United States Environmental Protection Agency
Statement of Basis
Air Pollution Control
Part 71 Title V Permit to Operate for
Grand Casino Hinckley
Permit No. 2026-71MNML-004

The purpose of this document is to set forth the legal and factual basis for permit conditions, including references to applicable provisions of the Clean Air Act and implementing regulations. This document also gives the derivation of conditions as required by 40 C.F.R. Section 71.11(b).

1. EPA Authority to Issue Part 71 Permits

All major stationary sources of air pollution and certain other sources are required to apply for title V operating permits that include emission limitations and other conditions as necessary to assure compliance with applicable requirements of the Clean Air Act, including the requirements of the applicable State Implementation Plan. CAA Section 502(a) and 504(a). The title V operating permit program does not impose new substantive air quality control requirements (referred to as "applicable requirements"), but does require permits to contain monitoring, recordkeeping, reporting and other requirements to assure a source's compliance with applicable requirements. 57 Fed. Reg. 32250, 32251 (July 21, 1992). One purpose of the title V program is to "enable the source, states, the EPA, and the public to understand better the requirements to which the source is subject, and whether the source is meeting those requirements." 57 Fed. Reg. at 32251. Thus, the title V operating permit program is a vehicle for ensuring that air quality control requirements are appropriately applied to the source emission units and for assuring compliance with such requirements.

Part 71 programs for Indian country - The Administrator will administer and enforce an operating permits program in Indian country, as defined in Section 71.2, when an operating permits program which meets the requirements of part 70 of this chapter has not been explicitly granted full or interim approval by the Administrator for Indian country.

2. Facility Information and Description

a. Applicant and Stationary Source Information

i. Owner/Operator:

Mille Lacs Corporate Ventures d/b/a
Grand Casino Hinckley
777 Lady Luck Drive
Hinckley, MN 55037

ii. Facility (SIC Code: 7011, 4911)

Grand Casino Hinckley
777 Lady Luck Drive
Hinckley, MN 55037

iii. Responsible Official

Ryan O'Brien
Vice President of Facilities
777 Lady Luck Drive
Hinckley, MN 55037
(320) 384-4863

iv. Facility Contact

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777 Lady Luck Drive
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b. Facility Description

Mille Lacs Corporate Ventures d/b/a Grand Casino Hinckley (Grand Casino Hinckley) owns and operates three non-emergency internal combustion engines used for peak load management and backup power at the Grand Casino Hinckley. All electricity generated is used onsite. The facility is located at 777 Lady Luck Drive, Hinckley, Pine County, Minnesota 55037, approximately one and one half mile east of I-35, on the south side of Highway 48. The facility is located on land that is held in trust for the Mille Lacs Band of Ojibwe.

On November 10, 2002, the EPA authorized Grand Casino Hinckley to construct three diesel-fired Caterpillar 3516B engines (EU001, EU002, EU003) and associated 1825 kW generators through a Prevention of Significant Deterioration Permit (No. PSD-ML-R50005-02-01), which was revised on December 30, 2010 (PSD-ML-2711500031-2010-02) and again in 2017 (PSD-ML-2711500031-2017-03).

The Permittee also owns and operates two diesel-fired emergency internal combustion engines, EU004 and EU005, used for backup power. The emergency engines are rated at 535 and 960 horsepower, respectively. The two emergency engines were identified in previous title V permits as insignificant emission sources because their actual emissions are less than one ton per year each. The emergency engines have since been included as emission units in title V Operating Permits, starting with V-ML-2711500031-2016-01, due to amendments to 40 C.F.R. Part 63, Subpart ZZZZ, National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines. (RICE NESHAP).

There are no known violations or ongoing enforcement actions at the time of this permit action.

c. Title V Major Source Status

The EPA issued PSD Permit PSD-ML-R50005-02-01 to the Grand Casino Hinckley on November 10, 2002. That permit authorized the construction of units EU001, EU002 and EU003. Under the CAA (42 U.S.C. Section 7661a(a)), it is unlawful for a source required to have a PSD permit (issued under title 1 of the CAA) to operate without a permit issued under title V of the CAA. Grand Casino Hinckley is a title V major source because it has the potential to emit more than 100 tons per year of nitrogen oxides (NOx). Therefore, the Permittee must obtain a title V permit.

d. Area Classification - Local Air Quality and Attainment Status

The facility is located in Pine County, which is in attainment with National Ambient Air Quality Standards for all criteria pollutants. Grand Casino Hinckley is located on land that is held in trust for the Mille Lacs Band of Ojibwe Indians. There are no PSD Class I areas within 100 kilometers of the facility.

e. Permitting, Construction and Compliance History

The EPA issued PSD permit PSD-ML-R50005-02-01 to the Grand Casino Hinckley on November 10, 2002, which was revised on December 30, 2010 (PSD-ML2711500031-2010-02) and again in 2017 (PSD-ML-2711500031-2017-03).

