

STATE OF MISSISSIPPI AIR POLLUTION CONTROL PERMIT

TO CONSTRUCT AIR EMISSIONS EQUIPMENT

THIS CERTIFIES THAT

Transcontinental Gas Pipeline Company LLC, Station 70
967 Highway 583 North
Tylertown, Mississippi
Walthall County

has been granted permission to construct air emissions equipment to comply with the emission limitations, monitoring requirements and other conditions set forth herein. This permit is issued in accordance with the provisions of the Mississippi Air and Water Pollution Control Law (Section 49-17-1 et. seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

MISSISSIPPI ENVIRONMENTAL QUALITY PERMIT BOARD



AUTHORIZED SIGNATURE

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY

Issued: JUN 1-9 2009

Permit No.: 2760-00010

Part I.

A. GENERAL CONDITIONS

1. This permit is for air pollution control purposes only. (Ref.: APC-S-2, Section I.D)
2. Any activities not identified in the application are not authorized by this permit. (Ref.: Miss. Code Ann. 49-17-29 1.b)
3. The knowing submittal of a permit application with false information may serve as the basis for the Permit Board to void the permit issued pursuant thereto or subject the applicant to penalties for operating without a valid permit pursuant to State Law. (Ref.: APC-S-2, Section II.B.5)
4. It is the responsibility of the applicant/permittee to obtain all other approvals, permits, clearances, easements, agreements, etc., which may be required including, but not limited to, all required local government zoning approvals or permits. (Ref.: APC-S-2, Section I.D.6)
5. The issuance of a permit does not release the permittee from liability for constructing or operating air emissions equipment in violation of any applicable statute, rule, or regulation of state or federal environmental authorities. (Ref.: APC-S-2, Section II.B.7)
6. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit, unless halting or reducing activity would create an imminent and substantial endangerment threatening the public health and safety of the lives and property of the people of this state. (Ref.: APC-S-2, Section II.B.15(a))
7. The permit and/or any part thereof may be modified, revoked, reopened, and reissued, or terminated for cause. Sufficient cause for a permit to be reopened shall exist when an air emissions stationary source becomes subject to Title V. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any permit condition. (Ref.: APC-S-2, Section II.B.15(b))
8. The permit does not convey any property rights of any sort, or any exclusive privilege. (Ref.: APC-S-2, Section II.B.15(c))
9. The permittee shall furnish to the DEQ within a reasonable time any information the DEQ may request in writing to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit or to determine compliance with the permit. Upon request, the permittee shall also furnish to the DEQ copies of records required to be kept by the permit or, for information claimed to be confidential, the permittee shall furnish such records to the DEQ along with a claim of confidentiality.

The permittee may furnish such records directly to the Administrator along with a claim of confidentiality. (Ref.: APC-S-2, Section II.B.15(d))

10. Design and Construction Requirements: The stationary source shall be designed and constructed so as to operate without causing a violation of an Applicable Rules and Regulations, without interfering with the attainment and maintenance of State and National Ambient Air Quality Standards, and such that the emission of air toxics does not result in an ambient concentration sufficient to adversely affect human health and well-being or unreasonably and adversely affect plant or animal life beyond the stationary source boundaries. (Ref.: APC-S-2, Section V.A)
11. Solids Removal: The necessary facilities shall be constructed so that solids removed in the course of control of air emissions may be disposed of in a manner such as to prevent the solids from becoming windborne and to prevent the materials from entering State waters without the proper environmental permits. (Ref.: Miss. Code Ann. 49-17-29)
12. Diversion and Bypass of Air Pollution Controls: The air pollution control facilities shall be constructed such that diversion from or bypass of collection and control facilities is not needed except as provided for in Regulation APC-S-1, "Air Emission Regulations for the Prevention, Abatement, and Control of Air Contaminants", Section 10. (Ref.: APC-S-1, Section 10)
13. Fugitive Dust Emissions from Construction Activities: The construction of the stationary source shall be performed in such a manner so as to reduce fugitive dust emissions from construction activities to a minimum. (Ref.: APC-S-2, Section V.A.4)
14. Right of Entry: The permittee shall allow the Mississippi Department of Environmental Quality Office of Pollution Control and the Mississippi Environmental Quality Permit Board and/or their representatives upon presentation of credentials:
 - a) To enter upon the permittee's premises where an air emission source is located or in which any records are required to be kept under the terms and conditions of this permit; and
 - b) At reasonable times to have access to and copy any records required to be kept under the terms and conditions of this permit; to inspect any monitoring equipment or monitoring method required in this permit; and to sample any air emissions. (Ref.: Miss. Code Ann. 49-17-21)
15. Permit Modification or Revocation: After notice and opportunity for a hearing, the Permit Board may modify the permit or revoke it in whole or in part for good cause shown including, but not limited to:
 - a) Persistent violation of any of the terms or conditions of this permit;

- b) Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or
- c) A change in federal, state, or local laws or regulations that require either a temporary or permanent reduction or elimination of previously authorized air emission.

