

**San Joaquin Valley Air Pollution Control District
Title V Operating Permit Program Evaluation**

FINAL REPORT

November 12, 2013

Conducted by the

U.S. Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, California 94105

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ACKNOWLEDGMENTS

EPA Region 9 would like to acknowledge the cooperation of the staff and management of the San Joaquin Valley Air Pollution Control District (SJVAPCD) during this title V program evaluation. We appreciate their willingness to respond to information requests and share their experiences regarding the development and implementation of SJVAPCD's title V program.

EXECUTIVE SUMMARY

In response to the 2002 Office of Inspector General (OIG) audit recommendations, the Environmental Protection Agency (EPA) has re-examined the ways it can improve state and local title V operating permit programs and expedite permit issuance. Specifically, EPA developed an action plan for performing program reviews of title V operating permit programs for each air pollution control agency beginning in fiscal year 2003. The purpose of the program evaluations is to identify good practices, document areas needing improvement, and learn how EPA can help the permitting agencies improve their performance.

EPA Region 9 oversees 43 separate air permitting authorities with approved title V programs (35 in California, three in Nevada, four in Arizona, and one in Hawaii). Because of the significant number of permitting authorities, Region 9 has committed to performing, on an annual basis, one comprehensive title V program evaluation of a permitting authority with 20 or more title V sources. This approach will cover about 85% of the title V sources in Region 9 once EPA completes evaluation of those programs.

Region 9 recently conducted a title V program evaluation of the San Joaquin Valley Air Pollution Control District (SJVAPCD or District). The District's jurisdiction includes eight counties in California's Central Valley: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and the San Joaquin Valley Air Basin portion of Kern County. (See Appendix A, Air Pollution Control Agencies in California.) This is the ninth title V program evaluation Region 9 has conducted. The first seven were conducted at permitting authorities in Arizona, Nevada, California, and Hawaii. The EPA Region 9 program evaluation team consisted of the following EPA personnel: Kerry Drake, Associate Director, Air Division; Gerardo Rios, Chief of the Air Permits Office; Ken Israels, Program Evaluation Advisor; Roger Kohn, SJVAPCD Program Evaluation Coordinator; and Geoffrey Glass, Roberto Gutierrez, Andrew Chew, Lisa Beckham, Omer Shalev, and Shirley Rivera, Air Permits Office Program Evaluation Team Members.

The evaluation was conducted in four stages. In the first stage, EPA sent SJVAPCD a questionnaire focusing on title V program implementation in preparation for the site visit at SJVAPCD's office. (See Appendix B, Title V Questionnaire and SJVAPCD Responses.) During the second stage of the program evaluation, Region 9 conducted a review of SJVAPCD's title V permit files maintained by EPA, including copies of permits, statements of basis, permit applications, and correspondence. The third stage of the program evaluation was site visits, which consisted of Region 9 representatives visiting the SJVAPCD offices in Fresno, Bakersfield, and Modesto to interview District staff and managers. The site visits took place October 22-26, 2012. The fourth stage of the program evaluation was follow-up and clarification of issues for completion of the draft report.

The eight counties within SJVAPCD's jurisdiction have a combined population of over 3.9 million.¹ SJVAPCD has 271 active title V sources, 240 of those sources have active permits

¹ This estimate is based on 2012 county population estimates from U.S. Census Bureau available on the internet at this URL: <http://quickfacts.census.gov/qfd/states/06000.html>. The eight counties are San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and Kern (western portion).

and the remaining 31 are in the process of being issued a title V operating permit. The majority of title V operating permit holders are power plants, oil production facilities, landfills, food processing plants, and various types of manufacturing facilities.

SJVAPCD, like many other air pollution control districts in California, has a local permitting program that includes the issuance of two types of permits. The Authority to Construct (ATC) permit, issued prior to construction of the source or emission unit, typically contains conditions required for the construction and initial operation of the source or emission unit. The ATC permit is converted to an operating permit, or Permit to Operate (PTO), after construction is completed and operation of the source or emission unit has commenced.

At the beginning of the implementation of the title V program in California, the California Air Resources Board (CARB) and many air districts in the State told EPA that the title V program was duplicative of the existing local programs, and did not always mesh well with these programs. In light of this, California (and other States) and EPA began a lengthy process to develop guidance on how best to implement the required federal title V program in states with existing, mature permitting programs. These discussions resulted in several implementation guidance documents, including two White Papers; *White Paper for Streamlined Development of Part 70 Permit Applications* and *White Paper Number 2 for Improved Implementation of The Part 70 Operating permits Program*.

The District benefits from experienced staff and management who successfully implement the title V program. SJVAPCD issues title V permits in a timely manner that are well-written and practically enforceable. All emission limits and other applicable requirements are included in the permits, and monitoring is sufficient to determine compliance with the emission limits. In addition to issuing timely permits that include all CAA applicable requirements, the District also excels in many other aspects of its title V program. SJVAPCD is thorough in its compliance activities, conducting unannounced inspections of every title V source annually and reviewing all compliance reports that sources submit. The District uses its website effectively to publish comprehensive and timely documentation of every title V permitting action.

However, we do see opportunities for improvement in certain areas:

- While the District implements the Compliance Assurance Monitoring (CAM) rule (40 C.F.R. Part 64), its permits do not consistently contain all of the required elements of CAM.
- The District's synthetic minor permits, which limit sources' potential to emit in order to avoid the requirement to obtain a major NSR or title V permit, are not consistently practically enforceable. This issue is compounded by the fact that the District needs to improve the capacity to track synthetic minor permits in its permits management database, as well as the fact that the District does not provide EPA and the public an opportunity to review and comment on proposed synthetic minor permits.
- Clearly discussing and adequately documenting all applicable requirements and permitting decisions, such as streamlining efforts, in the statements of basis of their title V permits.

- Finally, SJVAPCD is missing an opportunity to engage the entire impacted community by not translating public notices for draft title V permits into other languages, particularly Spanish, for sources that are located in areas with linguistically isolated populations.

Based on Region 9's program evaluation of SJVAPCD, some major findings are provided below:

1. The District has a quality assurance process for reviewing draft permits before they become available for public and EPA review. (Finding 2.1)
2. SJVAPCD statements of basis contain a considerable amount of useful information, but do not adequately document all decisions the District has made in the permitting process. (Finding 2.8)
3. The SJVAPCD permit issuance process allows the District to streamline the issuance of NSR and modified title V permits. (Finding 2.3)
4. SJVAPCD frequently streamlines overlapping applicable requirements in its title V permits, but should take steps so that the resulting conditions ensure compliance with all subsumed requirements. (Finding 2.9)
5. SJVAPCD implements the Compliance Assurance Monitoring rule but should take steps to include all required elements. (Finding 3.1)
6. SJVAPCD includes periodic monitoring in its permits when it is necessary to assure compliance with emission unit-specific opacity limits, but should take steps to include such monitoring for generally applicable opacity limits. (Finding 3.5)
7. The District incorporates appropriate performance and quality assurance requirements into permits for sources with CEMS. (Finding 3.4)
8. The District provides public notices and other meaningful information of its draft and final title V permitting actions on its website. (Finding 4.1)
9. Because the San Joaquin Valley contains a significant number of linguistically isolated communities, SJVAPCD should take steps to translate public notices for draft title V permits into other languages when appropriate. (Finding 4.4)
10. Although the District previously had long title V permit backlogs, the District now issues most initial and renewal permits in a timely manner. (Finding 5.1)
11. SJVAPCD should take steps to improve the practical enforceability of synthetic minor permits. (Finding 5.2)
12. SJVAPCD has an effective field enforcement program. (Finding 6.2)

13. The District has an effective electronic database for permits management. (Finding 7.2)

Our report provides a series of findings (in addition to those listed above) and recommendations that should be considered in addressing our findings. We have given SJVAPCD an opportunity to review these findings and to consider our recommendations in the context of their organization, priorities, and resources. In response to our report, as noted in the project workplan that outlines the process we followed in performing this evaluation, SJVAPCD should prepare and submit to EPA a workplan that outlines how it intends to address our findings. (See Appendix C, Workplan for SJVAPCD Title V Program Evaluation.)

1. INTRODUCTION

In 2000, the OIG initiated an evaluation on the progress of issuing title V permits by EPA and states due to concerns about the progress that state and local air pollution control agencies were making in issuing title V permits under the Clean Air Act (CAA or the Act). The purpose of OIG's evaluation was to identify factors delaying the issuance of title V permits by selected state and local agencies and to identify practices contributing to timely issuance of permits by those same agencies.

After reviewing several selected state and local air pollution control agencies, OIG issued a report on the progress of title V permit issuance by EPA and states.² In the report, OIG concluded that the key factors affecting the issuance of title V permits included (1) a lack of resources, complex EPA regulations, and conflicting priorities contributed to permit delays; (2) EPA oversight and technical assistance had little impact on issuing title V permits; and (3) state agency management support for the title V program, state agency and industry partnering, and permit writer site visits to facilities contributed to the progress that agencies made in issuing title V operating permits.

OIG's report provided several recommendations for EPA to improve title V programs and increase the issuance of title V permits. In response to OIG's recommendations, EPA made a commitment in July 2002 to carry out comprehensive title V program evaluations nationwide. The goals of these evaluations are to identify areas where EPA's oversight role can be improved, areas where air pollution control agencies are taking unique approaches that may benefit other agencies, and areas of local programs that need improvement. EPA's effort to perform title V program evaluations for each air pollution control agency began in fiscal year 2003.

EPA Region 9 oversees 43 separate air permitting authorities with approved title V programs (35 in California, three in Nevada, four in Arizona, and one in Hawaii). Due to the significant number of permitting authorities, Region 9 has committed to performing one comprehensive title V program evaluation every year of a permitting authority with 20 or more title V sources. This would represent about 85% of the title V sources in Region 9 once EPA completes evaluation of those programs.

History of Stationary Source Permitting in California

The State of California has been engaged in efforts to improve air quality for more than 60 years. The California Air Pollution Control Act of 1947 authorized the creation of an Air Pollution Control District in every county of the state. That same year, the Los Angeles County Air Pollution Control District, the first air agency in the nation and the predecessor of today's South Coast Air Quality Management District, was created. Los Angeles County APCD established the first permitting requirements for industrial sources of air pollution.

With the passage of the 1970 CAA amendments and subsequent amendments in 1977, the federal government provided the foundation for the current national strategy for reducing air

² See Report No. 2002-P-00008, Office of Inspector General Evaluation Report, AIR, EPA and State Progress In Issuing title V Permits, dated March 29, 2002.

pollution. The 1970 Act set national ambient air quality standards (NAAQS) for non-hazardous pollutants and made states responsible for attaining and implementing the standards via State Implementation Plans (SIP). In addition, the Act required ambient air quality modeling, transportation control measures, and new source review (NSR) programs that required new stationary sources of air pollution, and existing sources making significant modifications, to install control technology to reduce emissions.

The 1990 CAA amendments expanded the federal permitting requirements to add ozone nonattainment classifications (marginal, moderate, serious, severe, extreme), corresponding offset ratios for the NSR program, and the title V permit program for major stationary sources. The over-arching goal of the title V program is to improve major stationary source compliance with all applicable federal CAA requirements. This is achieved by requiring states to develop and implement federal operating permit programs pursuant to title V of the CAA, and sources to obtain title V permits containing all their applicable CAA requirements.

By this time SJVAPCD, like many other air pollution control districts in California, already had a permitting program in place that included the issuance of two types of permits. The ATC permit, issued prior to construction of the source or emission unit, typically contains conditions required for the construction and initial operation of the source or emission unit. The ATC permit is then converted to a PTO after construction is completed and operation of the source or emission unit had commenced. During the conversion from ATC to PTO, certain ATC permit conditions were not retained in the PTO if the ATC conditions were determined to be obsolete or irrelevant because they were construction related. Furthermore, since these operating permits are linked to fee payment and renewed annually, new permit conditions were added or revised each year as new rules became applicable. Unlike the new title V program, these local operating permits were not required to contain all CAA applicable requirements.

Soon after the federal title V permit program was created, CARB and many air districts in the State told EPA that the title V program was duplicative of the existing local programs, and did not always mesh well with these programs. In light of this, California (and other States) and EPA began a lengthy process to develop guidance on how best to implement the required federal title V program in states with existing, mature permitting programs. These discussions resulted in several implementation guidance documents, including two White Papers.

The first White Paper, *White Paper for Streamlined Development of Part 70 Permit Applications* developed nationally with input from CARB and California districts, addresses the development of Part 70 applications, and includes a discussion of federal enforceability, obsolete ATC permit conditions, and the simultaneous revision of NSR permits and issuance of title V permits.

California air districts and CARB, via the California title V Implementation Working Group, provided key leadership in the development of the second White Paper, *White Paper Number 2 for Improved Implementation of The Part 70 Operating Permits Program*. The districts were instrumental in raising and resolving many of the permitting issues that were arising in the state, such as the streamlining of multiple overlapping applicable requirements.

Other important topics that EPA and the California air districts discussed during this period included periodic monitoring and permit processing. These discussions resulted in the issuance of two additional implementation guidance documents specific to California Agencies. First, a guidance document was developed by EPA, CARB, and the California Air Pollution Control Officers' Association (CAPCOA), with SJVAPCD participation, in 1999 to provide periodic monitoring recommendations for generally applicable SIP emission limits. Also in 1999, EPA and CAPCOA reached agreement on several title V permit processing issues, including required statement of basis elements.

Chapters 2 through 8 of this report contain EPA's findings regarding implementation of the title V permit program by SJVAPCD. EPA believes that the history of collaborative efforts among EPA, CAPCOA, and CARB described above has resulted in clearer and more enforceable federal title V permits in California. EPA and air agencies in California and elsewhere may need to continue their dialog on the title V implementation issues discussed in this report.

Title V Program Evaluation at SJVAPCD

EPA Region 9 conducted a title V program evaluation of SJVAPCD. This is the eighth title V program evaluation Region 9 has conducted. The first seven were conducted at permitting authorities in Arizona, Nevada, California, and Hawaii. Kerry Drake, Associate Director, Air Division; Gerardo Rios, Chief of the Air Permits Office; Ken Israels, Program Evaluation Advisor; Roger Kohn, SJVAPCD Program Evaluation Coordinator; and Geoffrey Glass, Roberto Gutierrez, Andrew Chew, Lisa Beckham, Omer Shalev, and Shirley Rivera, Air Permits Office Program Evaluation Team Members.

The objectives of the evaluation were to assess how SJVAPCD implements its title V permitting program, evaluate the overall effectiveness of SJVAPCD's title V program, identify areas of SJVAPCD's title V program that need improvement, identify areas where EPA's oversight role can be improved, and highlight the unique and innovative aspects of SJVAPCD's program that may be beneficial to transfer to other permitting authorities. The evaluation was conducted in four stages. In the first stage, EPA sent SJVAPCD a questionnaire focusing on title V program implementation in preparation for the site visit to the SJVAPCD office. (See Appendix B, Title V Questionnaire and SJVAPCD Responses.) The title V questionnaire was developed by EPA nationally and covers the following program areas: (1) title V Permit Preparation and Content; (2) General Permits; (3) Monitoring; (4) Public Participation and Affected State Review; (5) Permit Issuance/Revision/Renewal Processes; (6) Compliance; (7) Resources & Internal Management Support; and (8) title V Benefits.