Pursuant to 40 C.F.R. Part 71, the EPA issued an initial title V operating permit, V-ML-2711500031-2010-01, to the Grand Casino Hinckley on December 30, 2010. The EPA renewed Grand Casino Hinckley's title V permit on October 20, 2016, as permit number V-ML-2711500031-2016-01.

On April 24, 2017, the EPA issued a significant permit modification as permit number V-ML-2711500031-2016-02 removing annual testing requirements using a portable electrochemical analyzer and requiring performance tests to be conducted once every three years.

On November 8, 2021, the EPA renewed Grand Casino Hinckley's title V permit as permit number 2021-71MNML-003.

On May 5, 2026, Grand Casino Hinckley applied for a renewal of its title V operating permit. The EPA found the application to be complete on June 10, 2026.

3. Emission Inventory

a. Identification of Emission Generating Activities (with EU & IEU tables)

Three generator sets, denoted EU001, EU002, and EU003, are used for backup power and peak load management. EU001, EU002, and EU003 are each Caterpillar Model 3516B turbocharged engines with 16 cylinders driving a 1,825-kilowatt generator. Each engine burns ultra-low sulfur (0.0015%) diesel fuel.

Two additional generator sets, denoted EU004 and EU005, are emergency backup generators. EU004 is a Detroit V-16 Model D650FRX4 and EU005 is a Cummins Model NPA855G3. Each engine burns ultra-low sulfur (0.0015%) diesel fuel.

Table 1. Emission Unit Summary

Emission Unit	Description	Manufacturer /Model	Serial No.	Output and Horsepower Rating	Date of Construction
EU001	Generator Set, Casino/Hotel	Caterpillar 3516B	OFDNN00430	1,825 kW at 2,593 BHP	December 4, 2004
EU002	Generator Set, Casino/Hotel	Caterpillar 3516B	OFDNN00427	1,825 kW at 2,593 BHP	December 4, 2004
EU003	Generator Set, Casino/Hotel	Caterpillar 3516B	OFDNN00431	1,825 kW at 2,593 BHP	December 4, 2004
EU004	Emergency Generator Set	Detroit V-D650FRX4	XN3866345-02 P-38932	394 at 535 hp	1992
EU005	Emergency Generator Set	Cummins NPA855G3	11853801	706 kW at 960 hp	1997

Table 2. Insignificant Activities

Unit/Activity	Exemption Basis
Generator Building UST Diesel Tank (10,000 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Backup Generator Diesel Tank 1 (800 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Backup Generator Diesel Tank 2 (800 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Backup Generator Diesel Tank 3 (250 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Large Grounds Diesel Tank (970 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Small Grounds Diesel Tank (280 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Ground Gasoline Tank (3000 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)
Four Waste Cooking Oil Grease Tanks (183 gallons)	40 C.F.R. Section 71.5(c)(11)(ii)(A)

b. Emissions Units Being Added or Removed from the Permit

There are no emissions units being added or removed from the permit.

c. Previously Unpermitted Emission Units Added to the Permit

There are no previously unpermitted emission units being added to the permit.

d. Potential Emissions

EU001–EU003: Potential emissions were calculated based on 800 operating hours per year per engine and the 37.44 lb/hr NO_x emission limit per engine. VOC, PM and CO emission factors were provided by the manufacturer (Ziegler) of the Caterpillar 3516B engine. PM10 and PM2.5 were calculated based on the fraction in PM provided by AP-42, Table 3.4-2, multiplied by the emission factor for PM provided by the engine manufacturer. NO_X emission factor is from performance testing from October 2024.

EU004-EU005: Potential emissions were calculated based on 500 operating hours per year. Emission factors for EU004 were provided in AP-42, Table 3.3-1 and 3.3-2 for NO_X, VOC, PM_{10}, CO, and SO_2. Emission factors for EU005 were provided in AP-42, Table 3.4-1, 3A-2, and 3.4-3.

