



REGION 10
SEATTLE, WA 98101

August 7, 2025

Mr. Wesley C. Willson
Pipeline Director
Alyeska Pipeline Service Company
P.O. Box 196660
Anchorage, Alaska 99519-6660

Re: Regulatory Determination for Alyeska Pipeline Service Company

Dear Mr. Willson:

This letter is in response to your letter on behalf of Alyeska Pipeline Service Company (Alyeska) to the U.S. Environmental Protection Agency, Region 10 dated March 20, 2023, requesting a determination from the EPA on the initial compliance obligations for two diesel reciprocating internal combustion engines under 40 CFR Part 63, Subpart ZZZZ, *National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines* (NESHAP ZZZZ). As described in this letter, the EPA has determined that the two RICE do not meet the criteria to be classified as existing RICE under NESHAP ZZZZ and therefore would comply with NESHAP ZZZZ by meeting the applicable requirements of 40 CFR Part 60, Subpart IIII, *Standards of Performance for Stationary Compression Ignition Internal Combustion Engines* (NSPS IIII).

Background

Alyeska owns and operates the Trans Alaska Pipeline System, which pumps oil across the State of Alaska from North Slope Borough to the Valdez Marine Terminal in Valdez, Alaska. As part of the TAPS operation, on-site power is generated locally at each remote location.

In 2004, Alyeska purchased four Caterpillar 455 eKW diesel electric generator sets which contained four identical 612 HP Caterpillar model 3456 diesel RICE for a power replacement project at TAPS Pump Station 5 (PS 5). The RICE were manufactured on an individual order basis for the PS 5 project. The RICE were then shipped from the manufacturer to Alyeska's contractor's shop in Anchorage, Alaska, where the RICE module packages were assembled, and then underwent startup and function testing in 2004. Following startup and testing, the RICE were shipped to Alyeska's facility in Fairbanks. After the RICE arrived at Alyeska's Fairbanks facility, the PS 5 power replacement project was cancelled, and the generator sets went into long-term storage at the Fairbanks facility. The Alaska Department of Environmental Conservation issued Construction Permit No. 098CP02 on September 13, 2004, for the installation of the RICE at PS 5.

In 2012, Alyeska relocated two of the four RICE generator sets to TAPS Pump Station 6 (currently referred to as the Yukon Response Base), where they replaced the existing power generators at the facility. Alyeska is currently interested in replacing the two RICE installed at the Yukon Response Base in 2012 with the two identical generator sets that they placed in long-term storage in Fairbanks in 2004.

On March 20, 2023, Alyeska sent a letter requesting a determination from EPA, Region 10 for the initial compliance obligations under NESHAP ZZZZ for the two RICE proposed to replace the identical generator sets currently located at the Yukon Response Base. In this letter, Alyeska assumes these two RICE are existing units and they state that they believed that Alyeska should be allowed to conduct the initial compliance obligations under Table 5(1) or (2) of NESHAP ZZZZ. On August 22, 2024, Alyeska provided an email containing additional information regarding the timeline of events in 2004, including the engine manufacture dates. On June 4, 2025, Alyeska provided a document detailing the scope of work for the power replacement construction project at PS 5.

Analysis

In accordance with 40 CFR 63.6590(a), NESHAP ZZZZ applies to each affected source, which “is any existing, new, or reconstructed stationary RICE located at a major or area source of HAP emissions.” “For stationary RICE located at an area source of HAP emissions, a stationary RICE is existing if you commenced construction or reconstruction of the stationary RICE before June 12, 2006.” 40 CFR 63.6590(a)(1)(iii). “A stationary RICE located at an area source of HAP emissions is new if you commenced construction of the stationary RICE on or after June 12, 2006.” 40 CFR 63.6590(a)(2)(iii).

The General Provisions of the National Emissions Standards for Hazardous Air Pollutants for Source Categories, 40 CFR 63.2, define commenced as: “with respect to construction or reconstruction of an affected source, that an owner or operator has undertaken a continuous program of construction or reconstruction or that an owner or operator has entered into a contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction or reconstruction.” Additionally, 40 CFR 63.2 defines construction as: “the on-site fabrication, erection, or installation of an affected source.”

As clarified by Alyeska in the August 22, 2024, email to EPA, the original RICE were purchased in 2004 and then shipped to Anchorage for assembly and testing. Once testing was completed in Anchorage, the RICE were transferred to Fairbanks and placed in storage. The RICE were never relocated to PS 5 at any point in time, so construction of the RICE did not occur at PS 5. Further, there is no evidence of a continuous program of construction that was undertaken at PS 5. Obtaining Construction Permit No. 098CP02 is not considered a continuous program of construction.

Alyeska provided a March 29, 2006, document titled Strategic Reconfiguration Project, Pump Station Electrification and Control System Automation, Pump Station 5 Combined Work Package, CWP 9000-06D (Work Package). The Work Package lays out the scope of work for installing the RICE at PS-5 in 2005 and 2006. Alyeska was not able to provide any other contracts related to the PS-5 project. The EPA cannot determine based on this scope of work whether Alyeska entered a binding contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction of the 2004 RICE.

Since Alyeska did not initially commence construction for these RICE in 2004, as defined in 40 CFR 63.2, then these RICE would be considered new units under NESHAP ZZZZ if installed at the Yukon Response Base. According to NESHAP ZZZZ, 40 CFR 63.6590(c) any new stationary RICE located at an area source must meet the requirements of NSPS IIII (40 CFR part 60, subpart IIII) and has no further requirements under NESHAP ZZZZ.¹

NSPS IIII applies to stationary compression ignition internal combustion engines that commence construction after July 11, 2005. Under NSPS IIII, the date that construction commences is the date the engine is ordered by the owner or operator. 40 CFR 60.4200(a). In accordance with 40 CFR 60.4200(a)(4), owners and operators of stationary CI ICE that commence construction after July 11, 2005, are subject to deadlines for importing or installing stationary CI ICE produced in previous model years.

Based on the information provided by Alyeska, the company ordered the two 612 HP Caterpillar model 3456 diesel CI ICE in 2004. Thus, in accordance with 40 CFR 60.4200(a), Alyeska commenced construction of these CI ICE before July 11, 2005. Therefore, the two 612 HP Caterpillar model 3456 diesel CI ICE that are the subject of Alyeska's request are not subject to NSPS IIII.

Determination

Based on the information provided by Alyeska, the EPA has determined that the 2004 RICE are not existing sources with respect to NESHAP ZZZZ. If installed at the Yukon Response Base, these RICE would be considered new units with respect to NESHAP ZZZZ. Therefore, the only applicable requirement in NESHAP ZZZZ is to meet the applicable requirements of NSPS IIII. Based on the information provided, the 2004 RICE are not subject to NSPS IIII.

If you have any questions about this matter, please contact Ms. Valerie Gardner of my staff at (907) 271-6561 or gardner.valerie@epa.gov.

Sincerely,

**KARL
PEPPLE**

Karl Pepple

Manager

Air Permits, Toxics, Transportation,
and Communities Branch
Air and Radiation Division

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Date: 2025.08.07
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cc: Mr. Jim Plosay
Alaska Department of Environmental Conservation

Ms. Hilary Garney
Alyeska Pipeline Service Co.

¹ According to Alyeska's March 20, 2023 letter, the Yukon Response Base is an area source of hazardous air pollutants. EPA has presumed this is correct for the purposes of this applicability determination. This applicability determination does not apply if the two RICE are located at a major source of hazardous air pollutants.