and proposed federally-applicable emission limitations, based on the results of the material gathered pursuant to Condition #2, unless an extension, not to exceed three (3) months has been granted by the TCEQ Executive Director.

- a. The process of transitioning a flexible permit to a Subchapter B permit alone will not trigger NSR/PSD, including modeling to show compliance with a NAAQS.
- b. The assignment of unit-specific emission limits and the transition to SIP-approved permits by current flexible permit holders alone will not trigger NSR requirements for greenhouse gases (GHGs), even if this occurs after January 2, 2011.
- c. The assignment of unit-specific emission limits and the transition to SIP-approved permits by current flexible permit holders alone will not trigger NSR or BACT requirements for any regulated pollutant.

5. Within thirty (30) days of the effective date of the Subchapter B permit amendment, FHR shall submit an application to TCEQ (and a copy to EPA) for a revision to its Title V permit to incorporate the appropriate NSR SIP permit amendment requirements, consistent with procedures in 30 TAC Chapter 122 (for significant or minor revisions, as appropriate). FHR shall include the material gathered pursuant to permit condition #2 with this application.

**CHRONOLOGICAL PERMIT HISTORY AND SUMMARY TABLE**  
**STEP 2 (c) AND STEPS 2 (d) 7 - 9**

|  |              |              |
|--|--------------|--------------|
| <b>Company Name:</b> Company ABC                     | <b>Site:</b> | City, Site 1 |
| <b>Date Initial Flexible Permit Issued:</b> 3/1/1995 |              |              |

**STEP 2 (c) Deliverables:**

[Permittee to provide detailed description of their review of projects that is conducted under 2(d) 5 and results of whether the review identified any other projects (not listed below) may have triggered NSR / PSD].

In the table below, provide a chronological summary of each permitting action. Include major and minor amendments, alterations, PBRs, standard permits, qualified facility changes, and renewals. In addition, identify any projects authorized pursuant to 30 TAC 116.718.

| TCEQ Project No. <sup>1</sup> | FHR Reference No. | Submittal Date | Permit Issue Date | In-Service Date | List of Affected Emission Units (EPN / FIN) | Permit No. | PSD Permit No. (if appl.) | Permit Action Type | Project Name or Activity | Comments / Detailed Project Description   |
|-------------------------------|-------------------|----------------|-------------------|-----------------|---|------------|---------------------------|--------------------|--------------------------|---|
| xxxxx                         |                   | Mm/dd/yyyy     | Mm/dd/yyyy        | Mm/dd/yyyy      | xxxx  | xxxx       |                           | xxxx               | xxxx                     | Example – Pre-flexible permit authorization   |
| xxxxx                         |                   | 1/1/1995       | 3/1/1995          | 4/1/1995        | Site Wide                                   | xxxx       |                           | Initial            | Flexible Permit Issuance | Example – Initial flexible permit.  |
| 12345                         |                   | 3/1/1995       | 6/1/1995          | 7/1/1995        | Heater A<br>Heater B<br>Tank 1              | xxxx       |                           | Minor Amendment    | Heaters A / B and Tank 1 | Example – project to increase duty of one existing heater (Heater A) and construct one new heater less than 40 MM BTU/hr (Heater B). In addition, project includes one new storage tank for storage of heavy petroleum fraction products. |
| xxxxx                         |                   | 1/1/1996       | 1/1/1996          | 1/15/1996       | Tank 2                                      | xxxxx      |                           | PBR                | Service Change           | Example – PBR to change service in Tank 2 to higher v.p. product.   |
| xxxxx                         |                   | 1/1/1997       | 3/1/1997          | N/A             | N/A   | xxxx       |                           | Alteration         | Revise S.P. 1            | Example – clarification in permit language.   |

<sup>1</sup> Use Project Reference No. to cross-reference project to detailed summary information provided in Appendix XX.

