Clean Air Act Advisory Committee
April 24, 2012
Holiday Inn – Old Town Alexandria, VA

Tailoring Rule Permit Streamlining Workgroup

Juan Santiago, United States Environmental Protection Agency (USEPA), began the meeting. Members in the room and on the phone introduced themselves.

Pat Childers, USEPA Office of Air and Radiation (OAR), clarified the meeting is part of the Task Force Tier 3 Workgroup under the Clean Air Act Advisory Committee (CAAAC). CAAAC members not in the workgroup were invited to sit in on the meeting. The full committee meeting tomorrow will include all CAAAC members. The afternoon session will be a subcommittee meeting and is open to everyone. Mr. Childers noted the CAAAC membership renewal process has begun. Application forms can be found on the CAAAC website and are due by May 1, 2012. Applications are required for continued service and new positions on the CAAAC after October. Mr. Childers turned the meeting back to Mr. Santiago and Anna Marie Wood, USEPA.

Mr. Santiago began by reviewing the minutes from the previous workgroup meeting on April 2, 2012. Mr. Santiago clarified that the purpose of the workgroup was to streamline ways to permitting and was not for the purpose of telling EPA where to assign thresholds in the future. He confirmed the previous meeting addressed how to set up a "team room," which is now functional. In addition, the meeting discussed travel expenses and future meetings. The workgroup agreed on having bi-weekly meetings from 3:00 to 5:00 PM. Mr. Santiago reviewed the action items included in the meeting notes. The action items included: 1. EPA will prepare meeting notes summarizing the meeting; 2. EPA will schedule the bi-weekly workgroup meetings; 3. EPA will collect background materials for distribution prior to the next meeting; 4. EPA will check with Office of General Counsel (OGC) about possible participation at a future workgroup meeting; 5. EPA will check about travel funding assistance for workgroup members; 6. EPA will send information to the group about the hotel for the upcoming CAAAC meeting.

Mr. Santiago asked the workgroup for any comments before considering the meeting notes final. Praveen Amar, Clean Air Task Force (CATF), suggested limiting the bi-weekly workgroup meetings to 90 minutes. The workgroup unanimously agreed and meetings were scheduled from 3:00 to 4:30 PM. Mr. Santiago reminded workgroup members to ensure they have access to the "team room" where all meeting materials will be stored. Any members that do not have access to the team room were encouraged to reach out to Mr. Santiago.

There were no comments on the action items.

Ms. Wood encouraged workgroup members to participate as much as possible during the meeting.

Mr. Santiago moved to page four of the document entitled, "Summary of Threshold and Greenhouse Gas (GHG) Streamlining Options Background Data under the Tailoring Rule Steps 1, 2 and 3." He reviewed and discussed the five streamlining approaches identified by EPA.

The first streamlining approach was identified as, "Defining Potential to Emit (PTE) for various source categories." Mr. Santiago noted there may be ways to incorporate how PTE is calculated for various source categories. The example of furnaces with design constraints was provided.

Mr. Santiago opened the discussion.

Mr. Amar asked if PTE is measured on an annual basis. Mr. Santiago confirmed permitting rules are measured on a yearly basis.

John Paul, Regional Air Pollution Control Agency, asked if there was any precedent for looking at historical emissions over the last five years of emissions on an annual basis.

Mr. Santiago inquired if, when talking about historical emissions, Mr. Paul means on a unit specific basis or general category basis. Mr. Paul clarified currently a unit specific basis. He noted a categorical basis could be interesting.

Mr. Santiago clarified EPA is not closing the door on Mr. Paul's suggestion. When discussing the PTE for various source categories, EPA has focused on a categorical basis to look at a large number of units that could potentially make determinations of applicability. When using this method, streamlining will not have to be done for every single permit individually.

Mr. Paul followed up by noting that eventually EPA will be at the point where state and local governments can limit gas operation.

Vince Hellwig, Michigan Department of Environmental Quality (DEQ), provided the example of industrial swing load boilers which traditionally operate below 50 percent. Another example of furnaces was given.

Mr. Santiago responded in the case of furnaces there are conditions that do not allow the source to work right.

Mr. Hellwig agreed there are limitations on the way the material would be produced that would create limitations on the amount of gas that could be burned.

Joy Wiecks, Fond du Lac Reservation, asked for clarification on whether the PTE for Step 3 facilities definition would be changed.

Mr. Santiago responded that the definition would not be changing.

Mary Turner, Waste Management, discussed utilization efficiencies. If permit limits establish a threshold for criteria pollutants but also limit GHG emissions, will those be taken into consideration when establishing PTE limits for GHGs?