During the second stage of the program evaluation, Region 9 conducted an internal review of EPA's own set of SJVAPCD title V permit files. SJVAPCD submits title V permits to Region 9 in accordance with its EPA-approved title V program and the Part 70 regulations. Region 9 maintains title V permit files containing these permits along with copies of associated documents, permit applications, and correspondence.

The third stage of the program evaluation was the site visits, which consisted of Region 9 representatives visiting the SJVAPCD offices in Fresno, Bakersfield, and Modesto to conduct

further file reviews, interview SJVAPCD staff and managers, and review the District's permit-related databases. The purpose of the interviews was to confirm the responses in the completed questionnaire and to ask clarifying questions. The site visit took place October 22-26, 2012.

The fourth stage of the program evaluation was follow-up and clarification of issues for completion of the draft report. Region 9 compiled and summarized interview notes and made follow-up phone calls to clarify Region 9's understanding of various aspects of the title V program at SJVAPCD.

SJVAPCD Description

The SJVAPCD was originally formed in 1991-1992 by uniting the Valley's eight county environmental health agencies to form the Unified San Joaquin Valley Air Pollution Authority. The District's mission is "to improve the health and quality of life for all Valley residents through efficient, effective and entrepreneurial air quality-management strategies."³ SJVAPCD is organized into three departments: Permit Services, Compliance, and Administration.

Stationary source operating permits, including title V permits, are issued by Permit Services. Compliance and enforcement activities, such as facility inspections and source testing, and preparing enforcement cases are handled by Compliance.

The SJVAPCD Title V Program

EPA granted SJVAPCD title V program interim approval, which became effective on May 24, 1996, and full approval, which became effective on November 30, 2001. EPA also approved a program revision that became effective on January 1, 2004. (See 40 C.F.R. Part 70, Appendix A.)

Part 70, the federal regulation that contains the title V program requirements that states must incorporate into their own title V program, requires that a permitting authority take final action on each permit application within 18 months after receipt of a complete permit application. The only exception is that action on an application for a minor modification must be taken within 90 days after receipt of a complete permit application.⁴ SJVAPCD's local rules contain the same timeframes for title V permit issuance.

When SJVAPCD's title V program was first approved, the District estimated that there were approximately 276 sources that would be subject to title V permitting. Currently, there are approximately 271 sources. The District generally has sufficient permitting resources and processes title V permit applications in a timely manner.

EPA's Findings and Recommendations

The following sections each include a brief introduction, and a series of findings, discussions, and recommendations. The findings are grouped in the order of the program areas as

³ From Mission Statement posted on SJVAPCD website.

⁴ See 40 C.F.R. 70.7(a)(2) and 70.7(e)(2)(iv).

they appear in the title V questionnaire. However, this report does not include a section on General Permits, which is covered in the questionnaire, since SJVAPCD does not issue General Permits as part of its title V program.

The findings and recommendations in this report are based on EPA's internal file reviews performed prior to the site visit to SJVAPCD, the District's responses to the title V Questionnaire, interviews and file reviews conducted during the October 22-26, 2012 site visits, and follow-up phone calls made since the site visits.

2. PERMIT PREPARATION AND CONTENT

The purpose of this section is to evaluate the permitting authority's procedure for preparing title V permits. The requirements of title V of the CAA are codified in 40 C.F.R. Part 70. The terms "title V" and "Part 70" are used interchangeably in this report. Part 70 outlines the necessary elements of a title V permit application under 40 C.F.R. 70.5, and it specifies the requirements that must be included in each title V permit under 40 C.F.R. 70.6. Title V permits must include all applicable requirements, as well as necessary testing, monitoring, recordkeeping, and reporting requirements sufficient to ensure compliance with the terms and conditions of the permit.

2.1 Finding: The District has a quality assurance process for reviewing draft permits before they become available for public and EPA review.

Discussion: Draft permits undergo three levels of internal review before they become available for public and EPA review. They are reviewed by the Supervising Air Quality Engineer, the Permits Services Manager, and the Director of Permit Services. Permit Services Department sometimes forwards copies of draft permits to Compliance Department for additional review. The District also shares courtesy copies of draft permits with permittees, such that they may provide comments and corrections. As a whole, the internal review process helps ensure consistency and quality in the District's title V permits.

Recommendation: The District should continue its quality assurance practices.

2.2 Finding: The District maintains a large number of policy and guidance documents designed to help permit writers.

Discussion: The District maintains a large number of policy and guidance documents, including a subset the District refers to as "FYIs," to help permit writers. FYIs address permit processing procedures and are internal guidance. All policy documents are posted on its website.⁵

SJVAPCD has produced over 170 FYIs and policy documents that address technical, regulatory and policy matters related to the preparation of engineering evaluations and permits. More than 30 of these documents provide guidance on the implementation of the title V program. The District has periodically updated some of these documents. Topics include, but are not limited to, determining title V permit applicability (FYI-111, 7-10-07), preparing statements of basis (APR-1010, 7-13-11), processing administrative amendments (FYI-74), processing minor modifications (FYI-75), addressing CAM conditions (FYI-89 draft), and writing conditions for boilers that are subject to New Source Performance Standards (NSPS) (FYI-29). This is one of the most extensive collections of guidance documents maintained by any of the nine permitting authorities for which EPA Region 9 has conducted title V program evaluations.

⁵ http://www.valleyair.org/policies_per/policies_per_idx.htm

During interviews, permit writers expressed satisfaction with the content and quality of these documents. The District's practice of maintaining this collection helps ensure consistent quality in the preparation of statements of basis and title V permits.

Recommendation: The District should continue its practice of making title V guidance documents available to permit writers. EPA also recommends that the District develop a periodic review schedule to ensure that these documents contain current and accurate information, and work on finalizing guidance documents currently labeled as "draft". EPA can review updated documents to ensure accuracy and consistency with federal regulations and policy upon District request.

2.3 Finding: The SJVAPCD permit issuance process allows the District to streamline the issuance of NSR and modified title V permits.

Discussion: District Rule 2520 and 40 CFR 70.6 (d) allow permitting authorities to revise title V permits using the administrative permit amendment procedures when incorporating requirements from NSR permits, provided the NSR program meets procedural requirements substantially equivalent to what is required by part 70. Such an NSR program is often called "enhanced NSR." Under the administrative amendment procedure, the source may implement changes immediately and the authority is not required to allow for additional public participation.

When applying for ATC permits under the District NSR program, sources have the option of requesting that the District issue the permit via the Certificate of Conformity process (the District's method for implementing enhanced NSR), in which the District issues the NSR permit with all of the terms, conditions, and processes required for the title V permit. When the District issues the final ATC, it sends the source a Certificate of Conformity, which is the District's certification that the ATC was issued in conformity with the procedural requirements of Part 70. When construction is complete, the source then submits the Certificate of Conformity with a request to incorporate the applicable ATC requirements into the title V permit, which can then be processed quickly as an administrative amendment, since the changes have already undergone the required EPA and public review.

SJVAPCD uses the Certificate of Conformity process extensively in implementing its title V program. Over the past six years, the District estimates that it has processed 14% of its minor permit modifications and 83% of its significant title V permit modifications using the Certificate of Conformity process. This amounts to approximately 45 permit modifications per year using enhanced NSR. In its newspaper public notices, and letters to permittees and EPA when proposing and issuing ATC permits and modified title V permits and issuing administrative amendments of title V permits, the District clearly documents that it is using the Certificate of Conformity process to propose ATCs and title V permits at the same time. (See Appendix D, Examples of Certificate of Conformity Documentation, for examples of this documentation.)

Recommendation: EPA supports the District’s use of its Certificate of Conformity process to efficiently issue both NSR and title V permit modifications.

2.4 Finding: When sources submit applications for minor permit modifications, SJVAPCD does not ensure that applicants certify that the proposed modifications meet the title V minor modification criteria.

Discussion: There are three title V permit revision tracks in the title V program: administrative amendments, minor modifications, and significant modifications. Minor modifications do not require public notice, and for this reason the types of revisions eligible for treatment as minor permit modifications are restricted to those that do not trigger any of a defined set of minor modification gatekeepers. Examples of permit revisions that qualify as minor modifications include changes that do not increase the emissions of any air pollutant above the permitted emission limits, and permit revisions that do not involve a significant change to existing monitoring, reporting or recordkeeping requirements in the permit.⁶

The District processes minor title V permit revisions in three ways. The first is when a facility submits an application to modify its title V permit and NSR requirements are not triggered. In this case, the District reviews the proposed permit revision and adds, deletes or modifies existing conditions of the title V permit. The second way is when a facility has already obtained an ATC based on a proposed minor NSR permit action, in which case the District incorporates the applicable conditions from the ATC and adds any necessary conditions based on title V requirements. The third option is to follow a Certificate of Conformity process, in which the District uses the enhanced NSR process to simultaneously propose an ATC and a title V permit revision. (See Finding 2.3)

When applying for a minor modification, applicants are required to certify “that the proposed modification meets the criteria for use of minor permit modification procedures” (70.7(e)(2)(ii)(C), and SJVAPCD Rule 2520, subsection 11.4.2.3). However, in our review of minor modification applications submitted to the District, we found that SJVAPCD does not require applicants to certify that the proposed permit revision qualifies to be processed as a minor modification. Neither of SJVAPCD’s title V permit modification application forms (“Title V Modification”, TVFORM-008, and “Title V Modification – Compliance Certification Form”, TVFORM-009), address the certification requirement.

Recommendation: The District must require that all applicants for title V permit minor modifications certify that the proposed permit revision qualifies to be processed by the District as a minor modification. The District should revise both of its “Title V Modification” forms to explicitly include specific certification language making the applications easier to understand and provide a more distinct certification to satisfy this required program element.

⁶ For a complete list of permit revisions that qualify as minor permit modifications, see District Rule 2520, subparagraph 3.20, and 40 C.F.R. Part 70.7(e)(2)(i)(A).

2.5 Finding: SJVAPCD’s staff reported that while they are generally happy with the format of the District’s title V permits, the permits are lengthy.

Discussion: District title V permits consist of a title page that includes signatures and information that identifies the facility, a section containing facility-wide requirements, and one or more sections for each emission unit, which the District calls permit units. Each emission unit gets its own permit and identical units are not grouped together. The District does not categorize requirements by type (e.g. work practice standards, emission limits, monitoring), but simply includes all conditions in a numbered list.

During interviews, staff reported that they are generally happy with the District’s permit format, but some interviewees, in particular staff who perform inspections, pointed out that the permits are very long and could be reorganized and simplified to make them a more useful compliance tool.

Recommendation: SJVAPCD may consider grouping emission units subject to identical requirements together and grouping permit conditions by type of condition. Also, due to the length of the permits, the District should continue to investigate methods of making the permits clearer and easier to read.

2.6 Finding: SJVAPCD has not updated its title V application forms to require PM2.5 emission data.

Discussion: In 1997 EPA issued a new NAAQS for PM2.5 (particulate with a diameter of less than 2.5 microns). In 2004 EPA classified the SJV as non-attainment for PM2.5 and issued an implementation rule to instruct permitting authorities on how to update their NSR, Prevention of Significant Deterioration (PSD), and title V rules to implement PM2.5 requirements. EPA has promulgated a rule to include PM2.5 as a criteria pollutant and has designated several areas as being nonattainment. The entire San Joaquin Valley is classified as a PM2.5 nonattainment area and has a major source threshold of 100 tpy. 40 CFR 70.5(c)(3)(i) requires applications to include all NAAQS and HAP pollutants for which the source is major and “additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source.” In reviewing recent title V applications, we found that the District does not include or discuss PM2.5 emissions in its statement of basis for projects that involve changes in PTE. In fact, the District’s title V application form, “Title V Application - POTENTIAL EMISSIONS REPORT” (TVFORM-002) does not request PM2.5 emission information from the applicant. The District is required to address PM2.5 emissions with all new source applications as well as include PM2.5 emission data for any modifications or renewals submitted after the promulgation of the PM2.5 standard.

Recommendation: The District must update its title V application forms to provide for PM2.5 emission data.

2.7 Finding: Of the permits we reviewed, we found that although SJVAPCD statements of basis contained a considerable amount of useful information, the District did not adequately document certain decisions it made in the permitting process.

Discussion: Part 70 and SJVAPCD Rule 2520 (Federally Mandated Operating Permits require title V permitting authorities to provide “a statement that sets forth the legal and factual basis for the draft permit conditions” (40 C.F.R. § 70.7(a)(5)). The purpose of this requirement is to support the proposed title V permit with a discussion of the decision-making that went into the development of the permit and provide the permitting authority, the public, and EPA a record of the applicability determinations and technical issues surrounding the issuance of the permit. The statement of basis should document the regulatory and policy issues applicable to the source, and is an essential tool for conducting meaningful permit review.

In 1999, EPA Region 9 and the California air pollution control districts reached agreement on issues that should be addressed in statements of basis supporting proposed title V permits. This topic was addressed in a letter from Region 9 Permits Office Chief to the Chairperson of CAPCOA, dated February 19, 1999. (See Appendix E, February 19, 1999 EPA Letter to CAPCOA). The letter lists specific issues that, if applicable, should be addressed in statements of basis.

SJVAPCD includes some of the information identified in the CAPCOA agreement, in its statements of basis (which the District refers to as permit evaluations) for initial and renewal permits. For example:

- District statements of basis contain a section that discusses the applicability of CAM to potentially applicable emission units based on the criteria in 40 C.F.R. part 64. (See Finding 3.1.)
- When the District has updated a prohibitory rule and EPA has not yet updated the California SIP, the District demonstrates in its statements of basis how compliance with the current District rule will guarantee compliance with the SIP rule. The statement of basis for Pilkington Glass’s (Facility N-477) 2012 permit renewal, for example, compares the SIP and current District versions of District Rule 4354, Glass Melting Furnaces, and District Rule 4702, Internal Combustion Engines (Phase 2).
- When permits use the District’s optional umbrella template, the statement of basis explains which permit conditions provide the basis for the permit shield.
- District statements of basis list all federally enforceable requirements and states which ones the District has added to, removed from, or modified in the permit.
- District statements of basis list all state and local requirements included in the permit that are not federally enforceable.

- When a regulated source, members of the public, or EPA submits comments during the public review period, the District includes the received comments and District responses as an attachment to the statement of basis as part of its final permit issuance package.
- The District includes a list of all fee-eligible equipment as an attachment to the statement of basis.

There are several elements identified in the CAPCOA agreement that SJVAPCD does not include in its statements of basis. Although streamlining (see Finding 2.8) and periodic monitoring (see Finding 3.5) are common in District permits, SJVAPCD does not document these decisions in its statements of basis. SJVAPCD also does not document facilities' permitting histories or justify permit shields other than those originating in umbrella templates.

We note that although SJVAPCD includes thorough lists of applicable requirements in its statements of basis, documentation of the applicability or inapplicability of potentially applicable requirements is not consistent. For example, combustion turbines may be subject to NSPS GG, NSPS KKKK, and/or NESHAP YYYY. The statement of basis for Badger Creek Limited's permit renewal (Facility Number S-1250) addresses the applicability of NSPS GG and NSPS KKKK but not NESHAP YYYY. The statement of basis for Modesto Irrigation District's permit renewal (Facility Number N-3233) addresses all three. The statement of basis for Chevron Heavy Oil's permit renewal (Facility Number C-311) lists only NSPS GG as an applicable requirement but contains no discussion of non-applicability for NSPS KKKK or NESHAP YYYY.

