



REGION 6

DALLAS, TX 75270

Mr. Daniel M. Bissonnette, Manager, Environmental
Mr. Pranav Kulkarni, Director, Environmental
SPOT Terminal Services LLC
SPOT Deepwater Port
P.O. Box 4324
Houston, TX 72210-4324

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

Dear Messrs. Bissonnette, Kulkarni:

Thank you for your letter dated June 29, 2026, providing an update on the SPOT Deepwater Port project and requesting approval of a second extension to the deadline for commencing construction. EPA has completed its review of the request to ensure that the extension is justified in accordance with 40 CFR § 52.21(r)(2). Based on this review, EPA grants SPOT a second 18-month extension for commencement of construction to February 28, 2028, under PSD Permit R6PSD-DWP-GM7, which was issued on August 30, 2023. Details of EPA's technical review are enclosed.

If you have any questions, please contact me at (214) 665-3150, or contact Dinesh Senghani, Acting Air Permitting, Monitoring & Grants Branch Manager, at (214) 665-7221 or senghani.dinesh@epa.gov.

Sincerely,

James McDonald
Director
Air and Radiation Division

cc: Dr. Efraín López
U.S. Department of Transportation/Maritime Administration

ENCLOSURE: Technical Review

Technical Review

SPOT's Commencement of Construction Deadline Second Extension Request

Background

On June 29, 2026, SPOT Terminal Services LLC (SPOT) requested approval of a second extension to the deadline for commencing construction of the SPOT Deepwater Port (DWP), pursuant to 40 CFR § 52.21(r) and General Permit Condition I.A. of Permit R6PSD-DWP-GM7, issued August 30, 2023. The permit's original commence-construction deadline was February 28, 2025; EPA granted a first extension to August 28, 2026.¹

In their request, SPOT reported investment of over \$60 million and listed project steps completed to move the project towards construction:

- Receipt of the License under the Deepwater Port Act;
- Reservation of wetland mitigation credits associated with the Clean Water Act;
- Completion of front-end engineering design (FEED);
- Nomination of a certifying entity for DWP platform design review to the U.S. Coast Guard;
- Receipt of a permit under Section 10 of the Rivers and Harbors Act from the U.S. Army Corps of Engineers (USACE); and
- Continued development of customer relationships to support commercialization of the project.

However, due to the nature of the project and the regulatory environment, SPOT stated that they will not be able to begin active on-site construction within the extended term of the PSD permit.

SPOT requested an additional 18-month extension to February 28, 2028, and noted alignment of the extended date with the current USACE deadline of May 19, 2030, for completing DWP construction.

Evaluation

EPA's January 31, 2014, guidance on extension of PSD permits under 40 CFR § 52.21(r) discusses second extension requests and states that, in most cases, a second extension should include a substantive reanalysis and update of PSD requirements; EPA evaluates such requests on a case-by-case basis.²

Consistent with that guidance, EPA evaluated whether SPOT made a satisfactory showing that the requested extension is justified and whether developments since permit issuance warrant reconsideration of substantive requirements. SPOT's request included a review of Best Available Control Technology (BACT) emission limits and control technologies in the RACT/BACT/LAER Clearinghouse (RBLC) and other relevant permitting information for comparable units since issuance of Permit R6PSD-DWP-GM7. EPA evaluated SPOT's BACT review and SPOT's finding that newer RBLC entries do not change the top-down BACT determinations documented in the initial permit record for any emission groups or evaluated pollutants. EPA also evaluated changes in PSD requirements and air-quality considerations since issuance, including new or revised National Ambient Air Quality Standards (NAAQS) and area designations. Since issuance of SPOT's PSD permit, the area designation where the DWP will be located has remained unchanged. EPA revised two NAAQS since the permit's

¹ See <https://www.epa.gov/system/files/documents/2026-07/commencement-of-construction-extension-request-response-for-spot-psd-permit-r6psd-dwp-gm7-signed-dec-17-2024.pdf>

² See <https://www.epa.gov/sites/default/files/2015-07/documents/extend14.pdf>

initial issuance: the 2024 revision to the primary annual PM_{2.5} NAAQS and the revision effective January 27, 2025, that established an annual average secondary SO₂ NAAQS. SPOT addressed the revised primary PM_{2.5} NAAQS in its first extension request. When establishing the revised secondary SO₂ NAAQS, EPA concurrently issued a memorandum describing a streamlined demonstration approach for the new standard that relies on the primary 1-hour SO₂ NAAQS demonstration.³ The permit record for the initial PSD permit issuance documents SPOT's satisfactory demonstration for the primary 1-hour SO₂ NAAQS. Consistent with EPA's memorandum, that demonstration is sufficient to show compliance with the new secondary annual SO₂ NAAQS.

Based on this review, EPA finds that BACT emission limitations and control technologies established in Permit R6PSD-DWP-GM7 remain consistent with current BACT determinations; no new information warrants additional top-down BACT determinations. EPA further finds the conclusions of the air-quality impact analysis remain valid and that no changes in applicable PSD requirements warrant revision of the permit. Accordingly, no changes to the substantive terms or conditions of Permit R6PSD-DWP-GM7 are warranted.

Conclusions

Based on our review of SPOT's June 29, 2026, extension request, the initial PSD permit record, and EPA's evaluation consistent with relevant guidance on the matter, EPA finds SPOT has made a satisfactory showing that an additional 18-month extension is justified in accordance with 40 CFR § 52.21(r)(2). EPA grants the commence-construction deadline extension to February 28, 2028, under PSD Permit R6PSD-DWP-GM7, originally issued August 30, 2023. Failure to commence construction, as defined in 40 CFR § 52.21(b)(9), by February 28, 2028, will render the permit's authority to construct invalid.

³ See <https://www.epa.gov/system/files/documents/2024-12/secondary-so2-naaqs-psd-memo-12-10-24.pdf>