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AIR PERMITS SECTION  
6PD-R

Ms. Melanie Magee  
US Environmental Protection Agency  
Region 6, Air Permitting Division  
1445 Ross Avenue (6EN)  
Dallas, TX 75202

Re: ~~Targa Midstream Services LLC~~  
40 C.F.R. § 52.21(w) Permit Rescission Request  
EPA-Issued Permit No. PSD-TX-101616-GHG

Dear Ms. Magee,

Targa Midstream Services LLC ("Targa") is submitting this request for rescission of Prevention of Significant Deterioration ("PSD") Permit for Greenhouse Gas Emissions Number PSD-TX-101616-GHG ("GHG Permit") for the Mont Belvieu Plant, which EPA issued on December 30, 2013. This request is made in accordance with 40 C.F.R. § 52.21(w), which requires EPA to rescind a PSD permit if it can be shown that the permit would not have been required but for GHG emissions.

Targa applied for the GHG Permit based solely on EPA's determination under 40 C.F.R. § 52.21(b)(49) that the Mont Belvieu Plant Train 5 projected GHG emissions triggered PSD permit review. See EPA Statement of Basis, Permit No. PSD-TX-101616-GHG (November 2013), available at <http://archive.epa.gov/region6/6pd/air/pd-r/ghg/web/pdf/targa-mont-belvieu-sob.pdf> ("EPA concludes Targa's application is subject to PSD review for the pollutant GHGs, because the project would lead to an emissions increase of GHGs for a facility as described at 40 C.F.R. § 52.21(b)(1) and (b)(49)(v). ... TCEQ already recognizes the facility as an existing major stationary source, and therefore remains responsible for ensuring that the modification otherwise complies with applicable PSD requirements for non-GHG pollutants. TCEQ issued permit #101616 for the non-GHG pollutants on March 11, 2013. Under the limits of this minor NSR permit, there will not be net significant increases of regulated NSR pollutants other than GHGs in conjunction with the project.")

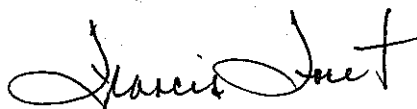
Federally-enforceable limits on all regulated non-GHG pollutants for Train 5 are imposed in New Source Review Permit No. 101616, as issued by TCEQ on December 21, 2012. The Mont Belvieu Plant is considered an existing major source with respect to the PSD and Nonattainment New Source Review (NNSR) permitting programs. As demonstrated in permit #101616 the Mont Belvieu Plant Train 5 project allowable emission rates of all non-GHG emissions are below respective PSD thresholds. The new source review permit, as well as EPA's and TCEQ's prior findings, establish that the Mont Belvieu Plant Train 5 Project did not have the potential to

emit any regulated pollutant above the major source thresholds applicable to it, except for GHG, at the time it obtained the GHG Permit.

I hereby certify that the GHG Permit issued by EPA Region 6 is not being used, or planned to be used, for any other regulatory or compliance and enforcement purposes, and the information contained in this rescission request submittal is factual and correct.

Please contact Melanie Roberts at 713-584-1422 with any questions.

Regards,

A handwritten signature in black ink, appearing to read "Francis Foret". The signature is fluid and cursive, with a large initial "F" and "F".

Francis Foret  
SVP, Targa Gas Processing LLP

## 9. FEDERAL NEW SOURCE REVIEW REQUIREMENTS

This section addresses the applicability of the following federal new source review permitting programs to equipment for the proposed Train 5 Project:

- > Nonattainment New Source Review
- > Prevention of Significant Deterioration

All applicable state and federal requirements (e.g., New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAP)), with the exception of those pertaining to GHG emissions, are addressed in the TCEQ minor source state NSR permit application. The TCEQ application is included in Appendix E as reference.

Under U.S. EPA and TCEQ rules, sites located in areas that are designated in attainment of the National Ambient Air Quality Standards (NAAQS) for a criteria pollutant are potentially regulated under the PSD program if they are considered major sources. Major source thresholds are defined in 40 CFR §52.21 (b)(1)(i). The Mont Belvieu Plant is considered a major source under PSD.

The Mont Belvieu Plant is located in Chambers County, which has been designated as a severe nonattainment area for the eight-hour ozone standard.<sup>10</sup> Volatile organic compounds (VOC) and oxides of nitrogen (NO<sub>x</sub>) are considered to be precursors to ground-level ozone formation; therefore, nonattainment new source review (NNSR) review is required if a modification of an existing major source results in a significant net emission rate increase of a regulated pollutant. The Mont Belvieu Plant is classified as an existing major source under NNSR for NO<sub>x</sub> and VOC.

The following sections describe the PSD and NNSR applicability analysis for the proposed project.