While the District attaches a list of all fee-eligible equipment, the equipment list does not include all the information necessary to ensure all regulatory decisions were made correctly. The applicability of many standards depends on the date equipment was installed or modified, equipment capacity, and/or whether the facility is a major or area source of HAP. Although we have no reason to believe that SJVAPCD is making incorrect applicability determinations, our review found several instances in which the District's statements of basis did not contain enough information to understand how SJVAPCD made these determinations.

Recommendation: The District can improve their statements of basis by taking extra steps to ensure that every statement of basis adequately documents all permitting decisions, including streamlining determinations and periodic monitoring.

2.8 Finding: We found instances in which SJVAPCD streamlined overlapping applicable requirements, but the resulting conditions failed to ensure compliance with the subsumed requirements.

Discussion: Title V sources are frequently subject to multiple applicable requirements each with their own emission limits, monitoring, record keeping, or reporting

requirements, based on NESHAP, NSPS, SIP rules or NSR. EPA addressed this issue in guidance early in the development of the title V program.⁷ The guidance presented a step-by-step process for permit applicants to compare overlapping applicable requirements and streamline them into a single set of permit terms and conditions which ensure compliance with all underlying requirements.

When streamlining multiple emission limits, the permit must contain either the most stringent existing emission limit or a new “hybrid” emission limit that guarantees compliance with all subsumed emission limits, taking into account the units, averaging periods, and compliance methods associated with each limit. The permit must also contain monitoring, recordkeeping, and reporting requirements sufficient to assure compliance with the streamlined requirements. Permitting authorities must document streamlining decisions in the statement of basis in sufficient detail to demonstrate that compliance with all subsumed requirements is assured.

According to White Paper 2, permitting authorities must include citations to all subsumed requirements in the permit’s specification of the origin and authority of each streamlined condition. Furthermore, White Paper 2 specifies that subsumed permit terms should be covered by a permit shield providing that when the source complies with the streamlined requirements, the source will be considered to be in compliance with the subsumed requirements.

SJVAPCD’s written response to EPA’s title V questionnaire states that the District streamlines the requirements of District prohibitory rules and federal rules such as NSPS and Maximum Achievable Control Technology (MACT) standards, and that streamlining is very common in District permits. During our file review, we discovered that District and federal rules were often streamlined with SIP Rules and NSR permit conditions as well.

In most cases when there are multiple overlapping emission limits, SJVAPCD includes the most stringent limit in the permit. However, we found examples of problematic streamlining related to:

1. Averaging periods and/or units of measurement of streamlined limits
2. Incomplete or incorrect citations of subsumed requirements
3. Lack of an appropriate permit shield

We note that because we did not find any discussion of streamlining in the District’s statements of basis, the intentions of the permit writer were not always clear. We believe the following are examples of streamlining because of missing applicable requirements in the permit or multiple citations of origin and authority for certain conditions.

Averaging periods and units of measurement:

- The District often omits averaging periods from emission limits at combustion sources. For example, the NO_x limit for the gas-fired power plant turbine at Modesto

⁷ White Paper 2 for Improved Implementation of the Part 70 Operating Permits Program, March 5, 1996

Irrigation District (Facility N-3233) does not have an averaging period, nor do the NOx limits for three gas-fired turbines at the Chevron Heavy Oil Facility in Bakersfield (Facility C-311). The turbines at each facility are subject to NSPS Subpart GG, District Rule 4703, and NSR conditions.

- Pilkington North America (Facility N-3233) in Lathrop includes a glass melting furnace subject to District Rule 4354 and NSR conditions. The furnace PM10 limit in the title V renewal permit is the NSR limit of 30.0 pounds per hour, with no averaging period. The limit in Rule 4354 is stated in terms of pounds of PM10 (including condensables) per ton of glass produced, block 24-hour average. Because mass rate limits (e.g. pounds per hour) and production based limits (e.g. pounds per ton) are not directly comparable and often serve different purposes, streamlining these types of limits is not always possible and, in this case result in an emission limit which does not ensure compliance with the underlying SIP requirement.

Incomplete or incorrect citations:

- The gas-fired turbines at Modesto Irrigation District are subject to NOx limits originating in NSPS GG, District Rule 4703 and NSR conditions, but the permit only cites the District Rule and NSR NOx limit as the origin and authority for the streamlined limit. The NSPS NOx limit does not appear separately. Similarly, the turbines are subject to CO limits originating in District Rule 4703 and NSR conditions, but the permit only cites NSR as the origin and authority of the CO limit. The District Rule 4703 CO limit does not appear separately.
- The permit for Pilkington North America cites only NSR as the origin and authority of the PM limit for the glass melting furnace. The limit from the District Rule is not identified.

In addition to these streamlining issues in SJVAPCD title V permits, we also note that during our file review, we did not discover any examples of statements of basis that discuss streamlining. White Paper 2 states that documentation of streamlining should be included as part of the public record; and the CAPCOA Agreement lists streamlining decisions as required content in statements of basis. In most cases, we expect streamlining discussions in statements of basis to be fairly simple. In some cases, a more detailed discussion is required.

Streamlined monitoring, recordkeeping, and reporting (MRR) requirements and MRR requirements that assure compliance with subsumed emission limits must also be discussed in the statement of basis. For example:

- The renewal permit for the Chevron Heavy Oil Facility in Fresno County (Facility C-311) cites NSPS GG, District Rule 4703, and NSR as the origin and authority for the NOx limits for several combustion turbines. The permit establishes a required ratio of water to fuel (citing District Rule 4703, 6.2.5 as the origin and authority) and defines

excess emissions as any operating hour in which the fuel to water ratio falls below the established ratio (citing NSPS GG as the origin and authority). Because SJVAPCD does not discuss streamlining in its statement of basis, it is difficult to determine if the monitoring in the permit assures compliance with all limits.

By including streamlining analyses in statements of basis, the permitting authority provides a roadmap for permit writers, EPA, and the public to understand how compliance with a streamlined emission limit and set of MRR requirements will assure compliance with all subsumed applicable requirements. (See Finding 2.8 for additional information on District statements of basis, including the need to document all decisions the District has made in the permitting process.)

Recommendation: When streamlining multiple applicable requirements, SJVAPCD must adequately document streamlining determinations in title V statements of basis to ensure that the provisions in title V permits assure compliance with all subsumed requirements and to make streamlining decisions transparent to external reviewers. In addition, we recommend that permit writers review White Paper 2 and EPA Region 3 Permit Writer Tips on streamlining⁸ to become more familiar with EPA policy on streamlining and, to ensure it is implemented correctly.

⁸ The Region 3 tips are available on the internet at http://www.epa.gov/reg3artd/permitting/t5_streamlining.htm.

3. MONITORING

The purpose of this section is to evaluate the permitting authority's procedure for meeting title V monitoring requirements. Part 70 requires title V permits to include monitoring and related recordkeeping and reporting requirements. (See 40 C.F.R. 70.6(a)(3).) Each permit must contain monitoring and analytical procedures or test methods as required by applicable monitoring and testing requirements. Where the applicable requirement itself does not require periodic testing or monitoring, the permit has to contain periodic monitoring sufficient to yield reliable data from the relevant time period that is representative of the source's compliance with the permit. As necessary, permitting authorities must also include in title V permits requirements concerning the use, maintenance, and, where appropriate, installation of monitoring equipment or methods.

Title V permits must also contain recordkeeping for required monitoring and require that each title V source retain records of all required monitoring data and support information for a period of at least five years from the date of the monitoring sample, measurement, report, or application was made. With respect to reporting, permits must include all applicable reporting requirements and require (1) submittal of reports of any required monitoring at least every six months and (2) prompt reporting of any deviations from permit requirements. All required reports must be certified by a responsible official consistent with the requirements of 40 C.F.R. 70.5(d).

Title V permits must also include CAM provisions where CAM is required.⁹ In addition to periodic monitoring, permitting authorities are required to evaluate the applicability of CAM and include a CAM plan as appropriate. CAM applicability determinations are required either at permit renewal, or upon the submittal of an application for a significant title V permit revision. CAM requires a source to develop parametric monitoring for certain emission units with control devices, which may be in addition to any periodic monitoring, to assure compliance with applicable requirements.

3.1 **Finding:** SJVAPCD implements the Compliance Assurance Monitoring rule.

Discussion: The CAM regulations, codified in 40 C.F.R. Part 64, apply to title V sources with large emission units that rely on add-on control devices to comply with applicable requirements. The underlying principle, as stated in the preamble, is "to assure that the control measures, once installed or otherwise employed, are properly operated and maintained so that they do not deteriorate to the point where the owner or operator fails to remain in compliance with applicable requirements" (62 FR 54902, 10/22/97). Under the CAM approach, sources are responsible for proposing a CAM plan to the permitting authority that provides a reasonable assurance of compliance to provide a basis for certifying compliance with applicable requirements for pollutant-specific emission units (PSEU) with add-on control devices.

In interviews conducted during our site visit, it was clear that permit writers and managers understand the purpose of the CAM rule. Interviewees consistently displayed

⁹ See 40 CFR Part 64.

knowledge of CAM applicability and permit content requirements.

In its statements of basis that support title V permits, the District includes a section in which it addresses CAM applicability for all pollutants and every emission unit at the facility. The District generally explains applicability correctly and adds appropriate monitoring conditions to title V permits for sources with PSEUs subject to CAM.¹⁰ According to the District, at least 84 title V sources now have CAM monitoring requirements in their permits. Some of these sources have multiple PSEUs and therefore have more than one set of CAM conditions in their permits. Emission units subject to CAM include boilers, oil field steam generators, gas turbines, furnaces and silos at glass plants, biomass boilers, and can and coil coating operations. Examples of CAM in SJVAPCD permits include daily visible emission surveys of baghouses that trigger baghouse inspections for holes and tears if visible emissions are detected, continuous temperature monitoring for thermal oxidizers used to control VOC emissions, and daily monitoring and recording of engine O2 sensor output voltage to verify the required air/fuel ratio setting for engines that use selective non-catalytic reduction (SNCR) to control NOx emissions.

Some areas of the District's implementation of the CAM rule should be improved, as we explain in Findings 3.2 and 3.3.

Recommendation: The District should continue to implement the CAM rule as it processes permit renewals and significant modifications.

3.2 Finding: Of the permits we reviewed, we found sources subject to CAM that did not contain all the required elements of 40 C.F.R. Part 64.

Discussion: In our review of SJVAPCD title V permits for sources with PSEUs subject to CAM, we found instances in which the permits did not include certain required CAM permit content elements. In some cases, the required permit content is missing altogether, while in other cases the permit conditions lack the specificity needed to make them practically enforceable. We found four categories of conditions that are missing, or not adequately addressed:

- **Required compliance certification language missing:** Part 70 was revised when Part 64 was promulgated. One of the changes was to §70.6(c)(5)(iii), which now requires that annual compliance certifications “identify as possible exceptions to compliance any periods during which compliance is required and in which an excursion or exceedance as defined under part 64 of this chapter occurred.” The compliance certification conditions in the District permits with CAM conditions do not include this requirement.

¹⁰ In some cases, EPA has disagreed with the District's analysis concluding that CAM was not applicable, or stated that additional information was needed to determine CAM applicability. This typically occurred with vapor collection systems that the District analysis stated were not add-on control devices. See, for example, the permit renewals for Aera Energy (Facility ID S-1547, Project # S-1064899; and Facility ID S-1135, Project # S-1064857), and Chevron USA (Facility ID S-1141, Project # S-1054423).

Excursions not explicitly defined: Part 64 defines the terms “excursion” and “exceedance” and requires permitting authorities to define at least one of these terms in title V permits (40 C.F.R. 64.6(c)(2)). SJVAPCD includes permit conditions that require that control devices be operated within parameter ranges that have been identified in the CAM plan. For example, we reviewed permits that set minimum required temperatures for thermal oxidizers, and engine oxygen sensor output voltage ranges of 0.1 to 0.9 DC volts. However in these and other permits the District did not include conditions that specifically define as an excursion any period of time in which a control device does not operate within the required parameter range, e.g. at a temperature that is less than the required minimum (40 C.F.R. 64.6(c)(2)).

- **Lack of record-keeping conditions:** In title V permits with one or more PSEUs subject to CAM, the District includes a boilerplate condition requiring the source to “comply with the recordkeeping and reporting requirements of 40 C.F.R. Part 64.9.” However, §64.9 contains only generic requirements for sources to keep records of the required monitoring it conducts, and submit monitoring reports to the permitting authority in accordance with §70.6(a)(3). Since §64.9 does not contain control device-specific record-keeping conditions, there are no specific requirements to record the monitoring data required pursuant to the case-by-case CAM determination.
- **Parameter ranges established or reestablished through source through source testing not incorporated into title V permits with adequate specificity:** The CAM Regulations allow permitting authorities to establish or reestablish monitoring parameters as a result of source testing, provided the permit includes the specific procedures that will be used to establish that value and appropriate procedures to notify the permitting authority upon the establishment or reestablishment of the value.¹¹ The District occasionally uses the flexibility afforded by this provision, but did not always specify the procedures to be used to establish the monitoring parameter or include requirements to notify the District.¹²

Recommendation: The District must ensure that title V permits for sources with PSEUs subject to CAM contain all required elements of Part 64, including updated compliance certification language, definitions of excursions or exceedances, and specific record-keeping conditions associated with CAM monitoring in permits. When additional testing is required to determine a parameter range or value for CAM purposes, permit must include the specific procedures that will be used to establish that value and appropriate notice procedures for the owner or operator to notify the permitting authority upon any establishment or reestablishment of the value.

3.3 Finding: The District has not required sources subject to CAM to submit written CAM plans with their title V permit applications.

¹¹ 40 CFR 64.6(c)(2)

¹² See permits for Covanta Stanislaus (Permit Unit N-2073-1-10, Condition 112)

Discussion: In our interviews with SJVAPCD permit writers and managers, interviewees told us that the District does not require sources to submit CAM plans with their applications, as required by 40 C.F.R. 64.4. In addition, the District's renewal application form does not address the possibility of a required CAM plan. While some large sources with dedicated environmental staff have submitted CAM plans, the District's experience has generally been that sources do not address CAM applicability, or propose CAM plans if they are subject, in permit applications. Instead, if the District determines that CAM applies to one or more PSEUs at a facility, the District works with the source informally to educate the source on CAM applicability and requirements, and develop a monitoring approach that satisfies CAM.

As noted in Finding 3.1, sources are responsible for proposing a CAM plan to the permitting authority that provides a reasonable assurance of compliance to provide a basis for certifying compliance with applicable requirements for pollutant-specific emission units (PSEU) with add-on control devices. The District's practice of not requiring sources to submit written CAM plans with permit renewal applications is inconsistent with 40 C.F.R. Part 64 requirements.¹³

Recommendation: The District must ensure that title V permit applicants submit CAM plans before determining that the application is complete. The District should also revise its permit application forms to require permittees to state whether CAM applies to any emission units, and if so, to propose CAM plans for those emission units in their applications.

3.4 Finding: The District incorporates appropriate performance and quality assurance requirements into permits for sources with a Continuous Emissions Monitoring System (CEMS).

Discussion: The District's universe of title V sources includes many combustion sources that have installed continuous emission monitoring systems (CEMS) to monitor emissions. Sources that operate CEMS must meet certain performance specifications and quality assurance procedures, which are set forth in Appendices B and F of 40 C.F.R. Part 60. The Part 60 requirements ensure that CEMS are designed and installed properly, and produce quality data for use in compliance determinations.