Table 3. Potential Emissions Summary (tpy)

EU	Unit	NO_X	CO	VOC	PM	PM_{10}	SO_2	Total HAPs
001	Caterpillar 3516B Generator	14.98	1.21	0.46	0.34	0.27	0.01	0.01
002	Caterpillar 3516B Generator	14.98	1.21	0.46	0.34	0.27	0.01	0.01
003	Caterpillar 3516B Generator	14.98	1.21	0.46	0.34	0.27	0.01	0.01
004	Detroit V-16 Diesel Emergency Generator	4.15	0.89	0.34	0.29	0.29	0.27	3.43E-03
005	Cummins Diesel Emergency Generator	5.76	1.32	0.15	0.17	0.10	2.91E-03	2.51E-03
Total	**-**	**54.83**	**5.85**	**1.86**	**1.49**	**1.24**	**0.31**	**0.04**

e. Actual Emissions

The following table contains the facility's reported actual emissions for 2025 for emission units EU001 through EU005 based on the actual amount of fuel consumed by each unit and using the recorded hours of operation.

Table 4. Actual Emissions Summary (tpy)

EU	Unit	NO_X	CO	VOC	PM	PM_{10}	SO_2	Total HAPs
001	Caterpillar 3516B Generator	2.19	0.19	0.07	0.05	0.04	1.74E-03	1.72E-03
002	Caterpillar 3516B Generator	2.38	0.20	0.08	0.06	0.05	1.82E-03	1.79E-03

003	Caterpillar 3516B Generator	2.24	0.20	0.07	0.06	0.04	1.79E-03	1.76E-03
004	Detroit V-16 Diesel Emergency Generator	0.07	0.01	0.01	4.71E-03	4.71E-03	4.39E-03	5.49E-05
005	Cummins Diesel Emergency Generator	0.10	0.02	2.56E-03	2.79E-03	1.60E-03	4.83E-03	4.16E-05
Total	**-**	**6.81**	**0.59**	**0.22**	**0.17**	**0.13**	**0.01**	**0.01**

4. Applicable Requirements

a. PSD Permit

This permit incorporates the requirements of the November 10, 2002 PSD permit PSD-ML-R50005-02-01, later revised in 2010 as PSD permit PSD-ML-2711500031-2010-02 and again in 2017 as PSD permit PSD-ML-2711500031-2017-03. Grand Casino Hinckley has not undergone any construction activities that would have triggered PSD since that time.

b. Title V

In accordance with the CAA (42 U.S.C. Section 7661a(a)), it is unlawful for a source required to have a PSD permit (issued under title I of the CAA) to operate without a permit issued under title V of the CAA. The EPA issued a title V Permit to Grand Casino Hinckley on December 30, 2010, and renewed it on October 20, 2016 (Permit No. VML2711500031-2016-01) and November 8, 2021 (2021-71MNML-003).

On November 1, 2016, the EPA received a significant permit modification application. This revised permit, V-ML-2711500031-2016-02, included an addition to the performance test method in the title V permit to be consistent with the PSD permit (PSD-ML-2711500031-2017-03). The permit action also included the addition of Test Method 7E to be used for the performance test requirements in addition to Method 19. Annual compliance tests which required the use of a portable electrochemical analyzer were removed and the requirement to demonstrate compliance by the more stringent and reliable performance test was revised to be conducted once in three years.

c. Restrictions on Potential to Emit

PSD permit PSD-ML-2711500031-2017-03 restricts the operation of EU001 — EU003 to 800 hours per year. This requirement has been incorporated into the title V permit.

d. 40 C.F.R. Parts 61 and 63 - National Emission Standards for Hazardous Air Pollutants (NESHAP)

40 C.F.R. Part 63, Subpart ZZZZ (NESHAP for Stationary Reciprocating Internal Combustion Engines)

40 C.F.R. Part 63, Subpart ZZZZ, applies to sources that own or operate a stationary reciprocating internal combustion engine (RICE) at a major or area source of hazardous air pollutant (HAP) emissions, except if the stationary RICE is being tested at a stationary RICE test cell/stand [40 C.F.R. Section 63.6585]. The facility has the potential to emit all HAPs at a rate of 0.04 tpy and therefore is an area source of HAPs. Pursuant to 40 C.F.R. Section 63.6585, EU001-EU005 are subject to 40 C.F.R. Part 63, Subpart ZZZZ, because the engines are RICE located at an area source of HAPs. Pursuant to 40 C.F.R. Section 63.6590(a)(1)(iii), each engine is considered an existing stationary RICE because the engines were all constructed before June 12, 2006. EU001–EU003 are compression ignition (CI), non-emergency, non-black start stationary RICE with a site rating of greater than 500 horsepower as defined in 40 C.F.R. Section 63.6675. EU004 and EU005 are CI emergency stationary RICE as defined in 40 C.F.R. Section 63.6675.