Mr. Santiago explained these instances are evaluated on a case-by-case basis.

David Foerter, Institute of Clean Air Companies (ICAC), asked if EPA is trying to change the definition of PTE.

Mr. Santiago confirmed the intent is not to change the definition of PTE. Instead, EPA will specify, through regulation or guidance, how to estimate and calculate PTE for certain sources as a way to increase the efficiency of the permitting process.

Mr. Foerter confirmed there will be additional criteria established beyond PTE.

Ms. Wood encouraged participants to provide specific examples (e.g., other source categories). Specific examples and data from individual industries are useful to EPA. She suggested that EPA provide a brief overview to ensure all members are on the same page with streamlining understanding.

Mr. Foerter commented on creating a benchmarking process for certain categories. He thanked Mr. Santiago for the information on bakeries and requested more when available.

Mr. Paul inquired if sources would be considered exempt if actual emissions never exceed that certain percent. Mr. Santiago confirmed the suggestion will be taken into consideration.

Misti Duvall, National Association of Clean Air Agencies, requested a summary of comments submitted from the streamlining techniques.

Mr. Santiago explained the streamlining techniques comment period ended on April 20, 2012. All comments are available on the docket through www.regulations.gov. He confirmed EPA will provide a high-level summary once all comments are sorted and will distribute the summary to the workgroup.

Julie Simpson, Nez Perce Tribe, advocated for publically available documentation of individual calculations written in plain language that is easily understandable.

Ms. Turner noted Mr. Santiago has discussed categorical application of the streamlining methods. She asked if EPA is hoping for members to provide detail as to what would work best for each particular category.

Mr. Santiago responded by presenting more context on EPA's intentions with regards to PTE. Under the Tailoring Rule, there are millions of sources that would need to be regulated for greenhouse gases at the statutory level. There are around 6.2 million sources that would potentially be subjected to Title V or Prevention of Significant Deterioration (PSD). EPA used the phased-in approach found in the Tailoring Rule so that EPA had something more manageable to begin with. Mr. Santiago clarified that the idea is to move to lower thresholds so that more facilities limit emissions through permitting authorities. The workgroup was tasked to think of

ideas and examples where categorical limits to PTE can be manageable in reducing emissions for specific industries under the Clean Air Act (CAA).

Ms. Turner inquired if the biogenetic discussion would be relevant in today's meeting.

Mr. Santiago explained the biogenetic discussion is slightly different because it is going through regulation at the moment. He mentioned the possibility of litigation on the biogenetic discussion. Ms. Wood confirmed EPA is reliant on the Science Advisory Board's (SAB) recommendations to determine next steps in excluding biogenic GHG emissions.

Ms. Wood suggested providing an overview of the various streamlining methods. Mr. Amar agreed this would be useful.

Mr. Paul, looking at table 1 of the document, asked if one of the ground rules was to not consider threshold as one of the streamlining methods. Ms. Wood confirmed EPA is not considering what the thresholds should be.

Mr. Paul noted this is disappointing because the table clearly depicts the biggest streamlining method would be to maintain 100,000 ton/year threshold. Going from 1,000,000 to 5,000 is significant streamlining.

Mr. Santiago explained the purpose of the tables in the document is to provide the reader with the type of source that would potentially be subjected to permitting at the different thresholds. When EPA is considering where they are today and the proposed Step 3 that has 100,000 and 75,000 for the modifications, the tables show that at 25,000 about 1,100 commercial units are being added. Mr. Santiago asked what EPA can do to streamline the permitting process for commercial units at the level.

Mr. Paul responded there is a significant drop off between 100 ton/year and 25,000.

Mr. Amar clarified that once the threshold has been determined the streamlining follows after. He asked how to streamline at a specific threshold.

Mr. Santiago explained there are two ways to look at the situation. The first way is to first determine the threshold and then determine the streamlining. The second viewpoint looks at the type of 1.4 million potential commercial sources that emit at 100 tons/year. Once identifying the various industries (e.g., restaurants), EPA will have a better understanding of how and when emissions occur.

Mr. Amar asked whether workgroup members are expected to read the public comments or EPA will provide a summary.

Ms. Wood confirmed EPA is actively in a rulemaking, but the comments are public. EPA will consult with the OGC and provide a high-level summary of the comments. She stressed the value of the workgroup members is to provide EPA with experience and expertise in identifying, from a practical perspective, what methods will help to reduce emissions.