(Ref.: APC-S-2, Section II.C)

16. Public Record and Confidential Information: Except for data determined to be confidential under the Mississippi Air & Water Pollution Control Law, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Mississippi Department of Environmental Quality, Office of Pollution Control. (Ref.: Miss. Code Ann. 49-17-39)
17. Permit Transfer: This permit shall not be transferred except upon approval of the Permit Board. (Ref.: APC-S-2, Section XVI.B)
18. Severability: The provisions of this permit are severable. If any provision of the permit, or the application of any provision of the permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby. (Ref. APC-S-2, Section I.D.7)
19. Permit Expiration: The permit to construct will expire if construction does not begin within eighteen (18) months from the date of issuance or if construction is suspended for eighteen (18) months or more. (Ref.: APC-S-2, Section V.C.1)
20. Certification of Construction: A new stationary source issued a Permit to Construct cannot begin operation until certification of construction by the permittee. (Ref.: APC-S-2, Section V.D.3)
21. Beginning Operation: Except as prohibited in Part I, Condition 24 of this permit, after certification of construction by the permittee, the Permit to Construct shall be deemed to satisfy the requirement for a permit to operate until the date the application for issuance or modification of the Title V Permit or the application for issuance or modification of the State Permit to Operate, whichever is applicable, is due. This provision is not applicable to a source excluded from the requirement for a permit to operate as provided by APC-S-2, Section XIII.G. (Ref.: APC-S-2, Section V.D.4)
22. Application for a Permit to Operate: Except as otherwise specified in Part I, Condition 24 of this permit, the application for issuance or modification of the State Permit to Operate or the Title V Permit, whichever is applicable, is due twelve (12) months after beginning operation or such earlier date or time as specified in the Permit to Construct. The Permit Board may specify an earlier date or time for submittal of the application. Beginning operation will be assumed to occur upon

certification of construction, unless the permittee specifies differently in writing. (Ref.: APC-S-2, Section V.D.5)

23. Operating Under a Permit to Construct: Except as otherwise specified in Part I, Condition 24 of this permit, upon submittal of a timely and complete application for issuance or modification of a State Permit to Operate or a Title V Permit, whichever is applicable, the applicant may continue to operate under the terms and conditions of the Permit to Construct and in compliance with the submitted application until the Permit Board issues, modifies, or denies the Permit to Operate. (Ref.: APC-S-2, Section V.D.6)
24. Application Requirements for a Permit to Operate for Moderate Modifications: For moderate modifications that require contemporaneous enforceable emissions reductions from more than one emission point in order to “net” out of PSD/NSR, the applicable Title V Permit to Operate or State Permit to Operate must be modified prior to beginning operation of the modified facilities. (Ref.: APC-S-2, Section V.D.7)
25. Compliance Testing: Regarding compliance testing:
- a) The results of any emissions sampling and analysis shall be expressed both in units consistent with the standards set forth in any Applicable Rules and Regulations or this permit and in units of mass per time.
 - b) Compliance testing will be performed at the expense of the permittee.
 - c) Each emission sampling and analysis report shall include but not be limited to the following:
 - (1) detailed description of testing procedures;
 - (2) sample calculation(s);
 - (3) results; and
 - (4) comparison of results to all Applicable Rules and Regulations and to emission limitations in the permit.

(Ref.: APC-S-2, Section VI.B.3, 4, and 6)

B. GENERAL NOTIFICATION REQUIREMENTS

1. Within fifteen (15) days of beginning actual construction, the permittee must notify DEQ in writing that construction has begun. (Ref.: APC-S-2, Section V.C.2)

2. The permittee must notify DEQ in writing when construction does not begin within eighteen (18) months of issuance or if construction is suspended for eighteen (18) months or more. (Ref.: APC-S-2, Section V.C.3)
3. Upon the completion of construction or installation of an approved stationary source or modification, the applicant shall notify the Permit Board that construction or installation was performed in accordance with the approved plans and specifications on file with the Permit Board. (Ref.: APC-S-2, Section V.D.1)
4. The Permit Board shall be promptly notified in writing of any change in construction from the previously approved plans and specifications or permit. If the Permit Board determines the changes are substantial, it may require the submission of a new application to construct with “as built” plans and specifications. Notwithstanding any provision herein to the contrary, the acceptance of an “as built” application shall not constitute a waiver of the right to seek compliance penalties pursuant to State Law. (Ref.: APC-S-2, Section V.D.2)

Part II.
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning Issuance Date, the permittee is authorized to construct air emissions equipment for the emission of air contaminants from Emission Point AA-008, the 16,000 HP Solar Mars 100 Natural Gas fired Turbine.

The air emissions equipment shall be constructed to comply with the emission limitations and monitoring requirements specified below.