During our file review, we verified that permits for sources required to operate CEMS pursuant to acid rain, Best Available Control Technology (BACT), or SIP RACT requirements incorporate the applicable Appendix B performance specifications regarding initial installation and operation of CEMS and Appendix F performance specifications regarding ongoing quality control and assurance of the installed CEMS. Examples include the title V permits for power plants (Madera Power, C-799-0; GWF

¹³ We also note that pursuant to 40 C.F.R. 64.6(d), if the District disapproves a source's CAM plan, or if a source has failed to include a CAM plan in its application, the District has the authority to issue permits that contain periodic monitoring that satisfies the requirements of § 70.6(a)(3)(i)(B), and compliance schedules that require permittees to submit monitoring that satisfies § 64.3 and 64.4 no later than 180 days from the date of issuance of the draft or final permit.

Energy - Henrietta, C-3929-0; and DTE Stockton, N645-0), glass plants (Guardian Industries, C-598-0 and Saint-Gobain Containers, C-801-0), and refineries (Alon Bakersfield Refining, S-34-0).

Recommendation: The District should continue to ensure that all permits for sources that operate CEMS to demonstrate compliance with federally enforceable emission limits contain the required NSR, District Rule, or Part 60 performance and quality assurance requirements, as applicable.

3.5 Finding: While SJVAPCD includes periodic monitoring in its permits when it is necessary to assure compliance with emission unit-specific opacity limits, the District rarely does so for generally applicable opacity limits.

Discussion: District Rule 2520, Subparagraph 9.3.2 and 40 C.F.R. 70.6(a)(3)(i)(B) require the permitting authority to include in permits “periodic monitoring, testing, or record keeping sufficient to determine compliance with an applicable requirement when the applicable requirement does not directly require such monitoring.” Adding such periodic monitoring, testing, or record keeping provisions in permits is called *gap filling*. Gap filling may be necessary when an applicable requirement does not require any monitoring, requires only an initial compliance demonstration, or requires insufficient monitoring. To be effective, gap filling should specify a compliance method, a frequency for conducting monitoring, and criteria indicating non-compliance or triggering further investigation.

During our file review, EPA discovered that the District generally does gap fill when there is no existing monitoring to assure compliance with opacity limits that are specific to a particular emission unit.

Some examples of periodic opacity monitoring that support unit-specific limits include:

- Dart Container, Facility N-257, Lodi, CA: Condition 14 that applies to permit expandable polystyrene processing operations (permit unit N-257-2-3) prohibits visible emissions from the bead handling systems, pre-expansion systems, and molding systems. The basis for this requirement is District Rule 2201, NSR. Condition 39, which is based on District Rule 2520, 9.4.2, (probably should be 9.3.2) requires daily visible emission inspections and specifies that Method 9 tests shall be conducted if corrective action does not eliminate visible emissions within 24 hours.
- Covanta Stanislaus, Facility N-2073, Crows Landing, CA: Condition 5 that applies to the power generation system (permit unit N-2073-10-1) prohibits visible emissions from locations other than designated vents on refuse receiving, processing and storage buildings and requires quarterly inspections when high emissions are expected, e.g. during high winds. The basis for this requirement is District Rule 2520, 9.3.2 and NSR. (However, we note that there is no required action if visible emissions are detected.)

- At the same unit at Covanta Stanislaus: Condition 8 requires mitigation of emissions from ash handling and prescribes annual inspections of the enclosure and repair as needed. The basis for this condition is also District Rule 2520, 9.3.2 and NSR.
- JR Simplot, Facility C-705, Helm, CA: Condition 8 that applies to the nitric acid plant (permit unit C-705-3-4) limits visible emissions to less than 10 percent opacity, except during periods of startup, shutdown, or malfunction. The basis for the requirement is 40 C.F.R. 60.72(a), Standards of Performance for Nitric Acid Plants, and 40 C.F.R. 60.11(c), from the general provisions of part 60. Condition 13, which is based on District Rule 2520, 9.4.2, (probably should be 9.3.2) requires weekly visible emission inspections and specifies that Method 9 tests shall be conducted if corrective action does not eliminate visible emissions within 24 hours.

SJVAPCD's SIP includes Rule 4101, Visible Emissions, which applies a visible emissions limit of Ringelmann Number 1 (equivalent to 20 percent opacity) to nearly all emission units, including insignificant emission units. The District often includes conditions based on Rule 4101 in the facility-wide section of title V permits. Rule 4101 specifies test methods, but not a frequency for conducting ongoing monitoring, so the District must gap fill in title V permits when Rule 4101 is an applicable requirement. The District could do this by adding additional conditions to the facility-wide section of title V permits requiring visual surveys of the entire facility and by adding conditions to unit-specific sections of title V permits when existing monitoring is inadequate.¹⁴

Of the three permits described above, only the permit for JR Simplot includes periodic opacity monitoring for some of the units that are only subject to general opacity limits. None of them require visual surveys of the entire facility.

- Dart Container: In addition to the expandable polystyrene processing operations, other permitted units include two boilers that combust natural gas, with #2 fuel oil as an emergency fuel. There are no opacity monitoring requirements for the boilers.
- Covanta Stanislaus: In addition to the power generation system, the facility includes a diesel-fired fire pump engine. There are no opacity monitoring requirements for the engine.
- JR Simplot: Four permit units subject only to general opacity limits have conditions requiring periodic opacity monitoring. The permit requires quarterly visible emissions inspections of the calcium ammonium nitrate plant (permit unit C-705-4-5) and the liquid ammonium phosphate plant (permit unit C-705-5-4) and specifies that Method 9 tests shall be conducted if corrective action does not eliminate visible emissions within 24 hours. The permit also requires annual inspections of two dry fertilizer storage and unloading operations (permit units C-705-11-2 and C-705-12-2) and a urea shed (permit unit C-705-13-2) for evidence of particulate matter leaks and repair

¹⁴ For units that are unlikely to have visible emissions, such as units that combust only natural gas, additional opacity monitoring beyond facility-wide scans may not be necessary.

as needed. The permit does not require periodic opacity monitoring of other units, including a boiler, emergency engines, and an ammonium nitrate plant controlled by a wet scrubber.

Other examples of permit units where periodic opacity monitoring is absent but may be appropriate include:

- Modern Welding, Facility C-847, Fresno, CA: Permit units at the facility include abrasive blasting controlled by a baghouse (permit unit C-847-1-3) and tank coating controlled by fabric filters (permit unit C-847-3-4). The permit does require “appropriate action” to be taken when excessive visible emissions are observed from abrasive blasting but does not require the permittee to perform any visible emissions observations.
- Baker Commodities, Facility C-72, Kerman, CA: The facility includes an animal rendering operation subject to District Rule 4101. The permit does not require any periodic monitoring.

We also note that we did not discover any permits that required periodic visible emissions surveys of the entire facility. Because District Rule 4101 applies to nearly all equipment and activities, including activities not identified in title V permits, the requirement for such surveys should be included in all title V permits.

Recommendation: SJVAPCD should continue to add periodic opacity monitoring in permits where underlying requirements do not include monitoring necessary to assure compliance with unit-specific opacity limits. In addition, SJVAPCD must add monitoring requirements when necessary to assure compliance with generally applicable opacity limits. This type of requirement could be included in the facility wide portion of the title V permit.

3.6 Finding: SJVAPCD title V permits contain appropriate monitoring for VOC-emitting equipment.

Discussion: Permitting authorities whose jurisdictions include nonattainment areas must develop Reasonably Available Control Technology (RACT) regulations as part of their strategies to attain the NAAQS. The San Joaquin Valley is currently designated as a nonattainment area under the 8-hour ozone standard, and has historically been designated as a nonattainment area under the 1-hour ozone standard. Therefore SJVAPCD has had to submit VOC RACT rules to EPA for approval into the SIP for a number of years. In developing RACT rules, permitting authorities rely on EPA’s Control Technique Guideline documents, which establish levels of emission control that are reasonably available. EPA evaluates such submittals using our Bluebook and Little Bluebook to determine compliance with the CAA §110(a)(2)(A) requirement for enforceability.¹⁵

¹⁵ Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations, EPA, May 25, 1988; and Guidance Document for Correcting Common VOC & Other Rule Deficiencies, EPA Region 9, August 21, 2001, respectively.

Permitting authorities use these documents to develop RACT rules with adequate monitoring, record-keeping, and reporting to ensure SIP approval.

The District followed this process to develop many of the rules in its Regulation IV, Prohibitions. EPA approved many of these rules in recent years (2001 and later), and they cover a variety of types of operations, including architectural coatings, solvent and surface coating operations, and process vessel depressurization. While EPA did not conduct an extensive review of the SIP-approved rules in Regulation IV as a part of this title V program evaluation, we believe that these rules generally contain the monitoring, record-keeping, and reporting required by the Bluebook and are sufficient to meet title V requirements.¹⁶

The District incorporates these SIP rules into its title V permits, which provides a high degree of assurance that the monitoring for VOC emission limits is appropriate.

Recommendation: EPA has no recommendation for this finding.

¹⁶ One exception is record retention. Title V permits require sources to maintain records for five years. The five year requirement is generally longer than what most SIP rules require.

4. PUBLIC PARTICIPATION AND AFFECTED STATE REVIEW

This section examines SJVAPCD procedures used to meet public participation requirements for title V permit issuance. The federal title V public participation requirements are found in 40 C.F.R. 70.7(h). Title V public participation procedures apply to initial permit issuance, significant permit modifications, and permit renewals. Adequate public participation procedures must provide for public notice including an opportunity for public comment and public hearing on the proposed permit, permit modification, or renewal. Proposed permit actions must be noticed in a newspaper of general circulation or a State publication designed to give general public notice; to persons on a mailing list developed by the permitting authority, to those persons that have requested in writing to be on the mailing list; and by other means necessary to assure adequate notice to the affected public.

The public notice should, at a minimum, identify the affected facility; the name and address of the permitting authority processing the permit; the activity or activities involved in the permit action; the emissions change involved in any permit modification; the name, address, and telephone number of a person from whom interested persons may obtain additional information, including copies of the draft permit, the application, all relevant supporting materials, and all other materials available to the permitting authority that are relevant to the permit decision; a brief description of the required comment procedures; and the time and place of any hearing that may be held, including procedures to request a hearing. (See 40 C.F.R. 70.7(h)(2).)

The permitting authority must keep a record of the public comments and of the issues raised during the public participation process so that EPA may fulfill the Agency's obligation under section 505(b)(2) of the Act to determine whether a citizen petition may be granted. The public petition process, 40 C.F.R. 70.8(d), allows any person who has objected to permit issuance during the public comment period to petition the EPA to object to a title V permit if EPA does not object to the permit in writing as provided under 40 C.F.R. 70.8(c). Public petitions to object to a title V permit must be submitted to EPA within 60 days after the expiration of the EPA 45-day review period. Any petition submitted to EPA must be based only on comments regarding the permit that were raised during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such objections within such period, or unless the grounds for such objection arose after such period.

4.1: Finding: The District provides public notices and other meaningful information of its draft and final title V permitting actions on its website.

Discussion: The District posts on its website public notice packages that typically contain newspaper notices, draft permits, and statements of basis. The District also posts final permits on its website.

A permitting authority's website is a powerful tool to make title V information available to the general public. Information which is useful for the public review process can result in a more informed community and, consequently, increase public accessibility during comment periods. Based on our own experience with the EPA Region 9 website as well as what we have seen on other permitting authorities' websites, we believe it useful to

post both draft and final title V permits, the statement of basis, the public notice itself, and responses to any public comments submitted during the comment period.

We recognize the District's efforts to include helpful information such as deadlines for public comment, staff contact information for each permitting action, responses to comments (if comments were submitted), final permit issuance dates, and general information about the title V program. Also, we understand that the District is planning to further increase accessibility by upgrading its website to add a database utility that will make searching for permits easier and more reliable.¹⁷

As of early 2013, the District has established a list-serve for members of the public to receive notices (English or Spanish) for specific facilities or all notices within a region or the entire District. SJVAPCD has also committed to translate all public notices into Spanish and post to their website. (See Finding 4.4.)

Recommendation: We encourage the District to continue posting title V documents on its website, and consider improvements to further enhance public access to these documents.

4.2: Finding: The District's draft and final permit packages do not inform the public of the right to petition the EPA Administrator to object to a title V permit.

Discussion: 40 C.F.R. § 70.8(d) and Section 11.1.12 of District Rule 2520 provide that any person may petition the EPA Administrator, within 60 days of the expiration of EPA's 45-day review period, to object to a title V permit. The petition must be based only on objections that were raised with reasonable specificity during the public comment period.¹⁸

Although the District informs the public of the right to petition on its website, it does not provide this information or the timeframe for petitions to be filed, in the draft and final public notice packages (which contain draft or final title V permits, statements of basis, and correspondence) that it sends to interested parties when proposing or issuing a title V permit.¹⁹ While doing so is not required by Part 70, we believe that it is good practice to provide this information in public notices when draft or final permits become available, rather than relying exclusively on webpage content that is not specifically tied to a title V permitting action.

Recommendation: The District should add language to each of its draft and final permit packages to notify the public of the right to petition within 60 days from the EPA's 45-day review period and the procedures for exercising this right.²⁰

¹⁷ The District posts scanned images which are not searchable. We prefer text-based PDF documents for their smaller file sizes and searchable text.

¹⁸ An exception applies when the petitioner demonstrates that it was impracticable to raise those objections during the public comment period or that the grounds for objection arose after that period.

¹⁹ <http://www.valleyair.org/busind/pto/titlev.htm>

²⁰ <http://www.epa.gov/oar/oaqps/permits/partic/proof1.pdf#page=108>

4.3 Finding: The San Joaquin Valley contains a significant number of linguistically isolated communities. In early 2013, the SJVAPCD began consistently translating public notices for draft title V permits into Spanish.

Discussion: At the start of this evaluation process in late 2012, EPA reviewed over 500 title V public notices issued by the District over the past several years, and found that the District rarely translated title V public notices into languages such as Spanish or Hmong. In 2009 an environmental justice group filed a title VI complaint with EPA alleging that the District did not include the community of Avenal in meaningful public involvement.²¹ ²² In February of 2013, SJVAPCD resolved this title VI complaint by entering into a settlement agreement²³ in which the District committed to providing, among other things, translation of notices that contain information about the opportunity to provide public comment on a proposal. As of early 2013, the District has begun translating all public notices into Spanish and posting them on their website.

We also note that the District is willing to translate permit documents upon request. In several interviews, District staff were familiar with the translation resources available including dedicated staff available to provide translation services, answer phone calls and respond to questions from the public. While SJVAPCD is also dedicated to providing outreach on air related issues by translating information on their many programs such as *Healthy Air Living* and *Check Before You Burn* into Spanish and Hmong, the SJVAPCD website does not have any title V permitting information in those languages.

Recommendation: We commend San Joaquin Valley for committing to translate all public notices for draft title V permits into Spanish. The District should assess the demographics of other linguistically isolated communities located in the valley and translate public notices as appropriate so that the public has a better understanding of how emissions from title V sources may be affecting their communities. Additionally, the District should consider posting general information about their title V program on both their Spanish and Hmong web pages.

²¹ See Appendix F for map of linguistically isolated households in the San Joaquin Valley based on 2010 census data. See also Appendix G for a map of linguistically isolated communities living within a 15, 25 and 50 km radius of the proposed Avenal Energy Project, taken from EPA's 2011 Environmental Justice Analysis. At 15 km the linguistic isolation is 34%, compared to the state average of 10%.