Ms. Duvall commented that some of the streamlining techniques would not be needed if the threshold was set at 50,000 or 25,000 tons/year. As the discussion of streamlining techniques continues, should the workgroup be thinking about sources between 100,000 tons/year and 25,000 tons/year?

Jim Colman requested that EPA review the options it discussed and provide the workgroup with the Agency's views on streamlining.

Mr. Paul commented on the tables in the document. He stressed that emissions reductions must have value to avoid simply pushing paper.

Mr. Santiago moved away from the PTE discussion. He continued outlining the remaining streamlining approaches. The second streamlining approach is establishing emissions limits for various source categories that constitute presumptive Best Available Control Technologies (BACT). The text gives background on presumptive BACT in the context of the Tailoring Rule. The third approach is establishing procedures for use of general permits and permits-by-rule. EPA discusses general permits and permits-by-rule in the context of Title V and how general permits are already included in the CAA, but not for PSD. Mr. Santiago continued by stating that PSD is a case-by-case type of approach. He requested comments on this area. The fourth item included establishing procedures for electronic permitting and "lean" techniques for permit process improvements. EPA had a short discussion about states already implementing electronic permitting, which is mostly used in the minor source programs. This may be expanded to the major source programs. "Lean techniques" are methodologies to maximize production and remove unnecessary steps from the process. Mr. Santiago noted the fifth item is excluding "empty permits" from the Title V permitting program. Empty permits in the context of the rule are permits that do not have any applicable requirements. There is discussion on the possibility of excluding sources that have empty permits from going through the Title V process.

Mr. Santiago clarified the streamlining approaches were simply ideas that may have value for the workgroup. EPA is not pushing any specific approaches.

Mr. Santiago noted EPA included two other items in the report that propose action. EPA proposed to take action on GHG Plantwide Applicability Limits (PALs). EPA included options for expanding on the way PALs operate for GHG, similar to the operation of PALs for regular criteria pollutants. EPA included the option to provide EPA with regulatory authority. Mr. Santiago asked for comments on these proposed actions.

Mr. Foerter followed up on Mr. Paul's earlier comment regarding value added. He asked if the EPA had assessed the value added, in terms of environmental benefit, for the changes to the emission thresholds.

Ms. Wood clarified that the statutory thresholds are already in place. The Tailoring Rule is about phasing in the permitting programs to meet the requirements established in the law, which depends on the ability to administratively handle the number of sources that might trigger permitting requirements. Ms. Wood remarked that the law does not provide the discretion or

flexibility to adjust the thresholds based on their value added. The goal is to determine what streamlining methods make sense. She noted that Mr. Santiago laid out a menu of options for streamlining and the workgroup is trying to explore how feasible it is to get down to the statutory thresholds. She posed the questions, how do the different streamlining methods fare as more sources are brought into the system? Are they useful? What techniques should be prioritized to fit in the construct of high payoff (with regard to reducing administrative burden) but low impact on sources that do not normally go through the permitting program? The workgroup is looking to get ideas and start prioritizing streamlining techniques.

Mr. Foerter thanked her for the clarification and said that he had bought into the idea of value. He suggested value be examined further.

Mr. Colman suggested considering the following question: if there were a permit for any of these categories, what would it actually do? To take residential as an example, if 4.5 million residences are permitted, what would be done differently? What will be done to reduce greenhouse gas emissions? The answer has a bearing on how this is administered, what impact it will have, and what kinds of streamlining there might be.

Mr. Santiago thanked Mr. Colman for his comment. He asked Mohsen Nazemi if he had something to add.

Mr. Nazemi had commented to EPA during the original adoption of the Tailoring Rule in the December 24, 2009 letter which addressed the PSD applicability if the thresholds are lowered to numbers below the existing thresholds. There was concern about the delays and administrative burden due to issuing a PSD permit just because a source exceeds the GHG threshold. He noted that GHG emissions are not of concern relative to localized impact but they are of significant concern relative to global impact. When looking at PSD permit requirements associated with a permit triggered only by GHG emissions, there are a number of administrative processes (e.g., public notice, public hearing, and the opportunity to appeal at an environmental appeal board) that could significantly increase the burden on the permitting agency and the project proponent, as well as delay the application of best available control technologies for that source. Mr. Nazemi would like to see how much flexibility EPA has to make PSD permits that are strictly triggered due to GHG emissions different from typical PSD permits.