| TCEQ Project No. <sup>1</sup> | FHR Reference No. | Submittal Date | Permit Issue Date | In-Service Date | List of Affected Emission Units (EPN / FIN) | Permit No.     | PSD Permit No. (if appl.) | Permit Action Type | Project Name or Activity | Comments / Detailed Project Description  |
|-------------------------------|-------------------|----------------|-------------------|-----------------|---|----------------|---------------------------|--------------------|--------------------------|--|
| xxxxx                         |                   | 1/1/1998       | 6/1/1998          | 9/1/1998        | New Process Unit                            | xxxx           |                           | Major Amendment    | Construct New Unit       | Example – project to construct new process unit.   |
| xxxxx                         |                   | --             | --                | 1/1/2000        | Tank 2                                      | 30 TAC 116.718 |                           | --                 | Example                  | Example – project where facility may have used flexible permit language without submitting permit authorization. |

**APPENDIX XX**

**DETAILED PROJECT SUMMARY INFORMATION EXAMPLE  
SPECIFIC TO TCEQ PROJECT NO. 12345**

**STEPS 2(d) 7 - 9**

Table 1. PSD SIGNIFICANT EMISSIONS ANALYSIS  
TCEQ Project No. 12345

| EPN      | FIN      | Emission Unit Name | Authorization        | VOC (tpy)   |             |                |              |                    |
|----------|----------|--------------------|----------------------|-------------|-------------|----------------|--------------|--------------------|
|          |          |                    |                      | 1993 Actual | 1994 Actual | 2 Year Average | Proposed PTE | Emissions Increase |
| Tank 1   | Tank 1   |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 0.33         | 0.33               |
| Heater A | Heater A |                    | Flexible Permit XXXX | 0.90        | 0.78        | 0.84           | 1.68         | 0.84               |
| Heater B | Heater B |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 0.94         | 0.94               |
|          |          |                    | TOTAL                |             |             |                |              | 2.11               |

| EPN      | FIN      | Emission Unit Name | Authorization        | NOX (tpy)   |             |                |              |                    |
|----------|----------|--------------------|----------------------|-------------|-------------|----------------|--------------|--------------------|
|          |          |                    |                      | 1993 Actual | 1994 Actual | 2 Year Average | Proposed PTE | Emissions Increase |
| Heater A | Heater A |                    | Flexible Permit XXXX | 7.0         | 6.8         | 6.90           | 13.8         | 6.90               |
| Heater B | Heater B |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 7.88         | 7.88               |
|          |          |                    | TOTAL                |             |             |                |              | 14.78              |

| EPN      | FIN      | Emission Unit Name | Authorization        | CO (tpy)    |             |                |              |                    |
|----------|----------|--------------------|----------------------|-------------|-------------|----------------|--------------|--------------------|
|          |          |                    |                      | 1993 Actual | 1994 Actual | 2 Year Average | Proposed PTE | Emissions Increase |
| Heater A | Heater A |                    | Flexible Permit XXXX | 13.0        | 12.64       | 12.82          | 25.6         | 12.82              |
| Heater B | Heater B |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 14.43        | 14.43              |
|          |          |                    | TOTAL                |             |             |                |              | 27.25              |

| EPN      | FIN      | Emission Unit Name | Authorization        | SO2 (tpy)   |             |                |              |                    |
|----------|----------|--------------------|----------------------|-------------|-------------|----------------|--------------|--------------------|
|          |          |                    |                      | 1993 Actual | 1994 Actual | 2 Year Average | Proposed PTE | Emissions Increase |
| Heater A | Heater A |                    | Flexible Permit XXXX | 2.75        | 2.25        | 2.50           | 5.0          | 2.50               |
| Heater B | Heater B |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 2.86         | 2.86               |
|          |          |                    | TOTAL                |             |             |                |              | 5.36               |

| EPN      | FIN      | Emission Unit Name | Authorization        | PM (tpy)    |             |                |              |                    |
|----------|----------|--------------------|----------------------|-------------|-------------|----------------|--------------|--------------------|
|          |          |                    |                      | 1993 Actual | 1994 Actual | 2 Year Average | Proposed PTE | Emissions Increase |
| Heater A | Heater A |                    | Flexible Permit XXXX | 1.2         | 1.12        | 1.16           | 2.32         | 1.16               |
| Heater B | Heater B |                    | Flexible Permit XXXX | 0           | 0           | 0.00           | 1.31         | 1.31               |
|          |          |                    | TOTAL                |             |             |                |              | 2.47               |

Company ABC  
Site 1  
Construct New Heaters and Storage Tank

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**Best Available Control Technology (BACT)**

Pursuant to Permit Application dated 3/1/1995 for Permit No. XXXX, Company ABC proposed and installed the following BACT for TCEQ Project No. 12345.

