

BEFORE THE DEPARTMENT OF ENVIRONMENTAL QUALITY  
OF THE STATE OF OREGON

IN THE MATTER OF ) STIPULATED AGREEMENT AND  
Gas Transmission Northwest LLC, ) FINAL ORDER  
 )  
 ) OAH CASE NO. 2021-ABC-04835  
Respondent. ) DEQ CASE NO. AQ/RH-HQ-2021-140

Gas Transmission Northwest LLC (Respondent), and the Department of Environmental Quality (DEQ) hereby agree that:

WHEREAS:

1. Respondent, Gas Transmission Northwest LLC, operates a natural gas compressor station located at 1/4 mile west of Diamond Lake Junction in Chemult, Oregon known as "Compressor Station #13" (the Facility).

2. On April 9, 1996, DEQ issued Title V Operating Permit No. 18-0096-TV-01 (the Permit) to Respondent.

3. DEQ renewed the Permit on several occasions since 1996, including on March 26, 2013 and July 11, 2018.

4. The Permit authorizes Respondent to discharge air contaminants associated with its operation of the Facility in conformance with the requirements, limitations, and conditions set forth in the Permit.

5. Turbines 13C and 13D at the Facility are emission units, as defined in OAR 340-223-0020(1).

6. On December 31, 2017, the Permit had the following plant site emissions limits (PSELs) for sulfur dioxide (SO<sub>2</sub>), particulate matter of ten microns or less (PM10), and nitrogen oxides (NO<sub>x</sub>), which constitute round II regional haze pollutants, *see* OAR 340-223-0020(2), at the Facility: 39 tons per year for SO<sub>2</sub>, 14 tons per year for PM10, and 232 tons per year for NO<sub>x</sub>.

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1       7.     The Facility is located 14.1 kilometers from Crater Lake National Park, which is  
2 the nearest Class I Area, *see* OAR 340-200-0020(25), measured in a straight line from the  
3 Facility to the Class I Area.

4       8.     Based on the definitions and the formula in OAR 340-223-0100(2) the Facility's Q  
5 value is 285; d value is 14.1, and ratio of Q divided by d is 20.21.

6       9.     Because the Facility has a Title V operating permit and because the Facility has a  
7 Q/d value of greater than 5.00, the Facility is subject to the requirements of round II of regional  
8 haze. *See* OAR 340-223-0100(1).

9       10.    On August 9, 2021, DEQ issued a Final Order to Require Compliance with Round II  
10 of Regional Haze (Order) to Respondent, pursuant to OAR 340-223-0110(1) and OAR 340-223-  
11 0130(1), and based on DEQ's determination according to OAR 340-223-0120(4) that Selective  
12 Catalytic Reduction (SCR) control devices on both Turbines 13C and Turbine 13D were cost  
13 effective to reduce round II regional haze pollutants.

14       11.    On August 18, 2021, Respondent filed a timely request for a contested case hearing  
15 and answer to DEQ's Order.

16       12.    On August 25, 2021, DEQ referred the case to the Office of Administrative  
17 Hearings.

18       13.    On February 7, 2022, DEQ issued an Amended Final Order to Require Compliance  
19 with Round II of Regional Haze (Amended Order) to Respondent.

20       14.    On February 17, 2022, Respondent filed a timely request for a contested case  
21 hearing and answer to DEQ's Amended Order.

22       15.    Rather than complying with OAR 340-223-0110(1), Respondent would like to enter  
23 into a Stipulated Agreement and Final Order (SAFO) with DEQ under OAR 340-223-0110(2) for  
24 alternative compliance with round II of regional haze and would like to accept federally enforceable  
25 requirements to either:

26           a.    Install controls and associated monitoring equipment according to requirements  
27            in Section II, Paragraphs 1 through 4 below, or

b. If Respondent notifies DEQ according to Section II, Paragraph 5 below, to replace Turbines 13C and 13D at the Facility with new technology to reduce round II regional haze pollutants.

## I. AGREEMENT

1. DEQ issues this SAFO pursuant to OAR 340-223-0110(2), and it shall be effective upon the date fully executed.

2. Respondent and DEQ agree that this SAFO fully settles and resolves the contested case, OAH Case No. 2021-ABC-04835, DEQ Case No. AQ/RH-HQ-2021-140.

3. The Facility is subject to round II of regional haze, according to OAR 340-223-0100(1).

4. Respondent agrees to and will ensure compliance with the requirements in Section II of this SAFO.

5. DEQ shall incorporate this SAFO and the conditions in Section II below into the Permit pursuant to 340-218-0200(1)(a)(A), if applicable, or upon permit renewal.

6. DEQ may submit this SAFO to the Environmental Protection Agency (EPA) as part of the State Implementation Plan (SIP) under the federal Clean Air Act.

7. Respondent waives any and all rights and objections Respondent may have to the form, content, manner of service, and timeliness of this SAFO and to a contested case hearing and judicial review of the SAFO.

8. In the event EPA does not accept DEQ's SIP in any manner that impacts this SAFO, this SAFO shall be stayed until DEQ and the Respondent shall negotiate modifications to the SAFO in such a manner as to ensure compliance with the SIP.

9. This SAFO shall be binding on Respondent and its respective successors, agents, and assigns. The undersigned representative of Respondent certifies that he, she, or they are fully authorized to execute and bind Respondent to this SAFO. No change in ownership, corporate, or partnership status of Respondent, or change in the ownership of the properties or businesses affected by this SAFO shall in any way alter Respondent's obligations under this SAFO, unless otherwise

approved in writing by DEQ through an amendment to this SAFO.