Mr. Nazemi provided another example, stating that once a source is considered “major” due to its GHG emissions, the increase of emissions from any other attainment pollutant will change from the major source threshold to a significant level increase. If a source, for example, has particulate matter (PM) emissions that are over 15 tons and below 70 tons, a full analysis of PM emissions must be done to determine whether the levels are in compliance with PSD requirements because that source has GHG emissions over the threshold that triggers PSD permits. That adds significant burden to permitting project applicants. For those reasons, Mr. Nazemi supports requiring best available control technologies from sources that are above the thresholds that require controls for GHG, but does not see the benefit of the administrative procedures, and possible delays associated with the environmental appeals boards, when the source’s main reason for requiring PSD permit is triggering GHG thresholds.

Mr. Santiago thanked Mr. Nazemi for his comment and invited Mr. Amar to speak.

Mr. Amar requested confirmation that the discussion of synthetic minors referred to federal synthetic minors, rather than state synthetic minor programs. Mr. Santiago confirmed that this was correct. Mr. Amar then referred to PALs and synthetic minors and asked if the EPA had proposed regulatory language for those two suggestions.

Mr. Santiago responded that the Step 3 Rule had proposed regulatory text for the synthetic minor piece. It did not have regulatory text included in the proposal for the PALs. Step 3 did have extensive discussion in the Preamble about the potential changes that EPA would be making if it were to finalize the PAL changes.

Mr. Amar referenced the discussion Mr. Paul started about the placement of the thresholds. He said that he looks at the number of sources covered, millions of sources or thousands of sources, and thinks that it is not just the number of permits for which states will be responsible, but the amount of additional CO_2 emissions to which they are applicable. Mr. Amar suggested considering the tonnage of CO_2 covered, in addition to the number of sources. When the thresholds go from 100 to 60, or 50 to 25, determine the cost-benefit for each increment. Is it worth it to go from 50 to 25?

Ms. Wood responded by saying that she understood the comments and wanted to remind the workgroup they are tasked with finding ways to streamline the permitting process to make it administratively feasible to go as low as possible toward the statutory threshold. It is not in the workgroup charge or the law for the workgroup to evaluate the thresholds. EPA needs the workgroup to inform the dialogue.

Ms. Wood commented that it was good to discuss the workgroup's charge to normalize the understanding about the goals of the group. EPA has completed Step 1 and Step 2 and is in the middle of Step 3. There is also a 5-year study being conducted. The workgroup will help to inform that study. Ms. Wood noted that EPA will share comments about the rulemaking, but needs the workgroup's independent thinking. The statutory thresholds are law and this workgroup should focus on what is feasible from a practical perspective. She encouraged the group to focus on evaluating the streamlining methods that could make permitting it more efficient and administratively feasible so that the thresholds could potentially be reduced in the future.

Mr. Nazemi asked if there could be some simplification or flexibility incorporated into issuing PSD permits so that an agency with an integrated program that issues a Title V permit for construction could replace a PSD permit with a Title V permit. Even though Title V has other administrative requirements, a Title V permit has fewer delays than a PSD permit.

James Capp, Georgia Environmental Protection Division (EPD), followed up on the discussion regarding the tension with the thresholds in the law. He asked why EPA would require a Title V permit based solely on GHG emissions if some sources are not subject to any applicable requirements for GHG emissions. If the threshold is lowered, some sources that are currently considered minor under Title V would be subject to Title V. Why should a Title V permit be

required if the source is not subject to any applicable requirement for GHG emissions? He suggested that EPA's definition of "empty permit" is a good concept but should be broadened. Congress did not originally intend these sources to be subject to Title V. Now, there is a new pollutant that could expand the universe, but the sources should not be required to get a permit until receiving actual applicable requirements.

Ms. Wood thanked Mr. Capp and responded that it was a great idea for the workgroup to consider. EPA is looking for ideas for streamlining techniques that fit into the model of high payoff and low impact. She asked if there were other approaches that make both common and policy sense and are also legally supportable. She suggested that Mr. Capp's idea could be further explored by a subpart of the workgroup.

Ms. Wiecks asked if it was possible to mix and match streamlining approaches across source categories or if it was necessary to be consistent across categories? For example, would it be possible to look at presumptive BACT for electric generating units (EGUs) and general permits for food and beverage, or is it necessary to remain consistent across source categories?

Mr. Santiago responded by stating that it makes sense to use varied approaches, depending on which is most appropriate for the source category. More than one streamlining method could be appropriate for the same category.

Mr. Paul followed up on this point by outlining several potential scenarios. He commented that, in Dayton, if the threshold went down to 25 tons and brought in commercial and residential sources, the value would be looked at. If a source does not require a control, he suggested using a permit by rule. A rule would be passed and the sources would check a box because there would be no value and controls would not be required. If there were value and controls or efficiency were required, but the values were standard across the industry, then a general permit could be used. For example, there would be a general permit for gas-fired boilers above 10 million BTU, with an agreement that tune-up would be conducted every two years. If there were a source category that was significant and there were control requirements, then individual permits would be appropriate. He noted that there can be different streamlining techniques used across categories.