Process Heaters

EPN Heater A was an existing process heater that was already equipped with current low-NOX burners that were expected to have emissions less than 0.06 lb NOX/MM Btu and 84 lb CO/MM scf while firing refinery fuel gas.

EPN Heater B is less than 40 MM BTU/hr and was equipped with then current low-NOX burners that were expected to have emissions less than 0.06 lb NOX/MM Btu and 84 lb CO/MM scf while firing refinery fuel gas. Company ABC believes this exceeds NOX and CO BACT for heaters with a duty of 40 MM BTU/hr or less.

Storage Tank

EPN Tank 1 was constructed to store heavy petroleum fractions. The material stored is expected to have a true vapor pressure of 0.5 psia or less and is based on the monthly average temperature. Company ABC conservatively installed an internal floating roof to minimize emissions.

**Prevention of Significant Deterioration (PSD) Analysis:**

After review of the PSD analysis that was provided with the permit application dated 3/1/1995 for Permit No. XXXX, Company ABC believes that PSD analysis for Project No. 12345 was done appropriately.

The permit application identified all sources associated with the project that were undergoing a physical change or change in the method of operation and had an emissions increase. Based on the NSR rules in effect at the time, for each regulated NSR pollutant, the previous 2-yr actual emissions and the future potential to emit after the project were provided as the basis for determining each sources emissions increase. The sum of the emissions increases from each source was then calculated and shown to be less than the PSD significance level defined at 40 CFR 52.21(b)(23)(i). This demonstration is provided in the attached Table 1, PSD Significant Emissions Analysis.

Since the project emissions increase did not exceed a PSD significance level, a further determination of the net emissions increase considering all site wide contemporaneous changes was not conducted.

Company ABC reviewed the actual construction history of the project and confirmed that BACT was installed on the specific sources identified and as represented in the permit application.

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
STEP 2**

|                       |                 |                   |              |              |     |
|-----------------------|-----------------|-------------------|--------------|--------------|-----|
| <b>Permit Number:</b> | Permit No. xxxx | <b>RN Number:</b> | RNxxxxxxxxxx | <b>Date:</b> | TBD |
| <b>Company Name:</b>  | Company ABC     |                   |              |              |     |

Provide a list below of each emission point authorized under this flexible permit:

| EPN No. | FIN No. | Emission Unit Name | Emission Unit Type |
|---------|---------|--------------------|--------------------|
|         |         |                    |                    |
|         |         |                    |                    |
|         |         |                    |                    |
|         |         |                    |                    |

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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|                |                 |            |            |       |     |
|----------------|-----------------|------------|------------|-------|-----|
| Permit Number: | Permit No. xxxx | RN Number: | RNxxxxxxxx | Date: | TBD |
| Company Name:  | Company ABC     |            |            |       |     |

| I. EMISSION UNIT INFORMATION                            |                                   |                        |                     |       |                              |
|---|-----------------------------------|------------------------|---------------------|-------|------------------------------|
| EPN:  | Heater A                          | FIN:                   | Heater A            | NAME: | Process Unit 1 Heater A      |
| Emission Unit Type:                                     | Heater                            |                        | Emission Unit Size: |       | Control Type: Lo-Nox Burners |
| Pre-Flex Authorization:                                 | Permit No. xxx                    | PSD Permit (if appl.): |                     |       |                              |
| PBR Authorizations and Registration Numbers (if appl.): | 106.xxx Registration Number xxxxx |                        |                     |       |                              |