10. If any event occurs that is beyond Respondent's reasonable control and that causes a deviation in performance of the requirements of this SAFO, Respondent must notify DEQ as soon as possible via phone call and follow up via email providing the cause of delay or deviation and its anticipated duration, the measures that Respondent has or will take to prevent or minimize the delay or deviation, and the timetable by which Respondent proposes to carry out such measures.

Respondent shall confirm in writing this information within five (5) business days of the onset of the event. It is Respondent's responsibility in the written notification to demonstrate that the delay or deviation has been caused by circumstances beyond the control and despite due diligence of Respondent. If Respondent so demonstrates, DEQ may extend times for performance of related activities under this SAFO as DEQ determines is appropriate. Circumstances or events beyond Respondent's control include, but are not limited to, extreme and unforeseen acts of nature, unforeseen strikes, work stoppages, fires, explosion, riot, sabotage, or war. Increased cost of performance or a consultant's failure to provide timely reports are not considered circumstances beyond Respondent's control.

11. Facsimile or scanned signatures on this SAFO shall be treated the same as original signatures.

## II. FINAL ORDER

The DEQ hereby enters a final order requiring Respondent to comply with the following schedule and conditions:

1. By no later than July 31, 2023, submit to DEQ a permit application to incorporate appropriate and required permit conditions for the installation and operation of Selective Catalytic Reduction (SCR) designed to achieve at least 90% NOx control efficiency on both Turbines 13C and 13D. The application must include a plan to install a monitoring system for each turbine capable of ensuring effective operation of the SCR whenever the corresponding turbine is operating. The monitoring system may be a Continuous Emissions Monitoring System (CEMS) or a parametric monitoring system.

1       2.     By July 31, 2026, install and maintain SCR and the associated monitoring system  
2 on both Turbines 13C and 13D.

3       3.     Respondent shall not operate Turbine 13C or Turbine 13D after August 1, 2026,  
4 unless the corresponding SCR and monitoring system is properly operating.

5       4.     By December 31, 2027, submit a permit modification application along with at  
6 least 12 months of CEMS or parametric monitoring data to DEQ demonstrating the NOx  
7 emission reductions achieved by the SCRs and propose a NOx limit for each turbine based on the  
8 achieved reductions. If using parametric monitoring, Respondent must also include the results of  
9 at least four source tests conducted with at least 60 days between each source test and in  
10 accordance with DEQ's Source Sampling Manual. The source tests must demonstrate the  
11 correlation between parameters and measured actual emissions. The source tests must be  
12 representative of all normal operating conditions, including at least one test at a high load  
13 condition and at least one test at a low load condition. The proposed limit must be in units of  
14 parts per million of NOx by volume (dry basis) at 15% oxygen, or in percent control efficiency,  
15 unless DEQ agrees in writing to an alternative form for the limit. In either case, the proposed  
16 limit must require at least a 75% NOx control efficiency or equivalent NOx reduction. DEQ will  
17 review Respondent's proposed limit and will determine the appropriate limit to apply to Turbines  
18 13C and 13D, taking into account the data submitted. DEQ will notify Respondent in writing of  
19 the proposed emission limit and will offer an opportunity to discuss the limit. DEQ will  
20 incorporate the final emission limit and associated monitoring, recordkeeping and reporting  
21 requirements into the Permit pursuant to 340-218-0200(1)(a)(A), if applicable, or upon permit  
22 renewal.

23       5.     By no later than March 31, 2023, in lieu of complying with the SCR requirements  
24 in Section II, Paragraphs 1 through 4 above, Respondent may notify DEQ in writing that  
25 Respondent will instead commit to replace Turbines 13C and 13D at the Facility with new  
26 technology to reduce round II regional haze pollutants. If Respondent submits such a  
27 notification to DEQ, then:

1                   a. DEQ and Respondent shall meet no later than January 1, 2025, to discuss  
2                   the replacement project and determine what permitting is needed to  
3                   approve the proposed replacement project and a permit application  
4                   schedule.

5                   b. The technology proposed by Respondent for replacement shall meet the  
6                   most recent permitting standards and requirements for new emission units  
7                   (including but not limited to New Source Performance Standards) in place  
8                   at the time of Respondent submitting a permit application for the project.

9                   c. Respondent shall meet all permitting deadlines and submit a complete  
10                  permit application to DEQ, including any required permitting fees. Both  
11                  parties will agree to a schedule for permitting of the construction project  
12                  during the meeting described in Section II, Paragraph 5.a.

13                  d. Respondent shall submit an application for construction of the  
14                  replacement project in accordance with, and by the deadline established  
15                  during the meeting described in Section II, Paragraph 5.a.

16                  e. Respondent shall complete the replacement project, including any  
17                  appropriate commissioning, and begin operating the replacement  
18                  technology by no later than July 31, 2031.

19                  f. Respondent shall not operate Turbines 13C and 13D after July 31, 2031,  
20                  or after completion of the replacement project as described in Section II,  
21                  Paragraph 5.e above, whichever comes first.

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Gas Transmission Northwest LLC, Respondent

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JH

June 1, 2022

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Date

DocuSigned by:

Tina Faraca

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Signature

Tina Faraca

Name (print)

Senior Vice President, Commercial

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Title (print)

DocuSigned by:

Matt Parks

GBBD093AC03E412...

Signature

Matt Parks

Name (print)

VP Technical Operational Svc USPL

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Title (print)

DEPARTMENT OF ENVIRONMENTAL QUALITY

6/1/2022

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Date

Ali Mirzakhilili

Ali Mirzakhilili (Jun 1, 2022 14:26 PDT)

Ali Mirzakhilili, Administrator

Air Quality Division

on behalf of DEQ pursuant to OAR 340-223-0110(2)