Mr. Paul referenced Mr. Nazemi's comments and stated that there are several lines of thinking. The first line of thinking is through Title V permits. The group could look at what is involved with Title V permits and what could be streamlined. Mr. Paul noted PSD is much different. If you have a source brought into PSD because of GHG, all of a sudden, all of the criteria pollutants must be assessed and a BACT will be required. There might be a need to streamline PSD at current levels and there is certainly the possibility for streamlining if the levels go lower. Mr. Paul suggested Title V is less controversial.

Mr. Nazemi proposed that there are three types of permits that could be streamlined. The first is Title V permits for facilities that trigger the GHG threshold but have no requirements. He recommended an empty permit, or some other permit, for this scenario. The second group is for facilities that trigger GHG thresholds and have BACT requirements as a result of GHG emissions. Streamlining should be considered for those facilities (e.g., presumptive BACT). The

third type affects sources that trigger the major source definition due to greenhouse gas emissions and, as a result, bring in other requirements under PSD for other criteria pollutants. Mr. Nazemi asked if these sources should be given a Title V permit, PSD, or some other permit that is even more streamlined than Title V and avoids potential delays due to public hearings.

Ms. Turner brought up the issue of improving access to PALs. She remarked that PALs have been useful to streamline the amount of permitting required after getting the PAL, but that PALs are difficult to obtain upfront. She asked if there were ways to make it easier to get a PAL for GHG upfront, by acknowledging that the BACT is energy efficiency, for example, and then moving forward. She suggested adding streamlining of PALs, at least for GHG, to the agenda.

Tim Profeta followed up on the three categories that Mr. Nazemi outlined. He asked if it was a correct assumption that the majority of smaller sources would not have requirements that would come with a permit. If this assumption is correct, a large quantity of sources could be easily addressed using a streamlining technique like permit by rule or empty permit.

Ms. Wood responded by confirming her understanding of Mr. Profeta's comment. She said that, given the way Mr. Nazemi broke out the three permitting scenarios, there would be a category that would trigger only GHGs and would have a GHG BACT. For cases that do not result in much environmental benefit, the sources could be addressed with a permit by rule. The workgroup could further explore ways to address sources that are small in nature, but have a large volume of sources that come into the system.

Mr. Profeta confirmed Ms. Wood's understanding of his comment. Mr. Profeta reiterated that he wanted to test the embedded assumption that such a technique could work for the majority of sources to qualify as BACT or whatever the relevant permitting requirement would be. This technique could take care of a large category of sources.

Mr. Hellwig remarked that it is nearly impossible to look at residential, which is why a permit by rule is used. From a practical standpoint, it is not possible to get the money and the public would push back if something other than a permit by rule was used. Where it is only GHG, presumptive BACT would make sense for new sources, with periodic review. He mentioned that he has worked with industry on three or four PSD permits that had GHG BACTs. The first one was challenging, but the others were able to use ideas from the first to simplify the process.. The process became simple because industry can look at what others have done and adapt it to their facility. It seems to be working. Thus, there is a possibility for presumptive BACT with periodic review.

Mr. Hellwig continued by saying that, regarding Title V, where there are no requirements, , it is fine to use permit by rule. It does not make sense to require somebody to go through the paperwork and pay fees because it does not change anything. Meet the requirement, but do it by the rule.

Mr. Capp offered two streamlining ideas for the PSD program, which he described as interconnected and outside the box. With regard to presumptive BACT, rather than go through Step 5, go through Steps 1 through 4 presumptively.

Mr. Santiago asked if Mr. Capp was referring to the steps in the top-down approach when he said Steps 1 through 4.

Mr. Capp confirmed that he was referring to the top-down approach. He remarked that the statutory limitation with BACT is that the emission limit is determined case-by-case, taking into account energy, environmental, and economic considerations. Presumptively setting an emission limit is treacherous because it is not set on a case-by-case basis. However, Mr. Capp does not see a significant hurdle to presuming, for a natural gas-fired boiler, that the technology used will be energy efficient. Mr. Capp recommended not requiring an agency to analyze carbon capture and sequestration for a natural gas-fired boiler. Mr. Capp stated that his company received comments from EPA that said the analysis was deficient in Steps 1 and 2, where a theoretically available control technology was not identified and a technology that was technically feasible was not considered. He suggested identifying common source categories for which it would be possible to presumptively determine the technology to be used. EPA alludes to this in the GHG BACT guidance. For example, it will not be end-of-stack control but rather energy efficiency. If it is possible to agree in advance and jump to that point in the analysis, it will save the applicant time in preparation of the application and will save agencies time in review of the applications. He also suggested developing an emission limit that is representative of the maximum degree of reduction that is set on a case-by-case basis as a way to streamline BACT.