### 9.1. PSD APPLICABILITY REVIEW

The Mont Belvieu Plant is an existing major source with respect to criteria pollutants under the PSD program because potential emissions of one or more criteria pollutant exceed the thresholds listed in 40 CFR §52.21(b)(1)(i) (i.e., more than 250 tpy). PSD permitting requirements apply to a major modification at an existing major stationary source. For non-GHG pollutants, a major modification is defined in 40 CFR §52.21(b)(2)(i) as any project that would result in a significant net emissions increase of a regulated NSR pollutant, as compared to the significant emission rates (SERs) provided in §52.21(b)(23) and shown in the table below.

**Table 9.1-1. Non-GHG Pollutant Significant Emission Rates**

<b>CO (tpy)</b>	<b>NO<sub>2</sub> (tpy)</b>	<b>PM (tpy)</b>	<b>PM<sub>10</sub> (tpy)</b>	<b>PM<sub>2.5</sub> (tpy)</b>	<b>SO<sub>2</sub> (tpy)</b>
100	40	25	15	10	40

As shown in the table included at the end of this section, the project emission increases of all non-GH criteria pollutants are less than their respective SERs. Therefore, the proposed project will not be subject to PSD permitting

<sup>10</sup> Per 40 CFR §81.344 (Effective October 31, 2008).

requirements for non-GHG criteria emissions and the project is subject to the jurisdiction of the TCEQ for minor NSR permitting of such emissions.

In the GHG Tailoring Rule, EPA established a major source threshold of 100,000 tpy CO<sub>2</sub>e for new GHG sources and a major modification threshold of 75,000 tpy CO<sub>2</sub>e for existing major sources.<sup>11</sup> The Mont Belvieu Plant is an existing major source with respect to GHG emissions under the PSD program because the site currently has a potential to emit greater than 100,000 tpy of CO<sub>2</sub>e. Targa has determined that the increase in GHG emissions from the proposed project will exceed 75,000 tpy. As a result, Targa has concluded that the proposed project will be a major modification with respect to GHG emissions and subject to PSD permitting requirements for such emissions.

With a final action published in May 2011, EPA promulgated a FIP to implement the permitting requirements for GHGs in Texas, and EPA assumed the role of permitting authority for Texas GHG permit applications with that action.<sup>12</sup> Therefore, GHG emissions from the proposed project are subject to the jurisdiction of the EPA under authority EPA has asserted in Texas through its FIP for the regulation of GHGs.

Accordingly, Targa is submitting applications to both EPA and TCEQ to obtain the requisite authorizations to construct. The state minor NSR permit application submitted to TCEQ is included in Appendix E of this GHG PSD permit application for reference.

## 9.2. NNSR APPLICABILITY REVIEW

The Mont Belvieu Plant is an existing major source with respect to NO<sub>x</sub> and VOC emissions under the NNSR program because sitewide emissions exceed the thresholds listed in 40 C.F.R. §52.21(b)(1)(i) (i.e., more than 25 tpy for a facility in a severe ozone nonattainment area). NNSR applicability is determined based on the increase in emissions of NO<sub>x</sub> and VOCs from the proposed project. The increases in VOC and NO<sub>x</sub> emissions from the proposed project, without regard to decreases, are greater than five tpy for each pollutant; therefore, contemporaneous netting is required by 30 TAC §116.150(c).

Targa performed contemporaneous netting calculations for NO<sub>x</sub> and VOC, taking into account creditable source emission increases and decreases during the contemporaneous period. The contemporaneous period was taken as the period between the expected start of operation of the proposed Train 5 project and 60 months prior to the expected start of construction date for the proposed project, as defined in 30 TAC §116.12(11). The netting results for each pollutant are compared to the 25 tpy threshold for the severe nonattainment designation. NNSR permitting requirements are not triggered as contemporaneous netting for both pollutants demonstrates less than a 25 tpy increase. The netting analysis is presented in a summary table and netting tables provided at the end of this section.

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<sup>11</sup> Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule, 75 Fed. Reg. 31,514 (June 3, 2010).

<sup>12</sup> Determinations Concerning Need for Error Correction, Partial Approval and Partial Disapproval, and Federal Implementation Plan Regarding Texas's Prevention of Significant Deterioration Program, 76 Fed. Reg. 25,178 (May 3, 2011).

