Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services

STATEMENT OF BASIS

Perryville Compressor Station
Midcontinent Express Pipeline, LLC
Farmerville, Union Parish, Louisiana
Agency Interest Number: 153989
Activity Number: PER20070001
Draft Permit 2920-00039-V0

I. APPLICANT:

Company:
Midcontinent Express Pipeline, LLC
One Allen Center
500 Dallas St
Houston, TX 77002

Facility:
Perryville Compressor Station
Mashaw Drive west of Hwy 2, Farmerville, Union Parish, Louisiana
Approximate UTM coordinates are 570.774 kilometers East and 3621.500 kilometers North, Zone 15

II. FACILITY AND CURRENT PERMIT STATUS:

Midcontinent Express Pipeline, LLC proposes to construct and operate the Perryville Compressor Station in Farmerville, Louisiana. This is the initial permit for the facility.

III. PROPOSED PERMIT / PROJECT INFORMATION:

Proposed Permit

Midcontinent Express Pipeline, LLC submitted an application and Emission Inventory Questionnaire (EIQ) dated October 11, 2007, requesting a Part 70 initial permit. Additional information dated November 16, 2007 and November 28, 2007 was also received.

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A notice requesting public comment on the permit was published in *The Advocate*, Baton Rouge, on <date>, 2008 and in *The Gazette*, Farmerville, on <date>, 2008. A copy of the public notice was mailed to concerned citizens listed in the Office of Environmental Services Public Notice Mailing List on <date>, 2008. The draft permit was also submitted to US EPA Region VI on <date>, 2008. All comments will be considered prior to the final permit decision.

Project description

The proposed Perryville Compressor Station will consist of four (4) Caterpillar G16CM34 compressor engines equipped with catalytic oxidizers for control of carbon monoxide, volatile organic compound (VOC), and formaldehyde emissions, one (1) 750 kilowatts emergency generator, and six (6) storage tanks. No production activities will be conducted at this site. The facility will operate the compressor engines, 8760 hours per year, to boost the pressure of the natural gas pipeline. This gas compression is necessary to compensate for upstream line losses.

Incoming natural gas to the Perryville Compressor Station will be first processed to remove condensate that may have formed in the pipeline as the pressure decreased during its passage through the pipeline. The filtered gas will be then sent for compression. Each compressor engine, as well as the emergency generator when in use, will siphon a portion of the filtered natural gas directly from the pipeline to use as its fuel supply. The remaining natural gas in the pipeline will be compressed and sent downstream for consumer use. The six (6) storage tanks will support operation of the facility by storing engine lubrication oils, engine coolants, and waste product streams.

Tanker trucks will provide logistical support to move pipeline liquids and used lubricating oils off-site and transport new lube oils to the station.

Permitted Air Emissions

Estimated emissions from the facility in tons per year are as follows:

Pollutant	Proposed
PM_{10}	10.79
SO_2	0.64
NO_x	159.14
CO	74.12
VOC*	168.70

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*VOC LAC 33:III Chapter 51 Toxic Air Pollutants (TAPs): Pollutant	Proposed
Formaldehyde	12.04
Total	12.04

Prevention of Significant Deterioration Applicability

No modification is proposed, thus PSD does not apply.

New Source Non-attainment Applicability

The proposed facility is located in Union Parish, which is designated as attainment with respect to all criteria pollutants. Therefore, NNSR does not apply to the facility.

MACT requirements

The proposed project will comply with the appropriate MACT requirements.

Air Modeling Analysis

Emissions of the proposed facility are not expected to contribute or cause an impact on the National Ambient Air Quality Standards (NAAQS) and/or the Louisiana Ambient Air Standards (AAS) beyond industrial property.

General Condition XVII Activities

There are no General Conditions XVII activities associated with this site.

Insignificant Activities

The insignificant activities related to this project are listed in item VIII of the Air Permit Briefing.

IV. Regulatory Analysis

The applicability of the appropriate regulations is straightforward and provided in the Facility Specific Requirements Section of the draft permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms conditions and standards are provided in the Facility Specific Requirements Section of the draft permit.

Prevention of Significant Deterioration (PSD) – Part 52

There are no projects included in this permit that will trigger the PSD regulation.