Mr. Capp proposed using a surrogate pollutant as an idea for streamlining. If a combustion source that emits GHG is subject to BACT, it is likely also subject to BACT for CO, NO_x, or SO_2 emissions, possibly. Using an output-based emission limit for NO_x captures the energy efficiency that would be gained by having a GHG limit. This would be analogous to EPA using CO, PM, or SO_2 as a surrogate for hazardous pollutants. EPA is doing that right now under the Industrial Boiler MACT.

Mr. Santiago thanked Mr. Capp and asked for any other ideas or comments.

Ms. Turner stated that her company is currently dealing with industry, but residential sites might get pulled into the system. She asked if it was feasible to say that residential heating units are excluded from permitting. Ms. Turner inquired it if would be possible to start at the level, given that many regulations apply to commercial and industrial sources and do not address residential.

Mr. Santiago responded that that is something that could be explored in the context of empty permits.

Mr. Capp followed up on Ms. Turner's comment with a question. He stated that his understanding was that EPA had the general authority under the Alabama Power Case to determine de minimis levels for which there is no environmental benefit from regulation. He asked if EPA could carve out a threshold under its existing legal authority to have de minimis thresholds.

Mr. Colman suggested that, instead of permitting residences, EPA work with suppliers of furnaces and boilers to have them certified or subject to permit by rule.

Ms. Wiecks commented the Minnesota Pollution Control Agency has been talking with industry about the economic feasibility of buying energy efficiency technology upfront. She suggested having a discussion about that.

Mr. Santiago responded by saying that the group could discuss the idea about purchasing equipment upfront, using a certification program, or something along those lines.

Mr. Hellwig followed up on Ms. Turner and Mr. Colman's comments. He offered the example of an indoor wood heater with a New Source Performance Standard (NSPS). If there were an NSPS presumptive BACT for gas furnaces or a certain size of furnace, such as small boilers, it could take pressure off of regulators. It could be done by rule, which would help with smaller sources. With an NSPS combination presumptive BACT, manufacturers could certify the equipment, which is similar to what is currently done with wood stoves.

Mr. Nazemi pointed out that in some regions sources are already permitted down to a low level. For example, natural gas-fired boilers of 2 million BTU/hour or greater are required to get a permit. He asked if local permits that are already issued for sources at low levels could be considered as meeting the necessary requirements for GHG whether there is a presumptive BACT or not. Then, even below those low levels, there would be a means of tracking emission sources through registration programs or filing.

Ursula Kramer brought up potential issues during the application process, when new small sources provide information. She remarked that she struggles with small companies that do not have environmental groups. Applications from large sources are usually straightforward, with relevant information. However, for new sources, including mom and pop sources, the environmental regulations are hard and the applications do not make much sense. It takes time to work with the applicants. She suggested looking at the application process, especially if residential sources are brought into the system. Permit by rule could help both reviewers and the people being regulated.

Mr. Colman identified one program that is successful in Massachusetts, called the Environmental Result Program, where smaller sources receive a workbook that explains in full language how to receive a certification of compliance. This program provides an example for medium to small sized facilities, like dry cleaners or auto body shops.

Ms. Kramer responded that such a program would be helpful. She also noted that, for some companies, English is not the primary language so communication issues become important. There are some language barriers. She talks with people who, in the abstract, know about the agency but are not familiar with the processes.

Mr. Santiago turned the discussion over to Mr. Nazemi to organize volunteers to focus on each discussion.

Mr. Nazemi referred to the original suggestion of having three groups of permits: those for facilities that trigger GHG thresholds but have no applicable requirements, those for facilities

that trigger GHG and might be subject to BACT whether presumptive or not, and those for facilities that trigger GHG and other criteria pollutants under PSD. He asked if there were any volunteers to take each of the three groups and put together some streamlining recommendations. He also noted that PALs could be of interest to sources that choose to approach the process voluntarily. He remarked that it could be a more interesting option if it could be streamlined. He asked if anybody in the room or on the phone wanted to start with one of the three groups or the discussion on PALs.