Targa Midstream Services LLC - Mont Belvieu Plant  
PSD & NNSR Summary

PSD Applicability Analysis <sup>1</sup>

FIN	EPN	Description	Emissions Increases for Project-Affected Sources (tpy)							
			CO	NO <sub>2</sub>	PM	PM <sub>10</sub>	PM <sub>2.5</sub>	SO <sub>2</sub>	CO <sub>2</sub> e	
TEG-2	LR-5	Controlled TEG-2 Emissions	1.68	0.20	-	-	-	-	-	1,283.79
AU-4	LR-5	Controlled AU-4 Emissions	5.59	0.65	-	-	-	-	-	11,784.78
5A	5A	Hot Oil Heater	23.41	3.16	2.53	2.53	2.53	0.37	0.37	74,026.45
5B	5B	Hot Oil Heater	23.41	3.16	2.53	2.53	2.53	0.37	0.37	74,026.45
UG-CT-9	UG-CT-9	Cooling Tower 9	-	-	2.43	0.73	0.73	-	-	-
Maintenance	LR-5	Controlled Maintenance Emissions	0.01	0.01	-	-	-	-	-	303.36
Startup	LR-5	Controlled Startup Emissions	0.05	0.03	-	-	-	-	-	280.76
Shutdown	LR-5	Controlled Shutdown Emissions	0.05	0.03	-	-	-	-	-	401.13
TK-2	TK-2	Ucarsol Storage Tank	-	-	-	-	-	-	-	-
LR-5	LR-5	Ucarsol Storage Tank	16.49	2.02	-	-	-	-	-	3,561.40
<b>Total Project Emissions Increase</b>			70.69	9.25	7.49	5.79	5.79	0.93	0.93	165,668
<b>PSD Significant Emission Rate</b>			100	40	25	15	10	40	40	75,000
<b>PSD Netting Analysis Needed (Yes/No)?</b>			No	No	No	No	No	No	No	Yes

<sup>1</sup> fugitive emissions are not included in PSD applicability determination per 40 CFR 52.28(c)(4)(ii).

NNSR Applicability Analysis

Pollutant	Total Project Emissions Increases (tpy)	Above 5 tpy Netting Threshold?	Net Emission Increase (tpy) <sup>1</sup>	NNSR Threshold		NNSR Review?
				NNSR Threshold	NNSR Review?	
VOC	13.20	Yes	20.32	25	No	No
NO <sub>x</sub>	9.25	Yes	-2.23	25	No	No

<sup>1</sup> The net emission increase is based on the sum of the creditable increase or decrease column of Table 3F.

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
*Protecting Texas by Reducing and Preventing Pollution*

March 22, 2013

MR HUNTER BATTLE  
VICE PRESIDENT LOGISTICS AND MARKETING ASSETS  
TARGA MIDSTREAM SERVICES LLC  
1000 LOUISIANA ST STE 4300  
HOUSTON TX 77002-5036

Re: Permit Application  
Permit Number: 101616  
Mont Belvieu Plant Fractionation Train 5  
Mont Belvieu, Chambers County  
Regulated Entity Number: RN100222900  
Customer Reference Number: CN601301559  
Account Number: CI-0022-A

Dear Mr. Battle:

This is in response to your Form PI-1 (General Application for Air Preconstruction Permits and Amendments) concerning the above-referenced facility. Also, this will acknowledge that your application for the above-referenced permit is technically complete as of December 21, 2012.

A permit for your new facility is enclosed. The permit contains several general and special conditions that define the level of operation, a maximum allowable emission rates table, and a permit face. We appreciate your careful review of the special conditions of the permit and assuring that all requirements are consistently met. In addition, the construction and operation of the facilities must be as represented in the application.

No planned maintenance, startup, and shutdown emissions have been reviewed or represented in this application and none are authorized by this permit.

This permit will be automatically void upon the occurrence of any of the following, as indicated in Title 30 Texas Administrative Code § 116.120(a) [30 TAC § 116.120(a)]:

1. Failure to begin construction within 18 months of the date of issuance,
2. Discontinuance of construction for more than 18 months prior to completion, or
3. Failure to complete construction within a reasonable time.

Upon request, the executive director may grant extensions as allowed in 30 TAC § 116.120(b).

This permit is effective as of the date of this letter and will be in effect for ten years from the date of approval.

Mr. Hunter Battle  
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March 22, 2013

Re: Permit Number: 101616

You may file a **motion to overturn** with the Chief Clerk. A motion to overturn is a request for the commission to review the executive director's decision. Any motion must explain why the commission should review the executive director's decision. According to 30 TAC § 50.139, an action by the executive director is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

A motion to overturn must be received by the Chief Clerk within 23 days after the date of this letter. An original and 11 copies of a motion must be filed with the Chief Clerk in person, or by mail to the Chief Clerk's address on the attached mailing list. On the same day the motion is transmitted to the Chief Clerk, please provide copies to the applicant, the executive director's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion to overturn is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the executive director's approval. According to Texas Health and Safety Code § 382.032, a person affected by the executive director's approval must file a petition appealing the executive director's approval in Travis County district court within 30 days after the **effective date of the approval**. Even if you request judicial review, you still must exhaust your administrative remedies, which includes filing a motion to overturn in accordance with the previous paragraphs.

Thank you for your cooperation and interest in air pollution control. If you need further information or have any questions, please contact Mr. David Havens at (512) 239-1275 or write to the Texas Commission on Environmental Quality, Office of Air, Air Permits Division, MC-163, P.O. Box 13087, Austin, Texas 78711-3087.

This action is taken under authority delegated by the Executive Director of the TCEQ.

Sincerely,



Michael Wilson, P.E., Director  
Air Permits Division  
Office of Air  
Texas Commission on Environmental Quality

MPW/dh

Enclosure

cc: Air Section Manager, Region 12 - Houston

Project Number: 175653