²² EPA Office of Civil Rights title VI website (<http://www.epa.gov/civilrights/extcom.htm>) contains more information on title VI complaints.

²³ A copy of the settlement agreement is located on the EPA website: <http://www.epa.gov/civilrights/TitleVICases/index.html>

5. PERMIT ISSUANCE / REVISION / RENEWAL

This section focuses on the permitting authority's progress in issuing initial title V permits and the District's ability to issue timely permit renewals and revisions consistent with the regulatory requirements for permit processing and issuance. Part 70 sets deadlines for permitting authorities to issue all initial title V permits. EPA, as an oversight agency, is charged with ensuring that these deadlines are met as well as ensuring that permits are issued consistent with title V requirements. Part 70 describes the required title V program procedures for permit issuance, revision, and renewal of title V permits. Specifically, 40 C.F.R. 70.7 requires that a permitting authority take final action on each permit application within 18 months after receipt of a complete permit application, except that action must be taken on an application for a minor modification within 90 days after receipt of a complete permit application.²⁴

5.1 Finding: Although the District previously had significant title V permit backlogs, the District now issues most initial and renewal permits in a timely manner.

Discussion: With SJVAPCD's large title V source universe (294, as of the date of this draft report), and the need to issue ATCs to authorize construction of new or modified emission units, the District historically tended to focus on NSR permitting. As a result, the District typically had a backlog of title V initial and renewal permits. However, starting in the 2009-2010 timeframe, District management made a commitment to issue title V permits in a more timely fashion.

As a result of this prioritization of title V permitting, the District now rarely exceeds the 18-month deadline for processing applications for initial and renewal applications. In the 12-month period ending on March 31, 2013, the District issued 56 initial permits and eight renewals, with no permit taking longer than 18 months to issue from the date of complete application receipt. Also, as of March 31, 2013, the District has only three "extended" permits.²⁵

Recommendation: The District should continue processing title V permits in a timely manner.

5.2 Finding: The District should improve their synthetic minor permits.

Discussion: A source that would otherwise have the potential to emit a given pollutant that exceeds major source threshold for that pollutant can accept a voluntary limit (a "synthetic minor" limit) to limit its PTE below the applicable threshold and avoid the requirement to obtain a major NSR or title V permit. The most common way for sources to establish such a limit is to obtain a synthetic minor permit from the local permitting authority.

²⁴ See 40 C.F.R. 70.7(a)(2) and 70.7(e)(2)(iv).

²⁵ When a title V source submits a timely and complete renewal application, the terms of its current permit remain in effect even if the five year permit term of the permit expires before the permitting authority has issued a renewal. EPA refers to such permits as "extended" permits.

Synthetic minor limits must be both legally enforceable and enforceable as a practical matter.²⁶ According to EPA guidance, for emission limits in a permit to be practically enforceable, the permit provisions must specify: 1) a technically-accurate limitation and the portions of the source subject to the limitation; 2) the time period for the limitation; and 3) the method to determine compliance, including appropriate monitoring, record keeping, and reporting.²⁷

We reviewed eight synthetic minor permits for facilities that took voluntary limits on VOC emissions to avoid being classified as title V major sources as a result of the most recent ozone non-attainment status reclassification and discovered several types of emissions limits that are not enforceable as a practical matter.²⁸ The most common problem we discovered in the synthetic minor permits we reviewed is an emission limit that has a very narrow margin between the permitted limit and the major source threshold. For example, the California Army National Guard facility in Fresno (C-218), Stuart David Inc. (N-3106), Designed Mobile Systems (N-4422), and Wood Connection Inc. (N-3999) have VOC synthetic minor limits of 19,999 pounds per year. This limit is a mere one pound below the 10 ton per year major source threshold for VOC in the San Joaquin air basin. WestCo Iron Works (N-3987) and the Bakersfield Californian (S-1436) have VOC synthetic minor limits of 54.7 pounds per day, which results in a legally enforceable limit of 19,965.5 pounds per year, which is only 35 pounds below the major source threshold. Synthetic minor limits should be set with an adequate margin between the relevant threshold and the limit in order to account for uncertainties of measurement, emissions from unpermitted activities, variability in emission rates, and excess emissions during startup, shutdown, or malfunction. In setting the synthetic minor limit, relevant factors include the certainty of the compliance method, emission rate and the likelihood of unaccounted emissions.

We identified other problems with synthetic minor limits in District permits. The synthetic minor permit for the California Army National Guard facility in Fresno limits VOC emissions to no more than 19,999 pounds in any one year, but does not include any short term or rolling limits. The EPA guidance previously cited (Hunt and Seitz, 1989) established that emission limits must be either short term limits or rolling limits verified on a monthly or more frequent basis. Verifying compliance with synthetic minor limits at least monthly ensures that enforcing agencies do not have to wait for extended periods to establish a continuing violation and allows regulated sources to recognize potential future violations early enough to take corrective action.

Synthetic minor permits that limit VOC emissions from coating, printing, and other evaporative emissions sources generally require the permittee to keep records of materials used and VOC content and to use this information to calculate daily or monthly

²⁶ *Guidance on Limiting Potential to Emit in New Source Review Permitting*, Memorandum from Terrell E. Hunt and John S. Seitz, June 13, 1989.

²⁷ *Options for Limiting the Potential to Emit of a Stationary Source under Section 112 and Title V of the Clean Air Act*, Memorandum from John S. Seitz and Robert I. Van Heuvelen, January 25, 1995.

²⁸ Effective June 4, 2010, EPA reclassified the San Joaquin Valley nonattainment area for the 1997 8-hour ozone national ambient air quality standard from serious to extreme, lowering the title V major source threshold from 50 tons per year to 10 tons per year for NO_x and VOC. (75 FR 24409, May 5, 2010)

VOC emissions. This is what the District typically requires. However several permits, including those for the California Army National Guard facility in Fresno and the Bakersfield Californian, require the permittee to maintain records but do not require the source to track cumulative emissions or verify compliance with the limit.

Recommendation: The District must ensure that new synthetic minor permits contain practically enforceable limits and older permits, which do not conform to EPA guidance, must be updated by the time of permit renewal or modification. In addition, the District should develop a plan to assure all permits conform to EPA guidance standards.

5.3 Finding: The District does not provide EPA and the public an opportunity to review and comment on proposed synthetic minor permits.

Discussion: The District does not send proposed synthetic minor permits to EPA for review and comment because District rules pertaining to notice and review of NSR permits only apply to new sources and modifications that result in emissions above certain thresholds. Nevertheless, we believe it is appropriate for EPA and the public to have the opportunity to review the proposed permit conditions to determine if the emission limitations are technically accurate and practically enforceable, thus allowing sources to appropriately avoid title V permit requirements. (See Finding 5.2.)

Recommendation: SJVAPCD should provide EPA and the public the opportunity to review and comment on proposed synthetic minor permits. Therefore, EPA recommends the District consider revising the appropriate regulation in the future to require such noticing.

5.4 Finding: District Rule 2530 allows major sources to voluntarily limit potential to emit in order to legitimately avoid the requirement to obtain title V permits.

Discussion: District Rule 2530 allows sources to avoid the requirement to obtain a title V permit by maintaining actual emissions of regulated pollutants below certain thresholds or by complying with operational limits for common source types such as gas stations, paint booths, and emergency generators. Compliance with these limits results in emissions no greater than 50 percent of the title V major source threshold for any regulated pollutant.

Rule 2530 contains monitoring, recordkeeping, and reporting requirements and requires sources to verify compliance at least monthly using approved methods. EPA reviewed practical enforceability of Rule 2530 when we last approved it into the California SIP on May 11, 2010 (75 FR 26102). Including the rule in the SIP also makes it legally enforceable not only by the District, but also by EPA and the public.

This rule has the practical benefit of allowing common source types, which would likely emit well below the title V thresholds, to legally avoid the requirement to obtain a title V permit without the District having to expend resources writing source-specific synthetic

minor permits. According to the District, approximately 120 sources currently avoid the requirement to obtain a title V permit by complying with this rule. The District issues PTOs that reference this rule and include monitoring, recordkeeping, and reporting requirements from the rule.

Recommendation: SJVAPCD should continue to ensure that District Rule 2530 remains a legally and practically enforceable alternative to the requirement to obtain a title V permit.

6. COMPLIANCE

This section addresses SJVAPCD practices and procedures for issuing title V permits that ensure permittee compliance with all applicable requirements. Title V permits must contain sufficient requirements to allow the permitting authority, EPA, and the general public to adequately determine whether the permittee complies with all applicable requirements.

Compliance is a central priority for the title V permit program. Compliance assures a level playing field and prevents a permittee from gaining an unfair economic advantage over its competitors who comply with the law. Adequate conditions in a title V permit that assure compliance with all applicable requirements also result in greater confidence in the permitting authority's title V program within both the general public and the regulated community.

6.1 Finding: The District performs full compliance evaluations of all title V sources on an annual basis.

Discussion: According to EPA's 2010 *Clean Air Act Stationary Source Compliance Monitoring Strategy*, EPA recommends that permitting authorities perform Full Compliance Evaluations (FCEs) for most title V sources at least every other year.²⁹ For the vast majority of title V sources, EPA expects that the permitting authority will need to perform an on-site inspection to determine the facility's compliance status as part of the FCE.

However, the District exceeds the EPA requirement by inspecting each title V facility annually. During interviews, District inspectors reported that it is District practice to perform full compliance evaluations (which includes an on-site inspection) of all title V sources on an annual basis. Given the low major source thresholds for nonattainment pollutants in the San Joaquin Valley, this means that the District currently inspects approximately 294 title V sources each year.

The District utilizes its PAS database to track application and permit issuance dates, compliance report deadlines, and inspection due dates. Integration of the PAS system allows all District employees access to previous inspections reports and notifies the inspectors of which sources are due for inspection based on the date of the previous inspection report. According to inspectors, if necessary the frequency of inspections can be increased if sources have had compliance issues or require follow up actions. (See Findings 6.2 and 6.4 for additional information on the District's inspection practices.)

Recommendation: EPA commends SJVAPCD for performing full compliance evaluations of all title V sources annually.

6.2 Finding: SJVAPCD has an effective field enforcement program.

Discussion: Although EPA's title V program evaluations do not include a comprehensive evaluation District enforcement programs, EPA believes that it is

²⁹ This document available at: <http://www.epa.gov/compliance/resources/policies/monitoring/caa/cmspolicy.pdf>

important to highlight significant aspects of District enforcement of title V permits. Therefore we offer the following brief discussion of SJVAPCD's enforcement program as it relates to the title V program.

SJVAPCD ensures that its inspectors are well-trained and equipped. Newly hired inspectors are paired with a senior inspector who provides training and acts as a mentor. New hires accompany more experienced staff on inspections to become familiar with the types of facilities that the District regulates, and learn District inspection procedures. This in-house training is enhanced by monthly training provided via video conference to inspectors in the District's Northern, Central, and Southern Regions. These training sessions are provided by senior District staff, District subject matter experts, and external trainers, and cover a wide variety of topics, including source testing, CEMS, specific District rules, and visual emissions evaluations.

The District also encourages inspectors to take formal training to increase their knowledge of inspection techniques, CEMS operation and regulation, and specific industrial source categories. These courses consist of both classroom training with instructors and web-based self-instruction, offered by CARB and EPA's Air Pollution Training Institute (APTI). During a new inspector's first year, the District emphasizes classroom courses from CARB, including Course #100, Fundamentals of Enforcement, which covers opacity testing in accordance with EPA Method 9. As inspectors gain experience, they continue to receive formal training on new topics and opportunities to take "refresher" courses on topics they already have some familiarity with.

Inspectors are equipped with all of the necessary tools and safety equipment to perform meaningful inspections. Safety equipment includes face masks, respirators, hard hats, reflective vests, ear and eye protection, and steel toed boots. Inspectors have analytical equipment, including leak detection devices. The District provides all inspectors with telecommunications technology, including cell phones, GPS navigation systems, portable printers, and tablet computers that inspectors can be use to remotely access District databases, including the PAS database, while in the field.

SJVAPCD uses its information gathering authority to request compliance information from facilities to compliment information that is gained during field inspections. When compliance issues arise, SJVAPCD uses several means to return non-complaint facilities to compliance, including Notices of Violation (NOV) and notices to comply (NTCs).

Overall, EPA finds that SJVAPCD maintains a robust field inspection program to ensure that title V sources are complying with all applicable requirements in their title V permits. As noted in Finding 6.1, the District performs full compliance evaluations of all title V sources on an annual basis. In addition, the District reviews all title V permit deviation reports, semiannual monitoring reports, and annual compliance certifications and initiates compliance actions for inexcusable deviations. (See Finding 6.3.)

Recommendation: SJVAPCD should maintain its effective field enforcement program.

6.3: Finding: The District reviews all title V permit deviation reports, semiannual monitoring reports and annual compliance certifications.

Discussion: 40 C.F.R. § 70.6 and District Rule 2520 require title V sources to promptly report all deviations from permit requirements, and submit semiannual monitoring reports and annual compliance certifications. Permitting authorities use these reports as tools to help determine facility compliance with permit conditions.

During our interviews, compliance staff consistently stated that, as a matter of policy, they review all title V permit deviation reports, semiannual monitoring reports and annual compliance certifications for compliance issues. The District tracks these compliance reports in its PAS database, and generally issues NOVs for any violation or deviation, including late reporting. Furthermore, SJVAPCD uses these reports and other related information about a facility to take enforcement actions when warranted. Related information includes a facility's history of compliance, inspection reports, breakdowns, exceedances, and other violations.³⁰

Recommendation: EPA encourages the District to continue its rigorous review of compliance reports and take enforcement actions when warranted.

6.4 Finding: SJVAPCD conducts unannounced inspections of title V sources as a matter of policy.

Discussion: During interviews, air quality inspectors reported that it is District policy to conduct unannounced inspections of title V sources. Inspectors confirmed that they generally do conduct unannounced inspections, although the District may announce inspections in advance when necessary to gain access to unmanned sites or when there are particular safety concerns.

EPA concurs with this policy. Unannounced inspections allow inspectors to observe facilities and examine ongoing recordkeeping at times when operators are not expecting regulators to be present. This provides a more realistic view of the facility's compliance status than observations made during announced inspections.

Recommendation: SJVAPCD should continue its practice of conducting unannounced inspections.

³⁰ "Policy for District Compliance Staff Responding to Title V Issues," COM 1142, SJVUAPCD Compliance Department, August 14, 2008. This document is available on the internet at: http://www.valleyair.org/policies_com/Policies/com1142_responding_to_titleV_issues_081408.pdf

7. RESOURCES AND INTERNAL MANAGEMENT

The purpose of this section is to evaluate how the permitting authority is administering its title V program. With respect to title V administration, EPA's program evaluation (1) focused on the permitting authority's progress toward issuing all initial title V permits and the permitting authority's goals for issuing timely title V permit revisions and renewals; (2) identified organizational issues and problems; (3) examined the permitting authority's fee structure, how fees are tracked, and how fee revenue is used; and (4) looked at the permitting authority's capability of having sufficient staff and resources to implement its title V program.

An important part of each permitting authority's title V program is to ensure that the permit program has the resources necessary to develop and administer the program effectively. In particular, a key requirement of the permit program is that the permitting authority establish an adequate fee program. Part 70 requires that permit programs ensure that title V fees are adequate to cover title V permit program costs and are used solely to cover the permit program costs.³¹ Regulations concerning the fee program and the appropriate criteria for determining the adequacy of such programs are set forth in 40 C.F.R. 70.9.