40 C.F.R. Part 63, Subpart ZZZZ was revised on August 30, 2024, which added the requirement to submit performance test reports and semiannual or annual compliance reports through the EPA's Central Data Exchange using the Compliance and Emission Data Reporting Interface using the appropriate electronic report template on the CEDRI website as required in 40 C.F.R. Section 63.6650(i). This requirement was added to the permit in section 6(i) of the permit.

5. Non-applicability Determinations

These non-applicability determinations are based on information provided in the title V permit application.

40 C.F.R. Part 60 - New Source Performance Standards (NSPS):

40 C.F.R. Part 60, Subpart A (General Provisions)

The provisions of Subpart A are applicable to the owner or operator of any stationary source which contains an affected facility, the construction or modification of which commenced after the date of publication of any standard in Part 60. The general provisions under Subpart A apply to sources that are subject to the specific subparts of Part 60. 40 C.F.R. Part 60, Subpart A, does not apply to the Grand Casino Hinckley facility because no specific subparts of Part 60 apply to the five generator sets at the facility.

40 C.F.R. Part 60, Subpart IIII (Stationary Compression Ignition Internal Combustion Engines):

The provisions of Subpart IIII establish emissions standards and compliance requirements for the control of emissions from stationary compression ignition internal combustion engines that commenced construction, modification, or reconstruction after July 11, 2005. 40 C.F.R. Part 60, Subpart IIII, does not apply to the Grand Casino Hinckley facility because the five generator sets were constructed before July 11, 2005.

40 C.F.R. Part 60, Subpart JJJJ (Stationary Compression Ignition Internal Combustion Engines)

The provisions of Subpart JJJJ establish emission standards and compliance requirements for the control of emissions from stationary spark ignition internal combustion engines that commenced construction, modification, or reconstruction after June 12, 2006, where the spark ignition internal combustion engines are manufactured on or after specified manufacture trigger dates. 40 C.F.R. Part 60, Subpart JJJJ, does not apply to the Grand Casino Hinckley facility because the five generator sets are not spark ignition internal combustion engines.

40 C.F.R. Part 64 - Compliance Assurance Monitoring (CAM):
Enhanced monitoring requirements have been adopted into 40 C.F.R. Part 64. The enhanced monitoring requirements are referred to as Compliance Assurance Monitoring. CAM is applicable to sources that have a potential to emit in excess of major source thresholds, not considering "tailpipe" emission controls, and use an "active" control device to achieve compliance with the emission limit. Combustion controls may be considered in evaluating the potential to emit. An emission unit is subject to CAM if all of the following criteria are satisfied:

- The unit is located at a major source that is required to obtain a Part 70 or Part 71 permit;
- The unit is subject to an emission limitation or standard for the applicable regulated air pollutant;
- The unit uses a control device to achieve compliance with any such emission limitation or standard, and
  The unit has potential pre-control device emissions of the applicable regulated air pollutant above the major source threshold.

EU001–EU003 are not subject to CAM. While each emission unit has a NOx emission limit, compliance with the emission limit is achieved through an enforceable restriction on its annual operating limitation and not through the use of a control device. EU001–EU003 are subject to 40 C.F.R. Part 63, Subpart ZZZZ, a standard proposed after November 15, 1990,

pursuant to section 112 of the Act, but are exempt from CAM pursuant to 40 C.F.R. Section 64.2(b)(1)(i).

EU004 and EU005 are not subject to CAM. Both emissions units are not subject to emission limitations. EU004 and EU005 are both subject to 40 C.F.R. Part 63, Subpart ZZZZ, a standard proposed after November 15, 1990, pursuant to section 112 of the Act, but are exempt from CAM pursuant to 40 C.F.R. Section 64.2(b)(1)(i).