**II. EMISSION LIMITATIONS SUMMARY**

In the table below, for each applicable pollutant, provide the Pre-Flex emission limits, Flexible Permit emission limits, the proposed emission limits and the applicable calculation methodology:

| Pollutant        | Pre-Flex Lb/Hr | Pre-Flex Ton/Yr | Flex Lb/Hr | Flex Ton/Yr | Proposed Lb/Hr | Proposed Ton/Yr |
|------------------|----------------|-----------------|------------|-------------|----------------|-----------------|
| VOC <sup>1</sup> | 0.23           | 1.0             | Cap        | Cap         | 1.54           | 6.72            |
| NOX              | 1.60           | 7.0             | Cap        | Cap         | 3.15           | 13.8            |
| CO               | 2.97           | 13.0            | Cap        | Cap         | 5.84           | 25.6            |
| SO2              | 1.5            | 3.0             | Cap        | Cap         | 2.5            | 5.0             |
| PM <sup>2</sup>  | 0.27           | 1.2             | Cap        | Cap         | 1.59           | 6.96            |
| Other            | NA             | NA              | NA         | NA          | NA             | NA              |

**III. PROJECT-BASED EMISSION LIMITATIONS (BY POLLUTANT)**

In the tables below, provide a historical summary of the hourly and annual emission limits associated with each project, along with information regarding the calculation methodology, for each pollutant. Include major and minor amendments, alterations, PBRs, standard permits, qualified facility changes, and renewals. In addition, identify any projects authorized pursuant to 30 TAC 116.718. If the project resulted in a change in either the Lb/Hr or Ton/Yr emission limits, provide the basis of the change. The first entry on each table should include the pre-flex Lb/Hr and Ton/Yr, as applicable. The last entry on each table should include the proposed Lb/Hr and Ton/Yr. Add additional tables for other pollutants, as necessary.

<sup>1</sup> VOC Emission factors were updated to AP-42, 5th Edition, Section 1.4, revised March 1998 in the amendment issued August 25, 2000.

<sup>2</sup> PM Emission factors were updated to AP-42, 5th Edition, Section 1.4, revised March 1998 in the amendment issued August 25, 2000.

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
STEP 2**

**VOC**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method   | Basis of Change                    | Comments  |
|------------------|-------------------|--------------------|---------------------|--|------------------------------------|---|
| xxxxx            |                   | 0.23               | 1.0                 | lb/hr = Gas Usage (xx SCF/HR) x AP-42 EF (5.5 lb/MMSCF) x (1/1E6)<br>ton/yr = Gas Usage (xx SCF/YR) x AP-42 EF (5.5 lb/MMSCF) x (1/1E6) x (1/2000) | N/A                                | Example – This project represents the pre-flex emission limitations.                                    |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| 12345            |                   | x.xx               | x.xx                | xxxx   | Heater duty increased from X to X. |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| Proposed         |                   | 1.54               | 6.72                | xxxx   |                                    | Example – This project represents the unit specific emission limits that will be proposed for the unit. |

**NOX**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method  | Basis of Change                    | Comments   |
|------------------|-------------------|--------------------|---------------------|---|------------------------------------|--|
| xxxxx            |                   | 1.60               | 7.0                 | lb/hr = Gas Usage (xx SCF/HR) x Gas HV (xx BTU/SCF) x HR AVG CEM EF (xx lb/MMBTU) x (1/1E6)<br>ton/yr = Gas Usage (xx SCF/YR) x Gas HV (xx BTU/SCF) x ANN AVG CEM EF (xx lb/MMBTU) x (1/1E6) x (1/2000) | N/A                                | Example – This project represents the pre-flex emission limitations. |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |  |
| 12345            |                   | x.xx               | x.xx                | xxxx  | Heater duty increased from X to X. |  |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |  |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |  |
| Proposed         |                   | 3.15               | 13.8                | xxxx  |                                    | Example – This project represents the unit specific emission limits  |

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
STEP 2**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method | Basis of Change | Comments                            |
|------------------|-------------------|--------------------|---------------------|--------------------|-----------------|-------------------------------------|
|                  |                   |                    |                     |                    |                 | that will be proposed for the unit. |