Kristi Smith said that she liked the construct. She asked to clarify that, under the category of permit that is largely Title V with no applicable requirements; the group would look at hollow permits and other ways to streamline Title V permitting. For presumptive BACT, she noted that there was discussion about GHG permits that would trigger presumptive BACT and that they were divided into ones for which BACT does not make a difference and others for which BACT could make a difference. She asked to confirm that these would be addressed by a permit by rule or general permit.

Mr. Nazemi confirmed Ms. Smith's understanding and elaborated that the second category had two subgroups, those that would use permit by rule and others that would trigger some type of presumptive BACT or general permit.

Howard Hoffman, USEPA OGC, asked a question regarding the last two categories: PSD permits that cover only GHGs and PSD permits that also cover conventional pollutants that get triggered because of significance levels. Would the two categories not have similar types of streamlining? He asked if PTE or presumptive BACT could apply to both. If so, he asked whether there should be different sets of people considering PTE, for example, or a single group.

Mr. Nazemi responded that there is a difference between the two categories because the last group does trigger analysis for other criteria pollutants, in addition to GHG, while the former category only triggers GHG analysis. There would be benefit to considering streamlining techniques for the permit that only requires GHG analysis, or BACT, versus the permit that now triggers analysis for other criteria pollutants, merely because the GHG emissions were above the threshold.

Ms. Duvall asked a question about the two categories that Mr. Nazemi described. Most of the larger sources that trigger GHG BACT analysis may also trigger criteria pollutants. The sources that trigger GHG BACT and only have GHG analysis would probably be smaller sources. She asked if this was a fair generalization. If so, she suggested thinking about having a single group focus on PSD and subgroups that focus on smaller, low value sources or larger, higher value sources.

Mr. Nazemi responded by suggesting that there is a distinct set of larger sources that trigger GHG thresholds but also other criteria pollutants only because of the GHG emissions. If the GHG emissions were not above the threshold, the other criteria pollutant emission increases would not have triggered PSD. He clarified that his focus was on the sources that, depending on thresholds in the future, may be subject to PSD because the GHG thresholds are triggered. The

sources would be looking at significant level of increase versus the major source threshold increase for other pollutants.

Mr. Paul explained that the reason there were not many volunteers was because the discussion was very technical and would likely require expertise outside the group. He mentioned that there would be an update on GHG permits in the afternoon session. He has been looking at GHG BACT comments. Each page of GHG BACT comments is just one of three pages of comments. There are two pages on BACT analysis for other pollutants that have suddenly been brought into the picture. He noted the expertise required is beyond what is in this room right now.

Mr. Santiago suggested that to move forward, EPA would defer to the group to split up the topics. As far as having expertise, the workgroup can bring in other people. He also suggested that the two groups should be kept separate but could talk to each other to see if they need to be merged. He agreed that there was a difference between the source group and the group of sources that are not subject today and will trigger other pollutants only as a result of triggering GHG. He recommended keeping the groups separate with the option of revisiting the organization in the future. Mr. Santiago acknowledged that there may be need for people to think through the issues more before volunteering for groups.

Mr. Paul volunteered for the PSD group.

Mr. Santiago also pointed out that there could be a subgroup to look at Title V sources and empty permits. EPA tries to distinguish in its rule between completely empty hollow permits and permits that would have SIP requirements that were not previously in the Title V permit. There may be the need to separate the two. He asked for volunteers for Title V.

Ms. Wiecks volunteered for the PSD group with Mr. Paul.

Ms. Duvall requested that descriptions be written for each of the three workgroups and subgroups before signing up volunteers. She expressed interest in a couple but was not sure of the workload.

Ms. Wood agreed that volunteers could sign up by email and that putting the descriptions on paper was a good idea. It would be possible to roughly sort the streamlining ideas to see if the same method falls under more than one group. She said that PTE might not fit anywhere but could be an overarching concept to consider.

Ms. Turner stated that the group is relatively small and it would be difficult to break up into small groups unless it was allowed to bring in extra resources for the subcommittees. She proposed that the whole group tackle each item one at a time.

Mr. Santiago expressed concern about timing. The workgroup has until October to complete the work. He thought that working as a whole group could jeopardize the group's success in finishing the work in time. He asked for clarification on Ms. Turner's comment regarding additional resources.

Ms. Turner responded by saying that she thought she could bring somebody in from the organization that she represents.

Mr. Santiago responded that he would expect the committee members to know other people that could help out.

Ms. Wood encouraged that, once the framework is sent out based on the day's discussion, the committee members think about the technical information needed to make an assessment or analysis of each particular topic area. She encouraged thinking about human resources. She said that it would be possible to dedicate a portion of a conference call for a presentation to give the group a common foundation. She wants to make sure that the committee has the resources and understanding that it needs.

