February 8, 1995

MEMORANDUM

SUBJECT: Issues Concerning Bakery RACT Requirements

FROM: John S. Seitz, Director
Office of Air Quality Planning and Standards (MD-10)

TO: Director, Air, Pesticides and Toxics
Management Division, Regions I and IV
Director, Air and Waste Management Division,
Region II
Director, Air, Radiation and Toxics Division,
Region III
Director, Air and Radiation Division,
Region V
Director, Air, Pesticides and Toxics Division,
Region VI
Director, Air and Toxics Division,
Regions VII, VIII, IX, and X

We recently met with representatives from the American Bakers Association (ABA) who have raised several concerns with the way EPA and the States are implementing RACT for major source bakeries. Through our discussions with the ABA, we believe we have established significant areas of common ground, and have identified ways to address many of their specific concerns.

We continue to believe that RACT should result in VOC emissions reductions of 80 to 95 percent for large bakery operations. The EPA supports providing industry with flexibility to achieve this level of emissions reductions, e.g., through the use of innovative technology, pollution prevention, or other approaches such as those presented in our economic incentive program rules (59 FR 16690, April 7, 1994). In those cases where achieving 80 to 95 percent overall emissions reductions might be technically feasible but would not be economically reasonable due to factors specific to a particular site, EPA may allow the State to determine what

level of control would be reasonable through an alternative-RACT determination.

In addition to the above policy, we support the following approaches:

1. Small emitting oven exemption. In many cases, 80 to 95 percent controls on individual, small emitting ovens may not be economically reasonable based on the cost per ton of VOC emissions reduced. Because of this, we recommend that EPA allow States to establish appropriate exemption levels for small emitting ovens, provided that they include a justification of the exemption as part of their SIP submittal. The justification must include cost data and technical justification that demonstrate that requiring controls on those units would not be reasonable.

In some cases, it may be feasible to duct several small emitting ovens together into one control device and, thereby, achieve RACT control. Therefore, the State's SIP submittal should include an analysis demonstrating that ducting such ovens together is not economically reasonable at each facility subject to the rule. As an alternative to providing such an analysis, the State may establish a generic, plantwide cap on the total actual VOC emissions that may be emitted from the exempted ovens and then generically demonstrate that controlling the capped emissions from exempted ovens would not be economically reasonable. After such a demonstration, individual, source-specific RACT analyses would not be required for ovens which are below the exemption levels established by the State.

2. Alternative-RACT process. Obtaining an alternative-RACT determination is often a lengthy process because it entails both State and EPA rulemaking to approve it as a source-specific SIP revision. Rather than relying exclusively on source-specific SIP revisions, we recommend that to the extent a State is aware of a need for specific alternative-RACT determinations, it include such determinations in its bakery regulation up front. The State may either specify by name the specific source or group of sources to which the alternative provision would apply, or specify a set of parameters which could define such sources. In its SIP submittal, the State would need to justify such alternative-RACT provisions by demonstrating that controls less than 80 percent constitute RACT for a given source or group of sources by providing the appropriate economic and technical data. Where it is not feasible to identify those sources requiring alternative-RACT

determinations in the regulation, States may still use source-specific SIP revisions.

States should work with EPA to ensure that the appropriate data are provided in the State's SIP submittal to support an alternative-RACT determination. Some of the critical items to consider include the types of controls considered, the practicality of implementing such controls, the associated capital and operating costs, the tons of pollutants abated, the remaining useful life of the plant and/or production equipment, and the size and space considerations of the physical plant. Appendix C of EPA's "Alternative Control Technology Document for Bakery Oven Emissions (ACT)," (December 1992) offers an example of some of the factors that may be included in the cost analysis.

3. Emissions calculation for applicability determinations. The ACT includes a predictive formula to estimate emissions. The ABA has asked EPA to allow for the use of this formula to estimate emissions for applicability purposes, rather than require stack testing. In many cases, the formula found in chapter 2 of the ACT would accurately predict uncontrolled emissions. The EPA is aware, however, that in certain cases, the equation leads to inaccurate estimates. For this reason, States may allow for the use of predictive formulas for calculating uncontrolled emissions, but should also retain the ability to require stack testing. Where stack test data deviate from the predictive formula estimates, the stack test data should take precedence.

4. Monitoring requirements. The ABA has raised a concern over the high cost of using a continuous emissions monitoring system (CEMS) on ovens. We are not aware, however, of any requirement that would mandate the use of CEMS on ovens subject to RACT. The EPA's ACT does not specify monitoring requirements for RACT. Similarly, the EPA's proposed enhanced monitoring rule does not propose to mandate CEMS. States may require either CEMS or alternative monitoring requirements, provided that the RACT rule is enforceable.

We believe that the approach outlined above will achieve RACT emissions reductions from major source bakeries in a cost-effective manner.