

**STATE OF NEW MEXICO
BEFORE THE SECRETARY OF THE ENVIRONMENT**

**IN THE MATTER OF REOPENING AND REVISING
TITLE V AIR QUALITY PERMIT FOR**

**TARGA NORTHERN DELAWARE, LLC
FRAC CAT COMPRESSOR STATION, NO. P288-M2
LEA COUNTY, NEW MEXICO**

AQB 23-70 (P)

HEARING OFFICER REPORT

INTRODUCTION

Applicant Targa Northern Delaware, (“Targa” or “Applicant”) seeks approval of a revised Title V air quality permit for its Frac Cat Compressor Station, a natural gas compressor station permitted to operate 8,760 hours per year and located 24.3 miles southeast of Loving, New Mexico, in Lea County.

The New Mexico Environment Department Air Quality Bureau (“AQB” or “Bureau”) supports the approval of the revised permit with conditions necessary to protect human health and welfare and the environment, and to address the Order issued by the Environmental Protection Agency (EPA) granting certain objections in a petition filed by WildEarth Guardians (WEG).

The proposed conditions will ensure that the Facility can meet all applicable requirements, including monitoring, testing, recordkeeping and reporting to track ongoing activities. Based on air dispersion modeling and EPA Guidance regarding ozone, the Facility described in the application demonstrates compliance with all federal and state regulations. The revised permit will also assure compliance with emission limits of volatile organic compounds (VOCs) during start-up, shutdown, maintenance, and malfunction events.

This matter was heard on December 18, 2023, by Felicia Orth, Hearing Officer, during a brief hybrid event that allowed for participation in person or on a virtual platform. The hearing was conducted in accordance with 20 NMAC 1.4, the Department's Permitting Procedures.

The Bureau was represented by Counsel Carol Parker, who was joined by several Bureau employees, including Bureau witnesses Julia Kuhn, AQB major source air permit specialist, and Eric Peters, air dispersion modeling expert. The Applicant was represented by Louis Rose of Montgomery and Andrews; he was joined by Applicant witness William Grygar, Targa vice-president for environmental health and safety. Nicholas Maxwell entered an appearance as a party; no person other than the Bureau and the Applicant appeared to offer technical testimony or public comment on the draft permit, or to cross-examine witnesses. The hearing was recorded and transcribed by Theresa Dubois of Albuquerque Court Reporting Service.

The record proper includes, *inter alia*, EPA's November 16, 2022 order requiring permit revision, the application for air quality permit revision; written public comment and the public hearing determination memo; notices of public hearing in English and in Spanish; a prehearing order entered November 6, 2023; the Bureau and Applicant's notices of intent to present technical testimony with exhibits; the administrative record submitted by the Bureau; notices of filing and affidavits of publication; correspondence; the hearing transcript; the notice of transcript filing; a joint post-hearing submittal from the Applicant and the Bureau; and this Report.

APPLICABLE STATE LAW

New Mexico Air Quality Control Act, NMSA 1978, §§ 74-2-1 to 74-2-17

New Mexico Environmental Protection – Department Permit Procedures, 20.1.4 NMAC

New Mexico Air Quality Regulations - Operating Permits, 20.2.70 NMAC

New Mexico Air Quality Regulations - Construction Permits, 20.2.72 NMAC

AIR QUALITY BUREAU EVIDENCE

Julia Kuhn works as a permit specialist in the Bureau's major source permitting section. Ms. Kuhn explained why the Frac Cat Title V permit was reopened and revised following WEG's petition to EPA and EPA's order granting two objections in that petition.

The Bureau provided notice of the permit reopening to Targa and Targa submitted additional information about the Facility necessary to revise the permit. Revisions included clarification of applicable requirements for the Facility, and a greatly expanded section on monitoring and recording for startup, shutdown, and malfunction. See Bureau Exhibits 1, 2, and 8, and Tr. pp. 8-16.

Eric Peters works as an air dispersion modeler in the Bureau. Mr. Peters explained that Targa is a minor source for the purposes of prevention of significant deterioration (PSD) permitting. Using EPA's rules and guidance documents on significant impact levels (SILs) and modeled emission rates for precursors (MERPs), the Bureau evaluated the impact of minor PSD sources on ozone concentrations in New Mexico and found it to be less than EPA's threshold.

Although many small contributions might add up to a larger aggregate impact, it is more effective to adopt more stringent air quality regulations that can be applied broadly than to target the minimal impacts of an individual minor source. The Environmental Improvement Board (EIB) did adopt regulations proposed by the Department to reduce ozone precursor pollution in certain parts of New Mexico, including Lea County, where the Frac Cat facility is located. See Bureau Exhibits 5 and 6 and Tr. pp. 17-22.

TARGA EVIDENCE

William Grygar is Targa's vice-president of environmental health and safety. Targa is a midstream company with 40 facilities in New Mexico that gathers, processes, and transports gas.

Certificate of Service

I hereby certify that on February 12, 2024, a copy of the Hearing Officer Report was sent via electronic mail to the persons listed below. A hard copy will be mailed upon request.


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