



REGION 6

DALLAS, TX 75270

December 17, 2024

Mr. W. Tucker Jacobson, Manager, Environmental
Mr. Bradley J. Cooley, P.E., Senior Director, Environmental
SPOT Terminal Services LLC
SPOT Deepwater Port
P.O. Box 4324
Houston, TX 72210-4324

Subject: Approval Granted - Commencement of Construction Deadline Extension Request
Prevention of Significant Deterioration (PSD) Permit R6PSD-DWP-GM7

Dear Messrs Jacobson, Cooley,

In a letter dated November 14, 2024, supplemented with an addendum dated December 12, 2024, as the representatives of SPOT Terminal Services LLC (SPOT), you requested approval of an 18-month extension to the deadline to commence construction for the SPOT Deepwater Port (DWP). SPOT made this request in accordance with 40 CFR § 52.21(r) and General Permit Condition I.A. of permit R6PSD-DWP-GM7 (permit) which was approved and issued on August 30, 2023. You requested that the commence construction deadline for the project authorized by the permit be extended from February 28, 2025, to August 28, 2026.

The permit extension provision at 40 CFR § 52.21(r)(2) establishes that "approval to construct [a new major stationary source or major modification] shall become invalid if construction is not commenced within 18 months after receipt of such approval, if construction is discontinued for a period of 18 months or more, or if construction is not completed within a reasonable time." In addition, this provision states that "the [EPA] Administrator may extend the 18-month period upon a satisfactory showing that an extension is justified." This provision gives the EPA discretion to extend the 18-month commencement of construction deadline for PSD permits issued under federal authority where the EPA determines that a "satisfactory showing that an extension is justified."

You noted that since the PSD permit was issued, SPOT received its license from the US Maritime Administration (MARAD) on April 8, 2024, to own and operate the SPOT DWP. In addition, you stated that SPOT has continued to timely fulfill the various obligations under the license that are preconditions to beginning construction, including but not limited to, obtaining the necessary authorizations from other federal agencies. For example, you note your efforts to obtain a permit through the U.S. Army Corps of engineers under Section 10 of the Rivers and Harbors Act for onshore and offshore facilities associated with the license project. You note also that you have completed front-end engineering design for the DWP, a prerequisite to obtaining necessary approvals from the U.S.

Coast Guard pursuant to regulations under 33 CFR Part 149. These efforts, you state, have been fruitful but have yet to result in the issuance of various permits and authorizations from other federal agencies. Such authorizations are necessary under the terms of the license in order to begin construction on the project. You identified that SPOT Terminal Services, LLC has spent over \$60 million dollars developing the project and taking the legal steps necessary to enable construction to commence thus far. Finally, you indicated that you continue to develop the necessary business relationships to support commercialization of the project.

EPA published notice on March 6, 2024 that the primary annual PM_{2.5} NAAQS was being revised from 12 to 9 µg/m³ (89 FR 16202) with an effective date of May 6, 2024. On April 30, 2024, the EPA issued guidance¹ entitled “Supplement to the Guidance on Significant Impact Levels for Ozone and Fine Particles in the Prevention of Significant Deterioration Permitting Program.” This extension request is being made after the permit was issued and before construction has commenced; consequently. In your extension request supplement dated December 13, 2024, you acknowledged this matter and provided an evaluation of the original refined modeled impacts against the revised annual PM_{2.5} standard. and concluded that the total maximum impacts (7.5 µg/m³) remain below the revised standard of 9 µg/m³. EPA has reviewed the record² upon which the permit was issued with respect to PM_{2.5} impacts in light of the revision to the annual PM_{2.5} NAAQS standard and has concluded that no changes are necessary to the permit as issued to assure compliance with the current NAAQS.

After review of the information and justification you have provided, the permit record for the initial issuance of the permit, relevant air quality information, and our own evaluation conducted in accordance with relevant EPA guidance on the matter³, EPA grants the requested extension for commencement of construction to August 28, 2026, under permit PSD Permit R6PSD-DWP-GM7 issued on August 30, 2023. Failure to commence construction, as defined in 40 CFR § 52.21(r), by the new commence construction date of August 28, 2026, will render the authority to construct under the PSD permit invalid.

Sincerely,

**DAVID
GARCIA** Digitally signed
by DAVID
GARCIA
Date: 2024.12.17
08:14:42 -06'00'

David F. Garcia
Director
Air and Radiation Division

cc: Dr. Efraín López, D.M. Transportation Industry Analyst, U.S. Department of Transportation/Maritime Administration via email at efrain.lopez@dot.gov

¹ See <https://www.epa.gov/nsr/significant-impact-levels-ozone-and-fine-particles>

² See <https://www.regulations.gov/docket/EPA-R06-OAR-2019-0576>

³ See <https://www.epa.gov/nsr/commence-construction>