Mr. Nazemi asked if the volunteers will have conference calls and report back to the bigger group during the every other week phone calls, or if the volunteers will take the lead on the every other week phone calls to discuss the items related to the approaches for each category. His concern about adding more people to the group is having more ideas that make it difficult to come to agreement.

Mr. Santiago responded that the subgroups would have conversations among themselves. The 90 minute bi-weekly calls serve to touch base with everybody and inform others of the work that the subgroups are doing. Subgroups will decide how often and lengthy their meetings will be.

Mr. Paul suggested that Mr. Santiago lead each subgroup. He thought it would be good if Mr. Santiago had a call with each set of volunteers to determine the potential issues before the next meeting. It would serve the workgroup well if the subgroups could identify issues and hint at solutions.

Mr. Santiago responded by noting that the committee has three co-chairs. If the committee broke up into three or four groups, the co-chairs could circulate.

Mr. Santiago confirmed the meeting notes would be sent out as soon as they were available. There would also be a framework for items that Mr. Nazemi identified, with a call for volunteers for the subgroups. Ms. Wood elaborated that the framework is to capture the current ideas, but, if there are things to be added, the workgroup can circle back and do that.

Mr. Nazemi suggested that at the next conference call a lead for each subgroup and the individual volunteers be identified. All three groups can come up with a matrix of the streamlining techniques that can apply to each category. Mr. Santiago followed up with the suggestion that the workgroup identify the subgroups and volunteers by email before the next meeting in May.

Ms. Turner asked if the members could send out other streamlining ideas to the whole subcommittee for consideration after reviewing the public comment documents.

Mr. Santiago confirmed that that would be appreciated. He thanked the committee members for their time and commented that the day's discussion was useful. He also reminded the group that there are other meetings scheduled and encouraged the members to contact him for information on the meeting schedule. He confirmed that the framework and call for volunteers will be sent out.

Mr. Santiago closed the meeting.

Clean Air Act Advisory Committee
April 24, 2012
Holiday Inn – Old Town Alexandria, VA

List of Participants

Praveen Amar	Clean Air Task Force (CATF)
James (Jac) Capp	Georgia Environmental Protection Division (EPD)
Pat Childers	United States Environmental Protection Agency (USEPA) Office of Air and Radiation (OAR)
Jim Colman*	USEPA
Natalene Cummings*	USEPA
Misti Duvall	National Association of Clean Air Agencies (NACAA)
David Foerter	Institute of Clean Air Companies (ICAC)/ Clean Strategies Group
Vince Hellwig	Michigan Department of Environmental Quality (DEQ)
Howard Hoffman	USEPA Office of General Council (OGC)
John Holmes*	CARB
Ursula Kramer*	Pima County DEQ
Mohsen Nazemi*	South Coast AQM District
John Palmer*	USEPA
John Paul	Regional Air Pollution Control Agency
Tim Profeta*	Duke University
Juan Santiago	USEPA
Helen Silver*	Clean Air Task Force
Kristi Smith*	USEPA
Mary Turner	Waste Management
Joy Wiecks	Fond du Lac Reservation
Anna Marie Wood	USEPA

* Indicates participated via telephone

List of Observers

Maria A. Amaya	University of Texas at El Paso
Shannon Maher Banaga	PSEG
John Campbell	Caterpillar
Kevin Culligan	USEPA
Stacey Davis	Center for Clean Air Policy
Howard Feldman	American Petroleum Institute
Deandrea Fuller	U.S. Department of Defense (USDOD)
Pam Giblin	Baker Botts
Carolyn Green	EnerGreen Capital Management
Kelley Green	Texas Cotton Ginners' Association
Bill Harnett	USEPA
Steve Hensley	USA Rice Federation
Susana Hildebrand	Texas Commission on Environmental Quality (TCEQ)
Dan Johnson	WESTAR
Gary Jones	Graphic Arts Technical Foundation
Rob Kaufmann	Koch Companies Public Sector
Jessica Montanez	USEPA
Jeff Muffat	3M Company
Liz Naess	USEPA
Julie Simpson	Nez Perce Tribe
Syndi Smallwood	Pechanga
Eddie Terrill	Oklahoma Department of Environmental Quality (DEQ)
Valerie Ughetta	Alliance Auto Manufacturers
Phillip Wakelyn	Texas Cotton Ginners' Association
John Walke	Natural Resources Defense Council (NRDC)
Jason Walker	NW Band of Shoshone Nation
Kathryn Watson	Improving Kids Environment