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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IV
345 COURTLAND STREET
ATLANTA GEORGIA 30365
March 11, 1981

REF: 4AH-AF

Dear State/Local Director:

At the State Air Directors' meeting last fall, a request was made for EPA to prepare and distribute a regular summary of PSD policy determinations made by Region IV. Enclosed is the first such summary. The frequency of future summaries will depend on the number of determinations, but will probably be monthly. The summary will be in addition to copies of any Headquarters' letters or memos we send you.

I hope these summaries assist your new source review program. Any questions or suggestions should be sent to Roger Pfaff (404/881-3286).

Sincerely yours,

Thomas W. Devine
Director
Air and Hazardous Materials Division

Enclosure

EPA Region IV

Policy Determinations Regarding PSD Questions

1. 11/13/80

Question: An engine manufacturing plant sprays VOC contaminated wastewater into the air to dispose of VOC. Is the activity, if new, subject to PSD?

Answer: If the source has nonfugitive emissions greater than 250 TPY, the new emissions which are fugitive would count in determining PSD applicability. The only place fugitives are given special treatment is in determining if the source is subject to PSD.

Reference: Section 52.21(i) (4) (vii)

2 . 11/24/80

Question: A major source makes a physical change which increases emissions, but has offsetting reductions elsewhere at the same time. In the past 5 years, however, there have been other increases such that the net result over 5 years is greater than de minimis. Is the new physical change subject to PSD.

Answer: No. The proposed change must, by itself, result in a net increase greater than de minimis in order to be subject to PSD.

Reference: 1/22/81 memo, DSSE to Charles Whitmore, Region VII.

3. 12/2/80

Question: A major source wishes to take two actions: 1) Increase production at a previously a PSD-permitted emission unit; 2) Build a new emission unit with less than de minimis emissions. Emissions of fluorides from the two actions, when added together, are greater than de minimis and occur within the contemporaneous time frame. Does the physical change (new unit) trigger PSD review because of the change in actual emissions at the previously permitted units being greater than de minimis?

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Answer: No, unless the production rate of the previously permitted unit was limited in the permit. Section 52.21(b) (21) (iii) allows allowable emissions to presumed to represent actual emissions for new sources. Therefore, the increase in production at the PSD source is not an increase in actual emissions. Also, due to a 1/22/81 policy memorandum, the new unit by itself must be greater than de minimis to trigger review.

Reference: Section 52.21(b)(21) () iii)
1/22/81 memo, DSSE to Charles Whitmore, Region VII.

4. 12/2/80

Question: In the previous example, what if the previously permitted source were an existing source which did not have a new source construction permit under the SIP?

Answer: In this case, the proposed unit would be subject to PSD, since the net increase calculation would include the production rate increase from the existing source. After the new permit is issued, the "slate is wiped clean", and only future increases and decreases would count.

CHANGE: As of 1/22/81, this situation would also not trigger PSD, because the physical change (new unit) is not, by itself, greater than de minimis.

Reference: 1/22/81 memo, DSSE to Charles Whitmore, Region VII.

5. 12/2/80

Question: Is an iron foundry one of the 28 PSD categories?

Answer: Yes, it is a secondary metal production plant, if it uses scrap metal to produce iron, even if the metal is poured into molds.

Reference: Section 52.21(b) (1) (i) (a)

6. 12/2/80

Question: (Offset Policy) A modification is subject to the Offset Policy. In addition to the proposed 50 TPY emission increase, the company had a 500 TPY increase from an unreviewed production rate increase 3 years ago. Do offsets have to be obtained for the full 550 TPY?

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Answer: Yes, unless the 500 TPY was from a new source with a SIP construction permit whose permit conditions did not prohibit the increase.

Reference: Part 51, Appendix S, Section II.A.7.(iii).

7. 12/12/80

Question: Is a whiskey distillery one of the 28 categories (chemical process plants) listed in Section 52.21(b) (1) (i) (a)?

Answer: No. A chemical process plant is any establishment in Major Group 28 of the SIC Code. Beverage distilleries are in Major Group 20.

Reference: Section 52.21(b) (1) (i) (a)

8. 12/12/80

Question: A major stationary source wishes to make a physical change resulting in a 15 TPY increase in particulate. Less than 5 years ago, the source had a production increase (not subject to PSD) resulting in a 50 TPY increase in SO₂. Is the proposed increase subject to PSD?

Answer: No. The triggering increase must be of the same pollutant as the one for which a significant increase results. Also, due to a 1/22/81 policy memo, the proposed physical change must be greater than de minimis itself.

Reference: 1/22/81 memo, DSSE to Charles Whitmore, Region VII.

9. 1/12/81

Question: An existing source is operating in compliance with the conditions of its operating permit. The operating permit conditions are identical to the requirements stated in the SIP for the source. The source was in operation long before the New Source Review Procedures were incorporated into the SIP.

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The source owner proposes to construct a new emission unit at the source and to simultaneously offset the increased emissions by reducing emissions (through installation of emission control equipment) at an existing unit at the source. Emissions from the proposed new unit will be completely offset for all pollutants emitted except sulfur dioxide which will increase by a significant amount, thus subjecting the proposed construction to PSD review. The reduced emission

rate for the existing unit will be made a condition of the unit's operating permit. The proposed construction and simultaneous offsetting reduction of emissions at the existing unit will be subject to public scrutiny during the 30-day comment period required as part of the PSD review. Will the proposed emission reductions at the existing unit be "federally enforceable"?

Answer: No. But if appropriate conditions are included in the construction permit for the new unit (requiring the existing unit to reduce emissions), this situation would be federally enforceable.

Reference: Section 52.21(b) (3) (vi) (b).

10. 1/12/81

Question: A source is operating in compliance with the conditions stated on its operating permit. The conditions of the operating permit are identical to the conditions contained in the construction permit which was issued for the source in accordance with the New Source Review procedures of the SIP at the time of issuance.

The source owner proposes to reduce emissions to a lower level than is currently allowed under the operating permit by some method such as installation of more efficient control equipment. The source owner requests that the operating permit be revised to limit source emissions to this lower emissions level and proposes an appropriate method (stack testing, continuous monitoring, etc.) to demonstrate compliance with this lower emission limit. Will this proposed new emission limit be "federally enforceable" as defined in the August 7, 1980 PSD regulations at 40 CFR Section 552.21(b) (17)?

Answer: No. Operating permits are not federally enforceable. The State could, however, change the conditions of the construction permit to make the reduced emission rate federally enforceable.

Reference: Section 52.21 (b) (17).