7.1 Finding: District engineers and inspectors receive effective legal support from the District Counsel's office.

Discussion: In our interviews with compliance managers and staff, we heard very favorable comments on the quality of support that the District Counsel provides. Interviewees reported that legal support was prompt, thorough, and thoughtful on enforcement issues.

Generally speaking, since the permit writers are knowledgeable about title V regulations and policy, District Counsel does not review most draft title V permits. (See Finding 2.2). Legal review of draft permits has been cyclical, increasing when review has been needed for permitting of agricultural sources newly subject to title V, interpreting SIP rules and federal regulations, and addressing controversial site-specific permitting issues.

The District ensures that the title V program benefits from effective legal support.

Recommendation: EPA has no recommendation for this finding.

7.2 Finding: The District has an effective electronic database for permits management.

Discussion: SJVAPCD has developed and maintains an electronic database, called the Permit Administration System (PAS) that it uses for all aspects of permits management. Over the years, the system has evolved, based on improvements suggested by staff and managers. The database was developed in-house and performs multiple functions, including:

- storage of all title V and NSR permits

³¹ See 40 C.F.R. 70.9(a).

- access to general permit conditions applicable to many different types of equipment that can be easily retrieved and incorporated into new permits
- access to all District permit evaluations, including title V statements of basis
- a system for logging all permit applications, including applications for title V initial permits, renewals, and permit modifications
- access to facility files, including detailed compliance data such as records of the submittal of annual compliance certifications and semi-annual monitoring reports by title V sources, compliance history (including NOVs, breakdowns, inspection dates), and emission data, including CEMS quarterly reports
- access to the District’s numerous policy and “FYI” documents (See Finding 2.2.)
- expense tracking, including the cost of title V labor
- ability to generate and print routine correspondence (requests for information, application completeness letters, etc.)
- ability to email documents to citizens upon request

During our interviews, both staff and managers consistently praised the PAS database for its completeness, ease of use, and reliability. All employees appreciate the easy access to such a wide variety of data from their desktops. In addition, management uses the query capacity in PAS to generate various reports, including reports that inform management of the status of any project at any given time.

Recommendation: EPA commends the District for its efforts to build and maintain a highly effective database that provides a variety of tools for implementing the title V program. Given the importance of tracking synthetic minor permits and the significant ramifications of violations of these permits, we recommend that the District consider improving the capacity to track synthetic minor permits to the PAS database.

7.3: Finding: The District uses its PAS database in conjunction with labor and finance software programs to track title V program expenses and revenue.

Discussion: The title V (Part 70) regulations require that permit programs ensure that title V fees collected are adequate to cover title V permit program costs and are used solely to cover the permit program costs.³² The District tracks title V fees and expenses in its PAS database, Labor Information System (LIS) and Finance programs. The PAS database contains all permit related information. All staff time is recorded in LIS to the nearest tenth of an hour, and is categorized by program and activity codes, and project. LIS includes program and activity labor codes specific to the title permitting process including: Title V Initial Permit/Minor Modification/Significant Modification, Title V

³² See 40 C.F.R. 70.9(a) as well as the EPA policy memorandum, “Reissuance of Guidance on Agency Review of State Fee Schedules for Operating Permits Programs Under Title V”, dated August 4, 1993 available at <http://www.epa.gov/region07/air/title5/t5memos/fees.pdf>.

Administrative Amendment, and Title V Renewal, The District calculates labor expenses by multiplying all time spent (whether billable or not) by the weighted average labor rate in effect for that year. The District's Finance Office generates invoices and tracks payments submitted by title V sources.

Although labor costs associated with permit processing are tracked in detail by the LIS and PAS systems, compliance activity costs associated with title V permits (inspections, etc) are not tracked separately from the District's overall permitting program. However, given that the title V program uses an integrated approach to permitting, EPA believes that these costs are addressed by the District's accounting systems.

Recommendation: EPA encourages the District to maintain its existing accounting practices and improve the level of detail regarding costs associated with compliance activities related to title V permits.

7.4 Finding: The District is dedicated to investing in its Permits Services staff through training and mentoring programs.

Discussion: We reviewed the SJVAPCD Staff Development Manual for the Permits Services Division which is issued to each new hire and provides general orientation and permit specific information. The manual covers topics such as the District's mission, goals of the development program, District expectations of employees, an introduction to the Service Teamwork Attitude Respect (S.T.A.R) program, suggested training regimen, employee evaluation intervals, and permit training handouts and worksheets.

The training handouts and worksheets introduce Permit Services staff to core permitting concepts, such as applicability (i.e. when a permit is required), fundamentals of NSR, (i.e. Best Available Control Technology (BACT) and offsets), emission calculations, and application review procedures. Many of the handouts include examples and sample calculations that reinforce the concepts discussed.

New employees are also required to attend the District's Certification of Air Permitting Professional (CAPP) training course. This course, which is designed for permitting consultants, includes a two day mandatory session plus a two day voluntary session covering many of the topics from the orientation manual as well as lessons on title V review and effective permit writing. At the end of the course, each participant is required to pass the CAPP exam in order to be certified.

In interviews, staff also indicated that each new hire is assigned a mentor to help with projects and provide advice and guidance as needed. Interviewees also stated that management is accessible and encourages staff to ask questions or discuss issues throughout the permitting process. Newer permit writers also said they were encouraged to request projects on facilities in industries they were not familiar with so that they could learn more about certain types of sources and industries.

Permit staff also responded that beyond the first year of internal training provide by the District, all staff are encouraged to continuously enroll in outside training course and programs, including classes offered by CARB and EPA, throughout their careers.

Recommendation: The District should continue to provide training opportunities to new and inexperienced permit writers and encourage experienced staff to take advantage of available outside training.

8. TITLE V BENEFITS

The purpose of this section is to evaluate how the permitting authority's existing air permitting and compliance programs have benefited from the administration of the permitting authority's title V program. The title V permit program is intended to generally clarify which requirements apply to a source and enhance compliance with any CAA requirements, such as NSPS or SIP requirements. The program evaluation for this section is focused on reviewing how the permitting authority's air permitting program changed as a result of title V, resulted in transparency of the permitting process, improved records management and compliance, and encouraged sources to pursue pollution prevention efforts.

8.1 Finding: SJVAPCD works constructively with permittees.

Discussion: SJVAPCD has a constructive working relationship with regulated entities in the San Joaquin Valley. District staff regularly interact with the regulated community to communicate permitting information, including title V. The District also provides written guidance to help permittees, especially facilities newly subject to title V permitting.

The District meets quarterly with industry representatives to discuss ways to improve its permit processing, including title V permitting. In addition, the District has held public workshops to explain the title V program and the title V permit application process to representatives of facilities newly subject to title V.³³ The District held three "Title V Permitting" workshops in January 2011, and three "Title V Permitting for Greenhouse Gases" workshops in April 2012.

The District maintains email notifications lists on a variety of topics that stakeholders may subscribe to, including lists entitled "Permitting" and "Climate Change and Greenhouse Gas Activities". These email subscription services provide notices for workshops and information related to the District's permitting system (including title V) and the development and implementation of the District's Climate Change Action Plan. In addition, the District issues compliance assistance bulletins to help industry comply with upcoming or changing regulations. While these bulletins generally do not address title V issues, the District has produced and disseminated a bulletin on "Title V Reporting Requirements", which provides District forms and instructions for submitting required reports on deviations, monitoring, and compliance certifications.

As a result of SJVAPCD's consistent and productive engagement with industry in the San Joaquin Valley, the District reports (in its title V questionnaire response) that it regularly receives "positive feedback from Valley businesses with respect to the streamlining and highly efficient processes we implement to minimize the cost of the Title V program." The District attributes its positive working relationship with its regulated sources to its "Service, Teamwork, Attitude, and Respect (STAR) work culture

³³ The number of sources subject to title V permitting in the District has increased due to the District's 2010 reclassification from a serious ozone nonattainment area to an extreme area, which reduced the major source threshold from 25 to 10 tpy. In addition, three sources that had not been previously subject to title V permitting have been required to obtain title V permits because they are major sources of GHG emissions.

and to the District's "core values," which "place a high priority on customer service and continuous improvement."

Recommendation: The District should continue its constructive working relationship with title V sources.

8.2 Finding: Title V has increased SJVAPCD's knowledge of federal regulations.

Discussion: Since title V permits must include all applicable requirements, District permitting staff reviews federal regulations (e.g., NSPS, NESHAP) more frequently than before the title V program to determine which requirements apply to facilities. The permit application review process requires that permitting staff evaluate whether applicable requirements, including federal regulations, apply to emission units. Staff have greater exposure to federal regulations and apply them on a more frequent basis. In addition, during the interviews, it was evident that staff knowledge of federal air pollution regulations has increased as a result of implementing title V.

Recommendation: EPA has no recommendation for this finding.

8.3 Finding: The District has observed higher rates of CAA compliance through increased use of self-audits, environmental managements systems, and other resources to ensure compliance.

Discussion: Section 70.6 of Part 70 and Section 9.0 of Rule 2520 require title V permits to include all applicable requirements, including monitoring, recordkeeping, and reporting requirements. These requirements help sources ensure compliance with the terms and conditions of their permits. In its questionnaire response, the District reported higher rates of CAA compliance through increased use of self-audits, greater use of environmental management systems, additional staff devoted to environmental management, and more resources devoted to compliance monitoring.

The District has seen increased use of self-audits as sources focused on ensuring compliance with each permit condition. Also, the District reports greater use of environmental management systems when companies comply with title V reporting requirements. Some larger companies have implemented computer software applications to manage administrative reporting requirements. Some of the District's larger sources now devote additional staff to environmental management to address reporting requirements. Finally, we note that as a result of title V, many sources now devote more resources to compliance monitoring and reporting requirements.

The District has also observed increased awareness of compliance obligations at its title V sources. During interviews, many staff stated that as a result of title V, sources have become more conscious of reporting requirements and deliver required title V reports (deviation reports, semi-annual monitoring reports, and annual compliance certifications) promptly. Title V sources are more forthcoming through self-reporting of breakdowns and deviations, and look for ways to prevent them from recurring.

Recommendation: EPA has no recommendation for this finding.

8.4 Finding: The information in SJVAPCD’s statements of basis help promote transparency in the title V permitting process by documenting permitting decisions and helping the public to understand stationary sources’ CAA obligations.

Discussion: Part 70 and SJVAPCD Rule 2520 (Federally Mandated Operating Permits) require that a statement of basis support title V permits by providing the legal and factual basis for permit conditions and permitting decisions. The statement of basis, which SJVAPCD refers to as the “compliance section of the engineering evaluation”, typically contain sections entitled Proposal, Facility Location, Equipment Listing, General Permit Template Usage, Scope of EPA and Public Review, Applicable Requirements Addressed by General Permit Templates, Federally Enforceable Requirements, Requirements Not Federally Enforceable, Compliance, Permit Requirements, Permit Shield, and Permit Conditions. In its narrative text in these sections, the District documents the rationale for decisions on NSPS and NESHAP applicability, CAM, and other significant decisions made during the title V permitting process. This documentation helps the regulated community, EPA, the public, and future permit writers understand the decisions the District has made.

SJVAPCD statements of basis contain detailed information on applicable rules, and how the District will ensure that sources will comply. Examples include the statements of basis that supported the proposed renewals of the title V permits for Ingredion (Facility #N-238) and Sanger Boats (Facility #C-1074). For Ingredion, the District’s statement of basis contains a detailed analysis of all CAM applicability at all emission units at the Stockton facility. The analysis documents why CAM does not apply to some emission units, and explains what CAM requirements apply to other emissions units. The facility’s corn receiving and storage operation, for example, is controlled by a baghouse, and is subject to CAM for PM10. CAM requirements in the permit include the operation of a differential pressure gauge within the manufacturer’s recommended range, and daily visible emissions surveys and pressure drop readings. For Sanger Boats, the statement of basis documents that the Fresno facility is subject to NESHAP Subpart VVVV, for boat manufacturing. The District presents Subpart VVVV requirements, including HAP content limits and work practice standards, and includes cross-references to permit conditions that enforce these requirements.

Recommendation: The District should continue to produce informative statements of basis that document the CAA obligations of title V facilities. (See Finding 2.8 for more information on our recommendations for improving SJVAPCD statements of basis.)

8.5 Finding: Some sources have accepted enforceable limits to reduce their potential emissions and thus avoid title V applicability.

Discussion: Some major sources avoid title V permitting by voluntarily accepting PTE limits that are less than the major source thresholds, resulting in reductions in potential emissions and, in some cases, in actual emissions. At common source types, such as gas

stations, paint booths, and emergency generators, SJVAPCD uses Rule 2530 (“Federally Enforceable Potential to Emit”) to limit PTE. Compliance with the limits in Rule 2530 results in emissions no greater than 50 percent of the title V major source threshold for any regulated pollutant. SJVAPCD also issues permits that limit PTE below major source thresholds. (We note that the District could improve its synthetic minor permits. See Finding 5.2.) The District imposes monitoring, recordkeeping, and reporting requirements on sources to assure compliance with PTE limits established by Rule 2530 and NSR permits.

Recommendation: EPA recommends that the District continue its practice of creating synthetic minor sources with practically and legally enforceable permit terms and conditions.