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Non-Attainment New Source Review (NNSR) – Part 52

The proposed facility is located in an area that has been designated as attainment with respect to all criteria pollutants. Therefore, NNSR does not apply to the facility.

New Source Performance Standards (NSPS) – Part 60

Subpart Kb – Standards of Performance of Volatile Organic Liquid Storage Vessels 40 CFR 60.110b

Subpart Kb regulating the storage of volatile organic liquids would apply to storage vessels having a capacity greater than 75 m3 (19,815 gal). The maximum capacity of any of the planned storage vessels, which will contain volatile organic liquids, is less than the threshold. Therefore, the regulation does not apply.

National Emission Standards for Hazardous Air Pollutants (NESHAP) for Source Categories – Part 63

Subpart HHH: National Emission Standards for Hazardous Air Pollutants From Natural Gas Transmission and Storage Facilities

Subpart HHH applies to the owner and operator of natural gas transmission and storage facilities that transport or store natural gas prior to entering the pipeline to a local distribution company or to the final end users and that are major sources of HAPs. The specific affected unit would be each glycol dehydrator. Perryville Compressor Station will not have a glycol dehydrator and therefore, the provisions of Subpart HHH do not apply.

Narional Emission Standards for Hazardous Air Pollutants For Reciprocating Internal Combustion Engines (RICE) - Subpart ZZZZ:

This regulation affects stationary reciprocating internal combustion engines located at a major source of HAPs. The compressors in this permit will be subject to the provisions of the standard. The Perryville Compressor Station will comply with all applicable requirements of this subpart.

Compliance Assurance Monitoring (CAM) – Part 64

Emission sources at the Perryville Compressor Station are not equipped with an add-on control device to achieve compliance with an emission limitation or standard. Therefore, CAM requirements are not applicable to the proposed Perryville Compressor Station.

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State Operating Permit Program (Title V) – Part 70

This permit is an initial permit and the application, submitted under the Louisiana Title V permitting program, contains all the elements as required under the Louisiana Title V regulations.

V. Permit Shields

A permit shield was not requested.

VI. Periodic Monitoring

No periodic monitoring is required.

VII. Applicability and Exemptions of Selected Subject Items

A complete listing of non-applicable and exempted state and federal air quality requirements for each subject item is included in the proposed Part 70 permit, Table 2. Applicable requirements are included in the specific requirements.

VIII. Streamlined Requirements

Not applicable.

IX. Glossary

Best Available Control Technologies (BACT) - An emissions limitation (including a visible emission standard) based on the maximum degree of reduction for each pollutant subject to regulation under this part which would be emitted from any proposed major stationary source or major modification which the administrative authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable for such source or modification through application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of such pollutant.

Carbon Monoxide (CO) – A colorless, odorless gas which is an oxide of carbon.

Grandfathered Status- Those facilities that were under actual construction or operation as of June 19, 1969, the signature date of the original Clean Air Act. These facilities are not required to obtain a permit. Facilities that are subject to Part 70 (Title V) requirements lose grandfathered status and must apply for a permit.

Hydrogen Sulfide (H_2S) - A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the action of acids on metallic sulfides, and is an important chemical reagent.

Maximum Achievable Control Technology (MACT) - The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

New Source Review (NSR) - A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C ("Prevention of Significant Deterioration of Air Quality") and D ("Nonattainment New Source Review").

Nitrogen Oxides (NO_x) - Compounds whose molecules consists of nitrogen and oxygen.

Nonattainment New Source Review (NNSR) - A New Source Review permitting program for major sources in geographic areas that do not meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. Nonattainment NSR is designed to ensure that emissions associated with new or modified sources will be regulated with the goal of improving ambient air quality.

Organic Compound - Any compound of carbon and another element. Examples: Methane (CH_4), Ethane (C_2H_6), Carbon Disulfide (CS_2)

Part 70 Operating Permit- Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but are not limited to, sources which have the potential to emit: $\geq$ 10 tons per year of any toxic air pollutant; $\geq$ 25 tons of total toxic air pollutants; and $\geq$ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM_{10}- Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) - The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) – A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO_2) – An oxide of sulfur.

Title V permit – See Part 70 Operating Permit.

Volatile Organic Compound (VOC) - Any organic compound which participates in atmospheric photochemical reactions; that is, any organic compound other than those which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.