**CO**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method  | Basis of Change                    | Comments  |
|------------------|-------------------|--------------------|---------------------|---|------------------------------------|---|
| xxxxx            |                   | 2.97               | 13.0                | lb/hr = Gas Usage (xx SCF/HR) x Gas HV (xx BTU/SCF) x HR AVG CEM EF (xx lb/MMBTU) x (1/1E6)<br>ton/yr = Gas Usage (xx SCF/YR) x Gas HV (xx BTU/SCF) x ANN AVG CEM EF (xx lb/MMBTU) x (1/1E6) x (1/2000) | N/A                                | Example – This project represents the pre-flex emission limitations.                                    |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |   |
| 12345            |                   | x.xx               | x.xx                | xxxx  | Heater duty increased from X to X. |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                                    |   |
| Proposed         |                   | 5.84               | 25.6                | xxxx  |                                    | Example – This project represents the unit specific emission limits that will be proposed for the unit. |

**SO2**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method  | Basis of Change | Comments   |
|------------------|-------------------|--------------------|---------------------|---|-----------------|--|
| xxxxx            |                   | 1.5                | 3.0                 | lb/hr = Gas Usage (xx SCF/HR) x Gas HV (xx BTU/SCF) x HR AVG CEM EF (xx lb/MMBTU) x (1/1E6)<br>ton/yr = Gas Usage (xx SCF/YR) x Gas HV (xx BTU/SCF) x ANN AVG CEM EF (xx lb/MMBTU) x (1/1E6) x (1/2000) | N/A             | Example – This project represents the pre-flex emission limitations. |
| xxxxx            |                   | x.xx               | x.xx                | xxxx  |                 |  |

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method | Basis of Change                    | Comments  |
|------------------|-------------------|--------------------|---------------------|--------------------|------------------------------------|---|
| 12345            |                   | x.xx               | x.xx                | xxxx               | Heater duty increased from X to X. |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx               |                                    |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx               |                                    |   |
| Proposed         |                   | 2.5                | 5.0                 | xxxx               |                                    | Example – This project represents the unit specific emission limits that will be proposed for the unit. |

**PM**

| TCEQ Project No. | FHR Reference No. | Post-Project Lb/Hr | Post-Project Ton/Yr | Calculation Method   | Basis of Change                    | Comments  |
|------------------|-------------------|--------------------|---------------------|--|------------------------------------|---|
| xxxxx            |                   | 0.27               | 1.2                 | lb/hr = Gas Usage (xx SCF/HR) x AP-42 EF (7.6 lb/MMSCF) x (1/1E6)<br>ton/yr = Gas Usage (xx SCF/YR) x AP-42 EF (7.6 lb/MMSCF) x (1/1E6) x (1/2000) | N/A                                | Example – This project represents the pre-flex emission limitations.                                    |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| 12345            |                   | x.xx               | x.xx                | xxxx   | Heater duty increased from X to X. |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| xxxxx            |                   | x.xx               | x.xx                | xxxx   |                                    |   |
| Proposed         |                   | 1.59               | 6.96                | xxxx   |                                    | Example – This project represents the unit specific emission limits that will be proposed for the unit. |

**IV. FEDERAL STANDARDS AND OTHER APPLICABLE SIP EMISSION LIMITATIONS**

In the table below, list each additional applicable emission limitation and/or standard that is reflected in the proposed emission rates as listed above:

| Pollutant | Regulation | Emission Limitation / Standard | Compliance Demonstration | Comments |
|-----------|------------|--------------------------------|--------------------------|----------|
|-----------|------------|--------------------------------|--------------------------|----------|

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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| Pollutant | Regulation                                       | Emission Limitation / Standard  | Compliance Demonstration   | Comments   |
|-----------|--|---|--|--|
| SO2       | Pre-Flex Permit No. xxx, Special Provision No. 1 | The permissible fuel gas for this facility shall contain no more than 20 grains of sulfur per 100 cubic feet.             |  |  |
| SO2       | NSPS Subpart J [40 CFR 60.140(a)(1)]             | No owner shall burn fuel gas in any gas combustion device that contains hydrogen sulfide (H2S) in excess of 0.10 gr/dscf. | COMPANY ABC has installed and operates a CEM meeting the applicable required specifications and rules. Applicable reports are submitted as required.<br><br>COMPANY ABC maintains and demonstrates compliance through the CEM compliance system. This system includes documentation of daily and periodic calibrations and assessments, an electronic alarm system that provides notifications when a limit is exceeded, and periodic review and summary of the data through electronic tools. | This is the limiting factor for H2S in fuel gas. |