GLOSSARY OF ACRONYMS & ABBREVIATIONS

Act	Clean Air Act [42 U.S.C. Section 7401 et seq.]
Agency	U.S. Environmental Protection Agency
APTI	Air Pollution Training Institute
ATC	Authority to Construct
CAA	Clean Air Act [42 U.S.C. Section 7401 et seq.]
CAM	Compliance Assurance Monitoring
CAPCOA	California Air Pollution Control Officers Association
CARB	California Air Resources Board
CEMS	Continuous Emissions Monitoring System
C.F.R.	Code of Federal Regulations
District	San Joaquin Valley Air Pollution Control District
EPA	U.S. Environmental Protection Agency
HQ	Headquarters
MACT	Maximum Achievable Control Technology
NESHAP	National Emission Standards for Hazardous Air Pollutants, 40 C.F.R. Parts 61 & 63
NOV	Notice of Violation
NOx	Nitrogen Oxides
NSPS	New Source Performance Standards, 40 C.F.R. Part 60
NSR	New Source Review
OIG	EPA Office of Inspector General
PM	Particulate Matter
PM10	Particulate Matter less than 10 microns in diameter
PM2.5	Particulate Matter less than 2.5 microns in diameter
PTO	Permit to Operate (local, not title V)
PSD	Prevention of Significant Deterioration
PTE	Potential to Emit
RACT	Reasonably Available Control Technology
SIP	State Implementation Plan
SJVAPCD	San Joaquin Valley Air Pollution Control District
SNCR	Selective Non-Catalytic Reduction
VOC	Volatile Organic Compound

APPENDICES

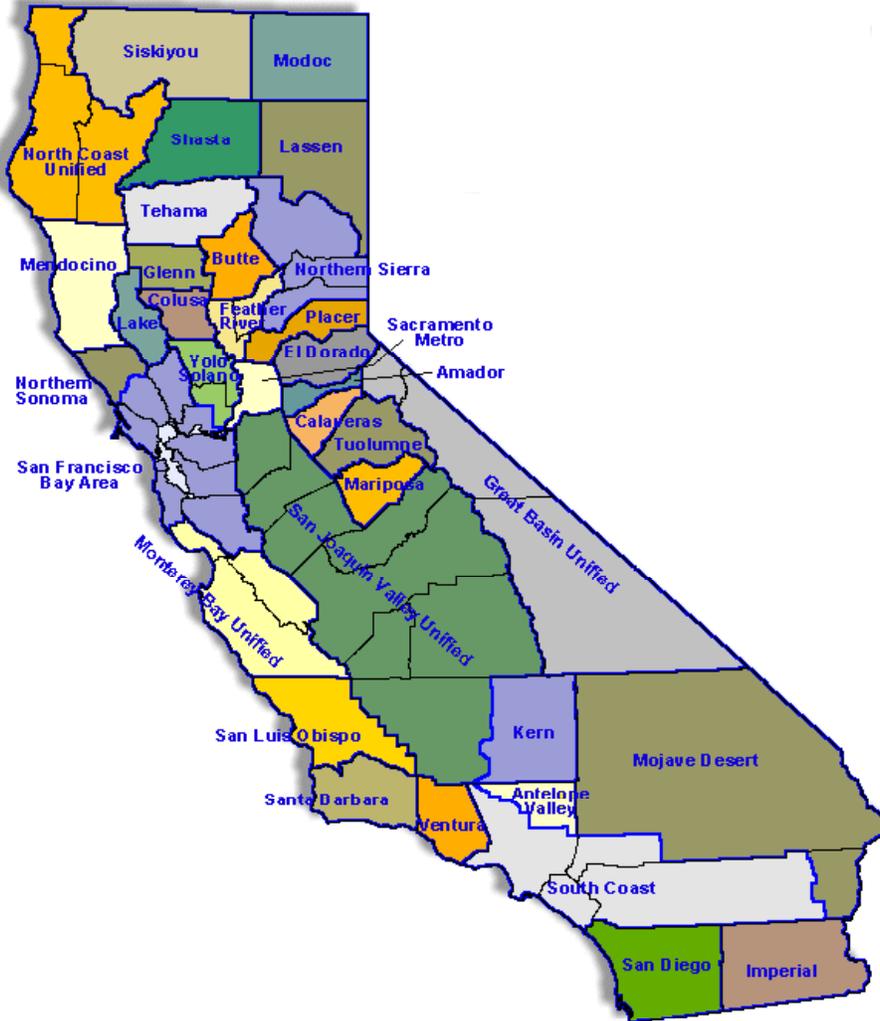
Appendix A

AIR POLLUTION CONTROL AGENCIES IN CALIFORNIA

CALIFORNIA MAP FOR LOCAL AIR DISTRICT WEBSITES

The State is divided into Air Pollution Control Districts (APCD) and Air Quality Management Districts (AQMD), which are also called air districts. These agencies are county or regional governing authorities that have primary responsibility for controlling air pollution from stationary sources. The following map is for informational purposes and shows the Air District Boundaries. This map can be used to access local air district websites or an email address for that district if there is no website.

California Air Districts



[Local Air District Resource Directory](#)
[California Air Pollution Control Officers Association \(CAPCOA\)](#)
[Other Maps on this Website](#)

The Board is one of six boards, departments, and offices under the umbrella of the California Environmental Protection Agency.
[Cal/EPA](#) | [ARB](#) | [CIWMB](#) | [DPR](#) | [DTSC](#) | [OEHHA](#) | [SWRCB](#)

Appendix B

TITLE V QUESTIONNAIRE AND SJVAPCD RESPONSES

EPA

Title V Program Evaluation

Questionnaire

Table of Contents

- A. Title V Permit Preparation and Content
- B. General Permits (GP)
- C. Monitoring
- D. Public Participation and Affected State Review
- E. Permit Issuance / Revision / Renewal
- F. Compliance
- G. Resources & Internal Management Support
- H. Title V Benefits

A. Title V Permit Preparation and Content

- N** 1. For those title V sources with an application on file, do you require the sources to update their applications in a timely fashion if a significant amount of time has passed between application submittal and the time you draft the permit?

When time permits (such that it would not affect the ability to issue timely permits), the District will send a pre-publication draft Preliminary Notice package (called a Courtesy Copy) including the draft permits to the applicant for their review and comment. If the source sees something that needs to be updated, they will do so in the response to the Courtesy Copy.

- Y** a. Do you require a new compliance certification?

- Y** 2. Do you verify that the source is in compliance before a permit is issued and, if so, how?

Yes, we require the updated compliance certificate, and at the time we issued the permit, we have just recently completed the statement of basis for the entire permit.

- a. In cases where a facility is either known to be out of compliance, or may be out of compliance (based on pending NOVs, a history of multiple NOVs, or other evidence suggesting a possible compliance issue), how do you evaluate and document whether the permit should contain a compliance schedule? Please explain, and refer to appropriate examples of statements of basis written in 2005 or later in which the District has addressed the compliance schedule question.

While to our recollection we have not done so, in cases where a facility is known to be out of compliance, or is operating under a District variance, if it appears the source will not be in compliance when the permit will be issued then we would include a compliance schedule based on the terms of the variance (if they are under one) or developing a schedule from discussions with the facility and our Compliance Department.

3. What have you done over the years to improve your permit writing and processing time?

Since the District was formed in 1992, we have always placed a high priority on continuously improving both the quality of our work and the efficiency with which the work is done. We have an extensive training program (detailed under question G.16, below) for our permit writers and have developed numerous policies and guidance (see attachments 1 and 2) covering topics from calculating emissions to writing conditions.

We developed our own Permit Administration System (PAS) computer program where all permits are written and stored, and all facility files (which have been digitized) are accessed. Within PAS we have “general conditions” – ones that apply to many different sources and types of equipment. The general conditions are easily available to all staff for inclusion into permits, allowing them to easily and quickly utilize the correct conditions, and sources will have consistent conditions for the same requirements. Within PAS staff can also “cut and paste” conditions from one permit to another, making it easier to transfer conditions from one permit to another for situations where you are permitting the same equipment for a different source, or permitting many similar permits for one source such as oil field or winery tanks. PAS also has the ability to print out routine correspondence (requests for information, completeness letters, etc.) for project, using the information already in PAS to automatically fill out most of the correspondence, saving more time.

We have developed many forms of template evaluations for staff to use, from a general evaluation form (see policy APR-1010, attachment 3), to equipment specific templates (past templates include ones for Rule 4320 compliance for boilers, winery tanks, etc.), to [Guidelines for Expedited Application Review](#) (GEARs, see attachment 4) for common sources such as gasoline dispensing operation, emergency IC engines, and auto body shops. In fact, the GEAR for gasoline dispensing operations allows us to issue an Authority to Construct permit within one (1) hour of receiving a complete application!

We created a permits intranet page available to staff, where all policies are easily accessible, and includes links to template evaluations, information and tools specific to certain types sources, sample letters (for correspondence not built into PAS), public notification documents, various calculators, and links to external sites (CARB, EPA) for such things as rules and regulations (such as pages that list which rules have been approved into the SIP) and recommended monitoring.

Our management structure allows a tailored approach to reviewing of staff members' work product with complex projects receiving comprehensive and multi-manager review, while common projects for which standard evaluation projects are able to be finalized more quickly, with perhaps senior engineer-level oversight. In addition, Supervising engineers meet individually with each of their staff members, once every week, to discuss their projects, in large part to determine whether there are issues or blockages preventing the issuance of the permits, and if there are, to work through them so that the project can move forward.

Additionally, we have met quarterly with our permit stakeholders since 2003 to discuss ways to further improve and streamline our processes. These meetings have led to many of the policies and templates described above.

In combination, these efforts have resulted in the most efficient permitting program anywhere in the state, able to issue consistently high quality permits with the least number of engineer-hours and a minimum of person-to-person variation, at the lowest permitting fee costs of any major district.

- Y**
4. Do you have a process for quality assuring your permits before issuance? Please explain.

In addition to the training and guidance discussed under question A.3., above, all permits are reviewed by a Supervising Air Quality Engineer and Permit Services Manager before final approval by the Director of Permit Services.

5. Do you utilize any streamlining strategies in preparing the permit? Please explain.

Most of the improvements discussed in the answer to question A.3., above, also streamline the process of issuing permits, whether local or Title V, especially the tools available in PAS and template evaluations.

A streamlining effort not discussed above was developing extensive Title V general permit templates when the program started, to make it much easier for sources to apply for permits and know what the requirements would be, and much easier for the District to issues the many hundreds of permits for common equipment such as oil field tanks and steam generators and gas turbine engines. We also

developed an umbrella general permit template (see attachment 5) to incorporate the administrative requirements into the Title V permit. While we no longer use the equipment specific general permit templates (as rules have become more complex, keeping the templates up to date is very difficult, but other streamlining tools we have keep the processing efficiency), we still use and keep updated the umbrella template.

- a. What types of applicable requirements does the District streamline, and how common is streamlining in District permits?

The District streamlines the requirements of District prohibitory Rules and Federal Rules such as New Source Performance Standards (NSPS) and Maximum Achievable Control Technology (MACT) when these different standards apply to a specific permit. Historically, we have streamlined District rules with the applicable requirements of the SIP approved rules, making the District rules federally enforceable. Streamlining of applicable requirements is very common in the District's permits. (See Title V Streamlining Policy in attachment 6).

- b. Do you have any comments on the pros and cons of streamlining multiple overlapping applicable requirements? Describe.

No comments.

6. What do you believe are the strengths and weaknesses of the format of District permits (i.e. length, readability, facilitates compliance certifications, etc.)? Why?

The strengths of our permits are an outgrowth of the District's comprehensive local and state permitting requirements, including new source review, stringent prohibitory rules, and complete and comprehensive permit and compliance evaluations and permits. Title V has not added any significant strengths but has added length which has detracted from readability.

7. How has the District's statements of basis evolved over the years since the beginning of the Title V program? Please explain what prompted changes, and comment on whether you believe the changes have resulted in stronger statements of basis.

The District's statements of basis (which we call the "compliance" section of the engineering evaluation) have always been robust. They have improved dramatically over the years. They are significantly more detailed, better and more complete at demonstrating compliance, but this improvement has not been associated with Title V. These improvements have evolved over time and have largely been incorporated during the initial permitting processes associated with new source review (preconstruction permitting).

8. Does the statement of basis explain:

- Y a. the rationale for monitoring (whether based on the underlying standard or monitoring added in the permit)?
- Y b. applicability and exemptions, if any?
- Y c. streamlining (if applicable)?

- Y 9. Do you provide training and/or guidance to your permit writers on the content of the statement of basis?

However, please note that most District engineers will know the statement of basis as the "compliance" section of the engineering evaluation.

10. Do any of the following affect your ability to issue timely initial title V permits: (If yes to any of the items below, please explain.)

- N a. SIP backlog (i.e., EPA approval still awaited for proposed SIP revisions)
- N b. Pending revisions to underlying NSR permits
- N c. Compliance/enforcement issues
- N d. EPA rule promulgation awaited (MACT, NSPS, etc.)

N e. Permit renewals and permit modification (i.e., competing priorities)

N f. Awaiting EPA guidance

11. Any additional comments on permit preparation or content?

No additional comments.

B. General Permits (GP)

N 1. Do you issue general permits?

a. If no, go to next section

b. If yes, list the source categories and/or emission units covered by general permits.

Y N 2. In your agency, can a title V source be subject to multiple general permits and/or a general permit and a standard "site-specific" Title V permit?

a. What percentage of your title V sources have more than one general permit? _____%

Y N 3. Do the general permits receive public notice in accordance with 70.7(h)?

a. How does the public or regulated community know what general permits have been written? (e.g., are the general permits posted on a website, available upon request, published somewhere?)

4. Is the 5 year permit expiration date based on the date:

Y N a. the general permit is issued?

Y N b. you issue the authorization for the source to operate under the general permit?

5. Any additional comments on general permits?

C. Monitoring

1. How do you ensure that your operating permits contain adequate monitoring (i.e., the monitoring required in §§ 70.6(a)(3) and 70.6(c)(1)) if monitoring in the underlying standard is not specified or is not sufficient to demonstrate compliance ?

We follow the CAPCOA / CARB / EPA IX Title V Periodic Monitoring Recommendations, dated 9/1/2001 (see attachment 7).

- Y a. Have you developed criteria or guidance regarding how monitoring is selected for permits? If yes, please provide the guidance.

The CAPCOA/CARB/EPA IX Title V Periodic Monitoring Recommendations is included in attachment 7.

- Y 2. Do you provide training to your permit writers on monitoring? (e.g., periodic and/or sufficiency monitoring; CAM; monitoring QA/QC procedures including for CEMS; test methods; establishing parameter ranges)

3. How often do you “add” monitoring not required by underlying requirements? Have you seen any effects of the monitoring in your permits such as better source compliance?

This is somewhat common, as sources in the District have many units under our local permits, many of which are not subject to prohibitory rules at the local, state or federal level, but Title V still requires monitoring.

4. What is the approximate number of sources that now have CAM monitoring in their permits? Please list some specific sources.

84 sources now have CAM monitoring in their permits, with CAM requirements incorporated into 269 individual permits. Sources

include boilers and oil field steam generators, gas turbine engines, glass plants, biomass boilers, and can and coil coating operations.

- Y** 5. Has the District ever disapproved a source's proposed CAM plan?

We have frequently told applicants that their initial CAM proposals were not approvable, and then worked with the source to amend their proposal such that it could be approved.

D. Public Participation and Affected State Review

Public Notification Process

1. Which newspapers does the District use to publish notices of proposed title V permits?

The District uses the newspapers of general circulation in each county of the Valley:

*Bakersfield Californian
Visalia Times Delta
Hanford Sentinel
Fresno Bee
Madera Tribune
Modesto Bee
Merced Sun Star
Stockton Record*

- N** 2. Do you use a state publication designed to give general public notice?

We're not aware of any such publication

- Y** 3. Do you sometimes publish a notice for one permit in more than one paper?

- a. If so, how common is it for the District to publish multiple notices for one permit?

Rarely. In most areas of the Valley there is a single local news publication that has general circulation. However, if a

member of the public expresses concern about the adequacy of our normal publication locations, we will generally try to enhance the likelihood that the notice will be seen by interested parties.

- b. How do you determine which publications to use?

The District uses the newspaper of general circulation in each county and will consider other needs in consultation with interested members of the public.

- c. What cost-effective approaches have you utilized for public publication?

In addition to newspaper publication, all public notices are published to our Website, at:

[http://www.valleyair.org/notices/public_notices_idx.htm#Permitting and Emission Reduction Credit Certificate Notices](http://www.valleyair.org/notices/public_notices_idx.htm#Permitting_and_Emission_Reduction_Credit_Certificate_Notices)

We believe this to be a much more reliable and user-friendly method to notify the public of proposed permitting actions, as all notices are located in one place, are updated daily, remain in place for an extended period of time, are searchable, and are directly linked to the associated documentation (including our application evaluation, statements of basis, and proposed permits).

Newspaper notifications, on the other hand, are posted for a single day, require daily (and careful) attention being paid to a newspaper, and do not contain details of the basis of the District's decisions, so interested parties have to obtain such information some other way (usually by going to the website).

- Y 4. Have you developed mailing lists of people you think might be interested in title V permits you propose? [e.g., public officials, environmentalists, concerned citizens]

We develop these lists on a project basis, so if a member of the public or a public official has expressed interest in a particular project, they get added to the list of interested parties for that project.

People that express interest in receiving notification of all such projects are directed to our ongoing list of notifications on our website (see above).

N

- a. Does the District maintain more than one mailing list for Title purposes, e.g., a general Title V list and source-specific lists?

