FLEXIBLE AIR PERMITS RULEMAKING

Briefing
for
Clean Air Act Advisory Committee
William Harnett, EPA
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Purpose

- Provide Background Information on Flexible Air Permit Pilots
- Discuss need for rulemaking on Flexible Air Permits

What Is A Flexible Air Permit?

- Permits that enable a source to make certain types of changes without requiring additional review or approval, provided the source meets the authorizing criteria contained in its permit. Changes can include:
  - Modification of existing equipment
  - Changes to a source's methods of operation
  - Addition of new equipment and/or emissions limits
  - Changes in raw materials used/use of pollution prevention
  - Changes in emissions factors or monitoring parameters
  - Modification or new pollution control equipment

Background

- Over last 12 years, OAR has worked in partnership with OPEI to develop a limited number of innovative air permits under current rules
- Draft WPN3 released for comment in August 2000
  - States OK if not mandatory
  - Industry supportive but wanted:
    - NO CEMS – equivalent monitoring
    - Close coordination with final NSR improvement rulemaking
  - Public Interest Groups were critical and concerned about legality of certain options
    - No need or basis for this policy
    - EPA must do rulemaking
- Detailed evaluation of pilots found substantial benefits
- Final NSR Improvement rulemaking established policy directions for PALs and flexible permits and these remain after recent decision from the D.C. Court of Appeals
- Current system without rulemaking still resistant to widespread use of flexible permitting approaches

Flexible Permits Are Beneficial

- Permitting Authorities
  - Significant administrative cost savings (2 - 3 year payback)
  - Enforceable permit with good monitoring
- Public
  - Although not required, additional emissions reductions (30 to 85% over the permit term)
  - Equivalent or greater information (longer term picture, more emissions points)
- Sources
  - Ability to make changes quickly in response to market
  - Significant administrative and opportunity cost savings

Case History: Lasco Bathware

- Source
  - Major emitter of VOC/styrene
  - Located in Yelm, WA with Mt. Rainer vistas
  - Needed more flexibility to reduce unit costs and improve product quality
- Olympic APCD
  - Held several public meetings in 1996 and 1997 (initial public meeting, environmental group meetings, public meeting on draft permit, public hearing)
  - Proactively notified community of meetings (fact sheets, newsletters)
  - Updated Board Members re status
- LASCO Permit
  - Reduced VOC emissions by 100 tpy (35%)
  - Allowed increase stack heights to reduce odors
  - Promoted increased pollution prevention
  - Reduced delays by up to 150 days per change
- Community Perceptions
  - Prior to permit, believed Lasco not a good neighbor (odor issues)
  - Strong concern voiced at initial public meeting
  - No adverse public comments on draft permit
  - Sierra Club wrote “Thank You” letter

Why Do Flexible Permitting Rulemaking?

- Pilots are not cost effective and rulemaking needed to facilitate mainstream use of flexible air permits
- Certain commenters on draft White Paper believed rulemaking was necessary
- Substantial cost savings and environmental benefits expected based on pilots study
- Assures necessary safeguards and promotes greater certainty in State and source actions