6. Protection of Stratospheric Ozone [40 C.F.R. Part 82]

40 C.F.R. Part 82, Subpart F applies to any person servicing, maintaining or repairing "appliances," defined in 40 C.F.R. Section 82.152 as "any device which contains and uses a refrigerant and which is used for household or commercial purposes, including any air conditioner, refrigerator, chiller, or freezer." The subpart applies to appliance owners and operators, as well as any person servicing, maintaining, or repairing appliances. The subpart also applies to persons disposing of appliances, including small appliances.

The permit application indicates that the requirements of Stratospheric Ozone regulations are applicable to the source. The permit includes regulations pertaining to recycling and emissions reduction pursuant to 40 C.F.R. Part 82, Subpart F except as provided for motor vehicle air conditioners.

7. Monitoring Requirements

This section summarizes all monitoring requirements in the permit.

a. Monitoring Required by Applicable Requirements

i. Performance Testing

In accordance with the PSD Permit (Permit No. PSD-ML-2711500031-2017-03) and the 2021 title V renewal permit (Permit No. 2021-71MNML-003), performance testing is required for EU001–EU003 to demonstrate compliance with the NOx emission limits. The PSD Permit requires performance testing to be completed every 3 years. Method 7E is to be used for testing NOx emissions and Method 19 is to be used to calculate NOx emissions.

In accordance with 40 C.F.R. Section 63.6612(a) and 63.6640(a), performance testing is required every 8,760 hours or 3 years. The CO concentration must be at 15 percent O_2, dry basis. The CO concentration is measured using Method 10 and the O_2 concentration is measured using Method 3A.

ii. Continuous Monitoring

In accordance with the PSD Permit (Permit No. PSD-ML-R50005-02-01), the aftercooler water temperature and the manifold intake shall be continuously monitored. The continuous operating system shall be operated and maintained in accordance with 40 C.F.R. Section 63.8 and 63.6625(b).

Pursuant to 40 C.F.R. Section 63.6625, CO and O2 shall be continuously monitored using a continuous parameter monitoring system and operated in accordance with 40 C.F.R. Section 63.6625(b).

The permit contains sufficient recordkeeping and reporting to ensure compliance with applicable requirements.

b. Periodic Monitoring Requirements Created in this Permit

No new periodic monitoring requirements created pursuant to 40 C.F.R. Section 71.6(a)(3)(i)(B) are included in this permit.

c. Sufficiency Monitoring Requirements Created in this Permit

No new sufficiency monitoring requirements created pursuant to 40 C.F.R. Section 71.6(c) are created in this permit.

d. Streamlined Monitoring and Testing Requirements

No new streamlined monitoring and testing requirements pursuant to 40 C.F.R. Section 71.6(a)(3)(i)(A) are created in this permit.

8. Permit Content

a. Changes Between the Previous Permit and Draft Permit

- The permit has been reformatted using the new Part 71 Tribal permit and statement of basis templates. As a result, the permit condition numbering system has changed from the previous permit. Minor typographic edits have been made to the layout of this permit including changes in line spacing, indent levels, and font change.

- 40 C.F.R. Part 63, Subpart ZZZZ was revised on August 30, 2024, which added the requirement to submit performance test reports and semiannual or annual compliance reports through the EPA's Central Data Exchange using the Compliance and Emission Data Reporting Interface using the appropriate electronic report

template on the CEDRI website as required in 40 C.F.R. Section 63.6650(i). This requirement was added to the permit in section 6(i) of the permit.

- Annual fees and the Form FF are now required to be submitted electronically using the EPA's Central Data Exchange using the Compliance and Emission Data Reporting Interface. This requirement was added to the permit in section 1 General Requirements of the permit.

Abbreviations, Acronyms and Symbols

ASTM	American Society for Testing and Materials
C.F.R.	Code of Federal Regulations
EPA	U. S. Environmental Protection Agency, Region 5
EU	Emission Unit
facility	Grand Casino Hinckley
lb	pound
NO_x	Nitrogen Oxides
NSR	New Source Review
Operator	Grand Casino Hinckley
Permittee	Grand Casino Hinckley
PM	Particulate Matter
PM_{10}	Particulate Matter less than 10 microns in diameter
ppm	parts per million
ppmv	parts per million by volume
PSD	Prevention of Significant Deterioration
PTE	Potential to Emit