

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR DIVISION

INTRA AGENCY MEMORANDUM

TO: File

FROM: Gary Graham
Regulatory Analyst



SUBJECT: Meeting Minutes - Regulatory Ad Hoc Advisory Group Concerning Permits
for New and Modified Sources (Rev. H05)

DATE: April 20, 2006

INTRODUCTION

At 10:00 a.m., on April 12, 2006, the sixth meeting of the ad hoc advisory group concerning permits for new and modified sources (minor new source review) convened in the Seventh Floor Conference Room, Department of Environmental Quality, 629 East Main Street, Richmond, Virginia. A record of meeting attendees is included as Attachment A.

SUMMARY OF DISCUSSION

1. Initial discussions centered on changes to the third draft of the H05 revision of Chapter 80, Article 6 (minor new source review) that were identified in bold on the draft:
 - a) Best Available Control Technology (BACT) applicability determinations. 9 VAC 5-50-260, subsections B and C describe how BACT will be applied to new and modified stationary sources. Proposals for subsection B pertaining to new sources only changed the basis for making that determination from "potential to emit" to the "uncontrolled emissions rate" consistent with other changes to Chapter 80, Article 6. The proposed subsection still limited BACT applicability on a pollutant-by-pollutant basis and on an emissions unit-by-emissions unit basis. Proposals for subsection C pertaining to modified sources also changed the basis to "uncontrolled emissions rate" and removed an earlier clarification concerning "debottlenecked" emissions units.
 - 1) Consensus was reached that the requirement for BACT should apply to all pollutants emitted by all new stationary sources subject the new source review (NSR) program, similar to the way it was done earlier when the "uncontrolled emissions rate" was the basis for determining Minor NSR permit applicability.

2) Consensus was reached on applying BACT to modified units based upon “uncontrolled emissions rates” However, no consensus was reached as to whether the proposed changes to subsection C (concerning applying BACT to modified sources based on uncontrolled emissions rate) were sufficient or further changes needed to be made to remove the pollutant-by-pollutant applicability and emissions unit-by-emissions unit applicability provisions.

b) Definition of “emissions unit” and “process unit”. Tom Knauer withdrew his proposal to change the definition of emissions unit and to modify the original proposal for a new definition of “process unit”, which taken together was supposed to clarify the extent of the emissions unit that should be subject to permitting requirements. However, after the discussion revealed how ambiguous the existing term was, there was opposition to withdrawing the proposal, and no consensus was reached.

c) Definition of “uncontrolled emission rate”. Changes to the definition of “uncontrolled emission rate” had been proposed in order to make it clear that a change to one emissions unit does not affect the uncontrolled emission rate of any other emissions unit. This had been an issue because the existing definition of “uncontrolled emission rates” could be read to allow one emissions unit to “bottleneck” the capacity of another emissions unit. The changes were opposed by several members who were concerned that retaining the ability to base permit applicability decisions on ALL of the emissions increases was important and they did not want to discard the concept of “debottlenecking”. No consensus was achieved on this issue.

d) Exemptions by the Uncontrolled Emission Rate of the Stationary Source. It had been suggested in earlier discussions that emissions units that were exempt under 9 VAC 5-80-1320 B should not be included in the total uncontrolled emission rates for the purpose of determining the exemption for other (non-subsection B) emissions units under subsections C and D. The proposal required all of the applicable emissions units be exempt under B before the emissions from those units would not be considered under C or D.

1) It was pointed out by a member of the group that requiring all of the changed emissions units to be exempt under subsection B (exempt by size or type of emission unit) effectively made the proposed provisions under review (C 2 and D 2) unusable because all of the changed emissions units would be exempt under subsection B anyway. Prior to the adoption of Chapter 80, Article 6, any emissions units that were exempt by size or type, were individually excluded when determining the uncontrolled emission rate for exemption by emissions rate. Other members insisted that nonetheless, if there were any applicable emissions units that were not exempt under subsection B, then all of the uncontrolled emissions (or uncontrolled emissions increase) from the stationary source should be considered in determining if the exempt emission rate criteria had been met. No consensus was reached on the proposal.

2) The group briefly considered alternatives that would satisfy both camps, including lowering the size thresholds for the emission unit exemption in subsection B and changing the existing source standards to match, or issuing general permits for all of the emissions unit types listed in subsection B. There was no consensus on any of the alternatives, primarily because they were either considered impractical or they memorialized standards that should be subject to periodic review.

2. The group then considered any other changes that has not been raised or discussed previously. Some minor wording changes were suggested that were accepted without further comment. It was also suggested that 9 VAC 5-80-1320 B 13, the exemption for reconstructed emissions units that did not cause a change the potential to emit, be deleted because it theoretically could allow a clean emission unit to be replaced by smaller, more polluting emissions unit. There was a strong objection to removing this exemption from one of the members, and no consensus could be reached. No other issues or changes were proposed.

3. Since this regulation affects a significant portion of the Department's air permitting work, the Department has determined that it is appropriate to review the ad hoc advisory group's proposal internally for feasibility before surveying the advisory group for unresolved concerns. When the internal review has been completed, the result will be referred back to the ad hoc advisory group for comments. It was not determined whether the advisory group should meet afterward or should submit comments without meeting again, so no additional meeting date was set.

DOCUMENT DISTRIBUTION

The following documents were distributed to the group prior to or at the meeting:

1. Draft minutes of the April 4, 2006 meeting.
2. A third draft of the proposed H05 regulation revision (H05-AH-REG3).
3. A handout prepared by Tom Knauer, titled "VMA Positions on Key Issues, Minor NSR Amendments (H05).

TEMPLATES\PROPOSED\AH08
REGDEV\H05-AH08-6

Attachments

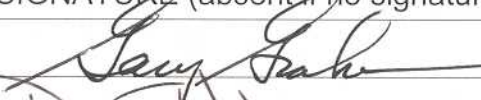



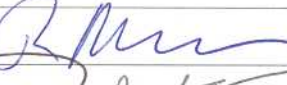
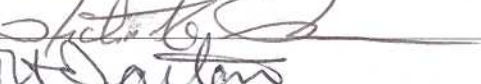
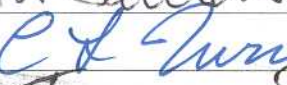

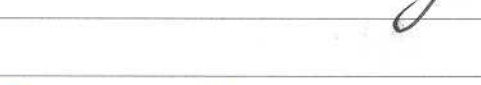
**COMMONWEALTH OF VIRGINIA
STATE AIR POLLUTION CONTROL BOARD**

**AD HOC GROUP MEETING
ATTENDANCE RECORD**

April 12, 2006

SUBJECT: Permits for New and Modified Sources (Revision H05)

LOCATION: Seventh Floor Conference Room, Department of Environmental Quality,
629 East Main Street, Richmond, Virginia

PRINTED NAME	SIGNATURE (absent if no signature)
Gary Graham	
Dan Holmes	
Andy Gates	
Bob Asplund (alternate)	(absent)
Tom Knauer	
Cale Jaffe	(absent)
John Cline	(absent)
Bob Mann	
Richard Rasmussen	
Terry Darton	
Chuck Turner	
Janardan Pandey	
Non-members Printed Name:	
Jaime Bauer (DEQ APS)	