EMISSION LIMITATIONS

Carbon Monoxide	8.8 lbs/hr and 38.74 tons/year, as determined by EPA Test Method 10, 40 CFR 60, Appendix A.
Nitrogen Oxides	8.7 lbs/hr and 38.16 tons/year, as determined by EPA Test Method 7, 40 CFR 60, Appendix A.
Opacity	40% as determined by EPA Test Method 9, 40 CFR 60, Appendix A.

All test methods specified above shall be those versions, or their approved equivalents, which are in effect Issuance Date.

PART II
EMISSION LIMITATIONS AND MONITORING REQUIREMENTS

Beginning Issuance Date, the permittee is authorized to operate air emissions equipment and emit air contaminants from Emission Point AA-009, the Natural Gas Starter for AA-005 (GE 7,210 HP Natural Gas Turbine No. 8).
Such emissions shall be limited by the permittee as specified below:

EMISSIONS LIMITATIONS

Volatile Organic Compounds	18.38 tons/year, as determined by EPA Test Method 25, 40 CFR 60, Appendix A.
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All test methods specified above shall be those versions, or their approved equivalents, which are in effect Issuance Date.

OPERATIONAL RESTRICTION

The duration of the operation for the Natural Gas Starter shall not exceed 45 minutes per operation and the number of operations for the Natural Gas Starter shall not exceed 75 operations per any 365-day period.

**PART III
OTHER REQUIREMENTS**

- 1. For Emission Point AA-008, the permittee is subject to the New Source Performance Standards for Combustion Turbines, 40 CFR 60, Subpart KKKK. The following are the limits from the Subpart: NO_x emissions shall be limited to 25 ppm at 15% oxygen or 1.2 lb/megawatt-hour; SO₂ emission shall be limited to 0.9 lb/megawatt-hour or limit fuel SO₂ content to 0.060 lb SO₂/MMBtu heat input.**
- 2. For Emission Points AA-008 and AA-009, the permittee shall use pipeline natural gas only.**
- 3. For Emission Point AA-008, the permittee shall monitor and maintain monthly records of the quantity of pipeline quality natural gas combusted. The permittee shall submit these reports semi-annually by July 31 and January 31 of the preceding six-month period.**
- 4. For Emission Point AA-008, the permittee shall conduct an initial stack test for Nitrogen Oxides (NO_x) and Carbon Monoxide (CO) in accordance with EPA Test Method 7 and 10 or an approved equivalent within 180 days of startup. The testing shall be performed to ensure that the NO_x and CO emissions are in accordance with limitation set forth in the permit. The unit shall operate at maximum production during this test and turbine operating load data shall be collected during the test. The stack test results, calculations indication NO_x and CO emissions, and data collected during the test shall be submitted within 180 days of startup.**

The permittee shall submit a written test protocol at least thirty (30) days prior to the intended test date(s) to ensure that all test methods and procedures are acceptable to DEQ. Also, the permittee shall notify the DEQ in writing at least ten (10) days prior to the intended test date(s) so that an observer may be afforded the opportunity to witness the test.

- 5. For Emission Point AA-009, the permittee shall monitor and record each operation and the duration of each operation. These records shall be maintained for a period of five (5) years.**
- 6. For Emission Point AA-009, the permittee shall monitor the type and quality of start gas used on a quarterly basis. These records shall be maintained for a period of five (5) years.**
- 7. For Emission Point AA-009, the permittee shall submit semi-annual reports showing the number of operations and the durations of each operation on a**

monthly basis. The reports shall be submitted by July 31 and January 31 for the preceding six-month period.

8. For Emission Point AA-008, for the firing of natural gas, as allowed by 40 CFR §60.334(h)(3) and 40 CFR §60.4365, the permittee shall not be required to monitor the total sulfur content of the gaseous fuel combusted in the turbine if the gaseous fuel is demonstrated to meet the definition of natural gas in §60.331(u). The permittee shall use the following source of information to make the required demonstration:
 - (i) The gas quality characteristics in a current, valid purchase contract, tariff sheet or transportation contract for the gaseous fuel, specifying that the maximum total sulfur content of the fuel is 20.0 grains/100 scf or less.
 - (ii) Representative fuel sampling data which shows that the sulfur content of the fuel does not exceed 0.060 lb SO₂/MMBtu heat input. At a minimum, the amount of fuel sampling data specified in Section 2.3.1.4 or Section 2.3.2.4 of Appendix D to Part 75 of this Chapter is required.
9. For Emission Point AA-008, the permittee shall perform the initial performance test as required by §60.8 in accordance to 40 CFR 60.4400. The permittee shall perform subsequent annual performance test in accordance with §60.4400 to demonstrate continuous compliance. If the NO_x emission results from the performance test is less than or equal to 75% of the NO_x emission limit for the turbine, the permittee may reduce the frequency of subsequent performance test to once every 2 years (no more than 26 calendar months following the previous performance test). If the results of any subsequent performance test exceed 75% of the NO_x emission limit for the turbine, you must resume annual performance tests.