**V. PERMIT HISTORY CROSS REFERENCE**

In the table below, provide a chronological summary of the permitting history for the emission unit. Include any Consent Decrees / Agreed Orders that contain provisions related to specific emission limitations applicable to the emission unit.

| TCEQ Project No. (if appl.) | Permit / Order Issue Date | Permit Number (if applicable) | PSD / NSR Permit No. (if applicable) | Action Type     | Project Name or Activity   | Comments |
|-----------------------------|---------------------------|-------------------------------|--------------------------------------|-----------------|--|----------|
|                             | Mm/dd/yyyy                | xxx                           |                                      |                 | Pre-Flex Permit  |          |
|                             | Mm/dd/yyyy                | Xxxx                          |                                      | Initial Flex    | Initial Flexible Permit  |          |
| 12345                       | 06/01/1995                | xxxx                          |                                      | Minor Amendment | Tier II Gasoline, Phase I  |          |
|                             | Mm/dd/yyyy                | N/A                           |                                      | Consent Decree  | <i>United States of America and The State of XX v. Company ABC, Civil Action No. 00-XXXX (PAM/SRN), United States District Court, entered mm/dd/yyyy</i> |          |
| 67890                       | Mm/dd/yyyy                | Xxxx                          |                                      | PBR             | Example PBR  |          |

**VI. MONITORING / RECORDKEEPING / REPORTING REQUIREMENTS**

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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In the table below, list each Pre-Flex permit condition, Flexible Permit Condition, and/or regulatory requirement that is related to demonstrate appropriate monitoring (and/or testing), recordkeeping, and reporting for the applicable emission unit:

| Regulation                                    | Requirement  | Requirement Type | Compliance Demonstration Method  | Comments |
|---|--|------------------|--|----------|
| Permit No. xxx,<br>General Provision<br>No. 5 | Maintain records of information and data concerning production, operating hours, sampling and monitoring data, if applicable, fuel type and fuel sulfur content.   | Recordkeeping    |  |          |
| Flex Permit, S.C. 7                           | <p>The VOC emissions for all heaters shall be calculated based on the annual fuel gas usage and the VOC emission factor of 5.5 lb VOC/MMscf fuel gas.</p> <p>Unless a CEM is required to be installed, NO<sub>x</sub> emissions shall be calculated based on the annual fired duty in MMBtu/yr and the NO<sub>x</sub> emission factor: 0.075 lb NO<sub>x</sub>/MMBtu (HHV)</p> <p>Unless a CEM is required to be installed, CO emissions shall be calculated based on the annual fired duty in MMBtu per year (MMBtu/yr) and a CO emission factor of 0.05 pound (lb) CO/MMBtu (higher heating value [HHV]).</p> <p>The PM emissions for all heaters shall be calculated based on the annual fuel gas usage and the PM emission factor of 7.6 lb PM/MMscf fuel gas.</p> <p>The SO<sub>2</sub> emissions shall be calculated on the annual fuel gas usage and the measured hydrogen sulfide (H<sub>2</sub>S) concentration in the fuel gas as determined by S.C. No. 33 and assuming 100 percent conversion of H<sub>2</sub>S to SO<sub>2</sub>.</p> | Recordkeeping    | It is COMPANY ABC's policy that all emission points in special condition 7 use the required factors for estimating emissions. Emission factors listed in this condition will not be considered individual hard limits, rather they will be strictly emission estimation tools for calculating a contribution towards the emission cap. Individual process historian points have been established in the process historian database for instantaneous review. It is COMPANY ABC's policy that the Emissions Inventory report use the factors for the annualized data. |          |
| Flex Permit S.C.<br>36. A.                    | Maintain hourly and daily fuel usage records for all heaters authorized by this permit   | Recordkeeping    | It is COMPANY ABC's policy that fuel flow monitoring data will be gathered and stored continuously in the process historian system, which can generate hourly and daily average fuel usages. The process historian data is to be used to calculate the   |          |

