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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Office of Air Quality Planning and Standards
Research Triangle Park, North Carolina 27711

JAN 29 1987

MEMORANDUM

SUBJECT: Implementation of the Revised Modeling Guideline for
Prevention of Significant Deterioration (PSD)

FROM: Darryl D. Tyler, Director
Control Programs Development Division (MD-15)

TO: Director
Air Division, Regions I-X

Section 165(e) (3) (D) of the Clean Air Act (Act) requires the Administrator to adopt regulations specifying with reasonable particularity models to be used to comply with the Act's PSD requirements. To carry out these requirements, the 1978 "Guideline on Air Quality Models" was incorporated by reference in 40 CFR 51.24 (now renumbered 51.166) and 40 CFR 52.21. Many States have adopted this guideline in their PSD regulations.

On September 9, 1986 (51 FR 32176), EPA promulgated amendments to 40 CFR 51.24 (now renumbered 51.166) and 52.21 to substitute by reference the "Guideline on Air Quality Models (Revised)," EPA 450/2-78-027R, in these regulations. This change became effective October 9, 1986. This means that all modeling done pursuant to the PSD requirements must either comply with the 1986 version of the modeling guideline or be specifically approved by EPA; modeling done pursuant to the 1978 guidance may no longer be accepted.

The PSD permits are reviewed by EPA, State, or local agency personnel depending on whether and to whom EPA has transferred the PSD program. This program transfer could take the form of: (1) a delegation where the State or local authority agrees to act in the Administrator's place to apply the requirements of 40 CFR 52.21 regulations to sources, or (2) a State implementation plan (SIP) where States have adopted their own PSD regulations which comply with 40 CFR 51.166 (formerly 40 CFR 51.24). For the few areas of the country where EPA has not transferred the PSD program, EPA applies 40 CFR 52.21 regulations to permit PSD sources. The mechanism of implementing the revised modeling guideline is different for each of these situations.

2

Areas where EPA Has PSD Permitting Authority

(1) As of October 9, 1986, EPA should not issue a PSD permit when a model other than that contained in the revised guideline is used to comply with the air quality impact analysis. An exception is if EPA approval was obtained for a specific case. The regional meteorologist should carefully review all pending PSD permit applications to insure that current modeling guidance has been used.

States with PSD Permitting Authority by Delegation

For both full and partial delegations, Regional Offices should initiate updating of the delegation by informing the relevant reviewing authority that the revised modeling guideline has been promulgated in 40 CFR 52.21. The Region should then determine which type of delegation agreement exists

for each State and take one of the following actions:

(2) For State and local agencies which have a delegation agreement that specifies exactly which version of 40 CFR 52.21 (e.g., January 1, 1986) to be used when processing PSD permits, the delegation agreement must be amended to include the revised modeling guideline (e.g., as of October 9, 1986).

(3) For State and local agencies which have a delegation agreement that requires incorporating all revisions to 40 CFR 52.21 into their PSD permitting process, EPA should notify the State or local agencies that all modeling done pursuant to the PSD regulations must comply with the revised modeling guideline or must receive prior approval from EPA.

Regional offices should publish a Federal Register notice announcing which States have modified their delegation agreements to incorporate the revised modeling guideline and which States have incorporated the revised modeling guideline into their PSD permitting process.

States with PSD Permitting Authority by SIP

For States that have PSD permitting authority by SIP's, the Regions should review the State and local regulations to determine whether the existing regulations preclude the use of the revised modeling guideline (e.g., rules which reference the 1978 guideline explicitly or incorporate 40 CPA 52.21 by reference as of a date prior to September 9, 1986) or do not explicitly preclude the use of the revised modeling guideline (e.g., a general statement that restricts air quality modeling to EPA-approved models). The State or local agency must then take one of the following actions:

(4) State or local agencies with SIP's which preclude the use of the revised guideline must revise their SIP to remove the reference to the old modeling guideline and replace it with a reference to the revised modeling guideline.

3

(5) State and local agencies that do not explicitly preclude the use of the revised modeling guideline can either revise their PSD regulation to explicitly include the revised modeling guideline or submit an enforceable letter of commitment in lieu of a regulatory revision. This commitment letter must mention that the generalized language now means that all PSD permit applicants must use the revised guideline models or models otherwise approved by EPA.

Obviously, all SIP revisions must be accomplished through the regular Federal Register process. All letters of commitment must also be incorporated by reference into the SIP. To conserve resources, Regional Offices can process as direct final action SIP packages that contain only revisions aimed at implementing the revised modeling guideline.

Current SIP Processing

Even though EPA stated in the September 9, 1986, Federal Register that the revised modeling guideline would become effective on October 9, 1986, the Act gives States 9 months (until July 9, 1987) to make the necessary changes in their programs. To avoid disapproving the SIP revision, EPA should conditionally approve SIP actions where the State has committed to: (a) revise their regulations in a timely manner, and (b) limit PSD modeling to analyses which comply with the revised modeling guideline or models otherwise approved for use by EPA. No PSD SIP will be approved unless it incorporates the revised modeling guideline.

Follow-up

If a State refuses to make the necessary regulatory changes or commitments, EPA will withdraw permitting authority from the State for any source using a nonguideline model without prior EPA approval. The EPA will then promulgate 40 CFR 52.21 into the SIP for such permits so that EPA retains permitting authority for those permits. This, of course, requires full rulemaking action in the Federal Register.

By the end of February 1987, please let Nancy Mayer know: (a) which category (1, 2, 3, 4, or 5 above) applies to each of your States; (b) what actions are planned to incorporate the new guideline into each State's PSD programs; and (c) a schedule of when these actions will occur. Ms. Mayer may be reached at:

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4

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Regions II, III, IV, VI, VIII, IX, and X
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Region V
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N. Mayer