

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR DIVISION**

INTRA AGENCY MEMORANDUM

TO: File

FROM: Karen G. Sabasteanski
Policy Analyst

SUBJECT: Meeting Minutes - Regulatory Ad Hoc Advisory Group Concerning Major
New Source Review Reform (Rev. E03)

DATE: September 28, 2004

INTRODUCTION

At 9:00 a.m., September 28, 2004, a meeting of the ad hoc advisory group concerning major new source review reform was held in the First 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

The group discussed, in general, applicability (establishing a baseline and how to determine projected emissions increases), recording and recordkeeping, and pollution control projects. The group agreed that additional research and discussion was necessary on a number of issues, as follows.

1. Lookback period for determining actual emissions:
 - EPA regulation: any consecutive 24 months in the previous 10 years
 - Possible option: **average** of previous 10 years
 - Possible option: highest one year of previous **five** years

2. Consequences of exceeding projected emissions:
 - EPA regulation: none specified
 - Possible option: State agency discretion:
 - a generic reference or
 - specific steps

3. Pollutant baseline:

- EPA regulation: can be separate for each pollutant
- Possible option: same for all pollutants

4. Projected actuals: How can the projected emissions resulting from the physical or operational change be differentiated from demand growth? Can they be quantified? Reported? Made enforceable?

5. Malfunctions: Should they be included or excluded from baseline actual emissions and projected actual emissions?

6. Netting: It is possible to "net out"; should there be a requirement to "net in"?

7. Recording and recordkeeping: Should department expectations be codified? Should a definitive level be specified? Or are these covered in other regulations?

The group agreed to followup on these issues at the next meeting. The group also plans to discuss clean units and plantwide applicability limits at the next meeting.

The group was also encouraged to gather specific cost-benefit information to assist the department in its fiscal analysis. The group was also encouraged to develop specific reasons to accompany any changes made to the regulations to demonstrate to EPA that the changes are protective.

DOCUMENT DISTRIBUTION

Documents are being provided to the group through DEQ's NSR web page: <http://www.deq.virginia.gov/air/regulations/nsrweb.html>. The primary documents being used as general guidance include brief summary papers prepared by staff on applicability determinations (baseline emissions and emissions increases), plantwide applicability limits, pollution control projects, and clean units.

TEMPLATES\PROPOSED\AH08
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Attachments