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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| Regulation              | Requirement  | Requirement Type | Compliance Demonstration Method  | Comments |
|-------------------------|--|------------------|--|----------|
|                         |  |                  | hourly and daily fuel usage for all authorized heaters in this permit.   |          |
| Flex Permit S.C. 36. B. | Maintain records of CEM data collected as required by S.C. No. 23.   | Recordkeeping    | CEMS data are gathered and stored continuously in the process historian system, which can generate hourly, daily or annual averages. The CEMS data collected for SC24 are reviewed at least quarterly as part of the preparation of the CEMS Quarterly report.   |          |
| Flex Permit S.C. 36.D.  | Maintain records of all emissions calculated to determine compliance with an emission cap (calculated quarterly) to provide an accumulated total annual emission for comparison with the established emission caps.  | Recordkeeping    | <p>It is COMPANY ABC's policy that all emissions calculations be calculated on a quarterly basis. The records will be maintained in the CAP calculation documentation located in the environmental file room by individual month and include a 12-month rolling annual total.</p> <p>The average fuel usages calculated and recorded as part of SC37.A will be used to calculate monthly firing rate and emission rates for process heaters.</p> <p>The emissions from the cooling towers will be calculated based on monthly circulation rates. Monthly circulation rates will be calculated from maximum design gpm water circulation rates and the number of minutes in the month.</p> <p>Tank emissions will be calculated based on the records required under SC29.G. COMPANY ABC does not utilize alternative tank emission calculation methods.</p> |          |
| Flex Permit S.C. 36.H.  | Maintain records for demonstration with the hourly emission cap. Hourly emission caps shall be adjusted for any facilities shut down for more than 12 months. Emissions caps shall be lowered by an amount that the shutdown facility contributed to the original calculation of the emission cap including any insignificant emissions factor for that cap. | Recordkeeping    | It is COMPANY ABC's policy to provide demonstration of hourly emission caps upon request of the TCEQ. Emission caps are to be adjusted when an applicable facility is shut down for more than 12 months by the amount of emissions contributed to the cap from the shutdown facility in the current cap calculation. Such adjustments will be reflected in the adjusted emission cap section of the CAP calculation documentation.   |          |
| Flex Permit, S.C. 21    | Perform initial stack testing  | Testing          | All initial stack tests under this section were completed for the specified pollutants within the required   |          |

**EMISSION UNIT LIMITATIONS, PERMIT HISTORY CROSS-REFERENCE AND MRR  
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| Regulation  | Requirement   | Requirement Type | Compliance Demonstration Method   | Comments |
|---|---|------------------|---|----------|
|   |   |                  | timeframe. Copies of the test reports are located in the environmental file room.   |          |
| Flex Permit S.C. 23   | Install and maintain CEM<br>Maintain CEM data and emission calculations   | Monitoring       | The CEMS specified in this condition were installed, calibrated and maintained as required. COMPANY ABC design standards require that CEMS meet the applicable specifications of 40 CFR Part 60 Appendix B. The CEMS QA/QC manual also specifies many of the requirements from 40 CFR Part 60 Appendix B that apply to the CEMS. It is COMPANY ABC's policy that analyzer technicians follow the procedures outlined in the CEMS QA/QC plan.  |          |
| Flex Permit, S.C. 33  | Fuel used in the process heaters shall be limited to either natural gas, plant gas, or a combination of natural gas and plant gas. The H2S concentration shall be monitored and recorded in accordance with NSPS Subpart J. | Monitoring       | Site process heaters burn gaseous fuel only.  |          |
| Flex Permit, S.C. 10;<br>Title V Permit Oxxxx, S.C. 30 TAC 111.111(a)(1)(B) | Opacity shall not exceed 15 percent averaged over a six-minute period.<br><br>Opacity shall be determined by EPA Reference Method 9.  | Monitoring       | It is COMPANY ABC's procedure that its staff notify a certified visible emission reader if potential opacity events are detected. The certified reader is to determine if the event exceeds opacity limits.<br><br>A quarterly visible emission inspection task is set in the COMPANY ABC compliance database. It is COMPANY ABC's policy to include the task in a calendar tasking system that sends reminder notices to appropriate personnel to complete the inspection. Completed task information is to be stored in the system. |          |