As noted above, we maintain project-specific lists of interested parties, and maintain an accurate and updated-daily list of all notices on our website.

- b. How does a person get on the list? (e.g., by calling, sending a written request, or filling out a form on the District's website)

Anyone can request through any mechanism to be identified an interested party for any project.

- c. How does the list get updated?

NA

- d. How long is the list maintained for a particular source?

Until project completion

- e. What do you send to those on the mailing list?

Those on the mailing list will receive the full public notice package (discussed under question D.25.), which includes the public notice itself and our evaluation that includes a description of the applicant's proposal, listing of applicable rules and a compliance demonstration (statement of basis), as well as the current and proposed permit (for preliminary notices) or the final permit and listing of comments received and District responses (for final notices).

Y

5. Do you reach out to specific communities (e.g., environmental justice communities) beyond the standard public notification processes?

Yes, when we are aware of specific interest in an area, we will attempt to inform area advocates of proposed permitting actions.

Y

6. Do your public notices clearly state when the public comment period begins and ends?

Yes. While we do not limit the beginning of the comment period, our notice clearly states that the public comment period ends 30 days after publication, which date is clear to anyone reading the newspaper. We

are currently working with the newspapers to try to lock down the date of publication before submitting the text of the notice to the newspaper for publication. This will then allow us to use the actual date upon which comments are due.

7. What is your opinion on the most effective methods for public notice?

Same answer to 3.c, above:

*All public notices are published to our Website, at:
[http://www.valleyair.org/notices/public_notices_idx.htm#Permitting and Emission Reduction Credit Certificate Notices](http://www.valleyair.org/notices/public_notices_idx.htm#Permitting_and_Emission_Reduction_Credit_Certificate_Notices)*

We believe this to be a much more reliable and user-friendly method to notify the public of proposed permitting actions, as all notices are located in one place, are updated daily, remain in place for an extended period of time, are searchable, and are directly linked to the associated documentation (including the text of the newspaper notice, our application evaluation and statements of basis, and the proposed permits).

Newspaper notifications, on the other hand, are posted for a single day, require the public's daily (and careful) attention being paid to a newspaper, and do not contain details of the basis of the District's decisions, so interested parties have to obtain such information some other way (usually by going to the website page noted above).

- Y 8. Do you provide notices in languages besides English? Please list the languages and briefly describe under what circumstances the District translates public notice documents?

If we are aware of interest and opportunity to disseminate information to interested parties who speak languages other than English, we will certainly accommodate that interest. To our recollection, we have only done so in Spanish. In such cases we will also create a summary description of the project, including the District's general conclusions about the permitting proposal, and translate this document, as well.

Public Comments

9. How common has it been for the public to request that the District extend a public comment period?

Very rarely, less than 1% of the time.

N

- a. Has the District ever denied such a request?

No request has been denied, to our recollection.

- b. If a request has been denied, the reason(s)?

NA

Y

10. Has the public ever suggested improvements to the contents of your public notice, improvements to your public participation process, or other ways to notify them of draft permits? If so, please describe.

We don't recall any suggestions on ways to improve the contents of Title V notices, but we have received suggestions for improvements to the process from at least one individual. These recommendations were centered on improving outreach to Spanish-speaking residents in the Kettleman City area, although no constructive processes to achieve that goal were offered.

11. Approximately what percentage of your proposed permits has the public commented on?

We estimate about 1% of our Title V permitting proposals have received comments from the public.

12. Over the years, has there been an increase in the number of public comments you receive on proposed title V permits?

Public comments on Title V projects are so rare that trends are not evident.

- Y 13. Have you noticed any trends in the type of comments you have received? Please explain.

Public comments on Title V projects have never provided a basis for approval or disapproval of the permit. They are always in two camps: one camp concerned that we may shut the facility down (and asking that we not do so), and one camp asking the District to shut the facility down. Of course the District does not have the discretion to shut the facility down under the title V process (provided the facility is in compliance or on a schedule to come into compliance), so the public comments received to date have been of limited impact.

- a. What percentage of your permits change due to public comments?

No changes to proposed Title V permits have been made due to public comments, to our recollection. See above for explanation.

- Y 14. Have specific communities (e.g., environmental justice communities) been active in commenting on permits?

Environmental justice communities (and advocates claiming to represent those communities) in the Patterson and Kettleman City areas have been somewhat active in commenting on proposals related to specific facilities (Covanta Stanislaus and Chemical Waste Management, respectively).

- N 15. Do your rules require that any change to the draft permit be re-proposed for public comment?

- a. If not, what type of changes would require you to re-propose (and re-notice) a permit for comment?

We would re-notice any significant change to the originally proposed permits – but there haven't been such changes as a result of public comments.

EPA 45-day Review

- Y 16. Do you have an arrangement with the EPA region for its 45-day review to start at the same time the 30-day public review starts? What could cause the EPA 45-day review period to restart (i.e., if public comments received, etc)?

The EPA 45-day review period would restart if the District re-proposes the permit (see answer to D.15, above)

- a. How does the public know if EPA's review is concurrent?

*This information is included in the District's Title V Operating Permits webpage
(<http://www.valleyair.org/busind/pto/titlev.htm>).*

17. If the District does concurrent public and EPA review, is this process a requirement in your Title V regulations, or a result of a MOA or some other arrangement?

This process is a result of a MOA between the District and EPA Region IX (see attachment 8)

Permittee Comments

- Y 18. Do you work with the permittees prior to public notice?

When time permits (such that it would not affect the ability to issue timely permits), we will send a pre-publication draft Preliminary Notice package (called a Courtesy Copy) including the draft permits to the applicant for their review and comment. If the source sees something that needs to be updated, they will do so in the response to the Courtesy Copy.

- Y 19. Do permittees provide comments/corrections on the permit during the public comment period?

Yes, permittees provide comments during the public comment period in cases where we did not send a Courtesy Copy and in cases where they did not notice something in the Courtesy Copy.

Any trends in the type of comments?

No trends, but the comments typically are to incorporate the latest equipment modifications into the Title V permit, or disagreement on specific conditions or condition language.

How do these types of comments or other permittee requests, such as changes to underlying NSR permits, affect your ability to issue a timely permit?

In the past, addressing permittee comments has affected our ability to issue a timely permit. However, we are no longer allowing such requests to affect our timeliness.

Public Hearings

20. What criteria does the District use to decide whether to grant a request for a public hearing on a proposed title V permit?

If a public hearing is requested, we will hold one.

Are the criteria described in writing (e.g., in the public notice)?

Yes it is (see example notice in attachment 9).

- a. Do you ever plan the public hearing yourself, in anticipation of public interest?

While we have not in the past, we will do so if conditions warrant.

Availability of Public Information

Y 21. Do you charge the public for copies of permit-related documents?

Only for documents not associated with the public notice package (which includes a description of the applicant's proposal, our evaluation of the proposal including the statement of basis, and the draft permits), which is available on our Permitting public notice webpage

[http://www.valleyair.org/notices/public_notices_idx.htm#Permitting and Emission Reduction Credit Certificate Notices](http://www.valleyair.org/notices/public_notices_idx.htm#Permitting_and_Emission_Reduction_Credit_Certificate_Notices).

If yes, what is the cost per page?

For documents not posted online, the cost is \$0.10 per page.

Y

- a. Are there exceptions to this cost (e.g., the draft permit requested during the public comment period, or for non-profit organizations)?

If the documents are posted online there is no charge to download them. Also if the documents are in electronic format and can be e-mailed, there is no charge to e-mail them.

Y

- b. Do your title V permit fees cover this cost? If not, why not?

22. What is your process for the public to obtain permit-related information (such as permit applications, draft permits, deviation reports, 6-month monitoring reports, compliance certifications, statement of basis) especially during the public comment period?

The public notice package for permitting actions is posted online, and anyone can download that at any time (see response to question D.21, above). For other documents, a submittal of a public information request is required (see

http://www.valleyair.org/General_info/public_records_release_request.htm for one form that can be used for this purpose).

Y

- a. Are any of the documents available locally (e.g., public libraries, field offices) during the public comment period? Please explain.

The entire public notice package is available online and in our regional offices (Modesto, Fresno and Bakersfield), and any other project related documentation is available in any of our regional offices as well.

23. How long does it take to respond to requests for information for permits in the public comment period?

California State law requires us to respond within 10 days. It is worth noting that we haven't received this kind of request during a public comment period, as far as we can recall.

N 24. Have you ever extended your public comment period as a result of requests for permit-related documents?

N b. Do information requests, either during or outside of the public comment period, affect your ability to issue timely permits?

25. What Title V permit-related documents does the District post on its website (e.g., proposed and final permits, statements of basis, public notice, public comments, responses to comments)?

We post on our website (address given under question D.21, above) the public notice itself, the transmittal letters to EPA, CARB and the source, and our evaluation which includes a description of the applicant's proposal, listing of applicable rules, a compliance demonstration (statement of basis). Additionally, for preliminary notices, the current and proposed permits, and for final notices, the final permit and a listing of comments received and the District's response to each comment.

a. How often is the website updated?

The website is updated daily.

Is there information on how the public can be involved?

Yes, the public notice contains specific information about how, where, and when to submit comments.

Y 26. Have other ideas for improved public notification, process, and/or access to information been considered? If yes, please describe.

Yes, we are always looking for ways to improve our processes. A partial list of things considered:

- a. *Publicly available list of Title V permit renewal applications, and their current status (including relevant dates and direct access to the District's public notice documentation package as it becomes available). Implemented mid-2012, see at http://www.valleyair.org/busind/pto/TitleVRpt/rptTitleVProject_s.pdf.*
- b. *Publicly available permitting database. This comprehensive posting of District data in a searchable and useful format is currently slated for implementation in 2013 by our in-house information services team.*

- c. *Currently reviewing EPA's report on considering Environmental Justice in permitting decisions to identify relevance and applicability to Title V permitting (and other types of permitting).*
- d. *Work with the District's Environmental Justice Advisory Group to identify effective and cost effective ways of improving outreach to disadvantaged communities.*

Y 27. Do you have a process for notifying the public as to when the 60-day citizen petition period starts? If yes, please describe.

This is described in our Title V web page (address given under question D.16.a, above).

Y 28. Do you have any resources available to the public on public participation (booklets, pamphlets, webpages)?

This type of information is contained in our Title V web page (address given under question D.16.a, above).

N 29. Do you provide training to citizens on public participation or on title V?

Y 30. Do you have staff dedicated to public participation, relations, or liaison?

Yes, called the Outreach and Communications department, but they are not directly involved in permitting actions.

a. Where are they in the organization?

The Outreach and Communications department has representatives in each regional office, but is headquartered in Fresno. They are under the direction of the APCO/Executive Director.

b. What is their primary function?

The Outreach and Communications department is responsible for communicating air quality information to the public and media through a wide variety of programs and outreach strategies. In addition to communicating real time and daily

air quality data to the public, the department works with media to disseminate key air quality messages and runs several outreach programs. These outreach programs include, but are not limited to:

- *An environmental justice advisory program,*
- *Multiple brochures and outreach materials, in multiple languages,*
- *District webpage development in multiple languages ([English](#) and [Spanish](#))*
- *“Healthy Air Living” Website development ([English](#) and [Spanish](#))*
- *Facebook and Twitter sites,*
- *A Healthy Air Living campaign to engage the public in making positive choices for air quality,*
- *A winter Check Before Your Burn woodburning curtailment campaign,*
- *Multiple partnerships with local non-profits,*
- *A yearly school children calendar contest,*
- *Several school curriculum and school advisory programs.*

Affected State Review and Review by Indian Tribes

31. How do you notify tribes of draft permits?

We contact them individually if they meet the definition of an affected state from [Rule 2520](#) (if they are within 50 miles of a source).

32. Has the District ever received comments on proposed permits from Tribes?

No.

33. Do you have any suggestions to improve your notification process?

No.

Any additional comments on public notification?

No additional comments.

E. Permit Issuance / Revision / Renewal

Permit Revisions

1. Did you follow your regulations on how to process permit modifications based on a list or description of what changes can qualify for:

- Y a. Administrative amendment?
- Y b. §502(b)(10) changes?
- Y c. Significant and/or minor permit modification?
- Y d. Group processing of minor modifications?

2. Approximately how many title V permit revisions have you processed?

Since [Rule 2520](#) was adopted in 1995, we have processed a total of 3,248 projects representing a total of 14,409 permits.

a. What percentage of the permit revisions were processed as:

i. Significant

Approximately 5%

ii. Minor

Approximately 66%

iii. Administrative

Approximately 29%

iv. Off-permit

We do not keep track of the numbers of these, but they are very few compared to the other types of revisions.

v. 502(b)(10)

To the best of our recollection, we have never processed this type of revision.

3. How many days, on average, does it take to process (from application receipt to final permit revision):

- a. a significant permit revision?

It takes an average of 237 days to process a significant modification.

- b. a minor revision?

It takes an average of 245 days to process a minor modification.

4. How common has it been for the District to take longer than 18 months to issue a significant revision, 90 days for minor permit revisions, and 60 days for administrative amendments? Please explain.

It is not common for significant modifications to take longer than 18 months (approximately 13.9% of significant modifications), but is common for minor modifications to take longer than 90 days (approximately 62.0%) and administrative amendments to take longer than 60 days (approximately 71.4%), due to the fact that our local permitting rules require a source to demonstrate compliance before we can issue a permit ([District Rule 2201](#), Section 5.7, attachment 10). It routinely takes longer than 90 days for source testing to be completed and the testing report to be submitted, reviewed and approved, all of which must happen before the permit is issued, and as we have a single permit that incorporates both the local and Title V permits, the final permit cannot be issued until all requirements are satisfied.

5. What have you done to streamline the issuance of revisions?

In order to streamline the issuance of revisions, sources have an option to incorporate both the non-attainment New Source Review preconstruction approval process with the Title V modification process through issuing an Authority to Construct (ATC) with a Certificate of Conformity (COC) (see [District Rule 2201](#), Section 5.9, attachment 10 and [District Rule 2520](#), Section 5.3.3, attachment 11). This process completes the Title V notification and commenting process prior to ATC issuance, and after the modification is completed, it is incorporated into the Title V permit via an Administrative Amendment. This greatly reduces the time from initial ATC application to issuance of the Title V permit, especially for significant modifications, by not

requiring a separate Title V public comment period, as well as providing the source greater certainty that they have completed all requirements by receiving EPA approval prior to constructing the modification.

6. What process do you use to track permit revision applications moving through your system?

All applications, whether for local ATC's or Title V modifications, are logged into our Permit Administration System (PAS) database. The staff working on the project will update its status in PAS on an ongoing basis, and there are various reports available in PAS for tracking projects. Additionally, each permit writer meets with their Supervisor on a weekly basis to go over all assigned projects, to ensure they are progressing as necessary.

- Y 7. Have you developed guidance to assist permit writers and sources in evaluating whether a proposed revision qualifies as an administrative amendment, off-permit change, significant or minor revision, or requires that the permit be reopened? If so, provide a copy.

Please see attached the following guidance: internal documents FYI 56, 74 and 75 (attachment 12), as well as the Title V Permitting presentation to our Certified Air Permitting Professionals (CAPP) class (attachment 13).

- Y 8. Do you require that source applications for minor and significant permit modifications include the source's proposed changes to the permit?

- Y a. For minor modifications, do you require sources to explain their change and how it affects their applicable requirements?

- N 9. Do you require applications for minor permit modifications to contain a certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used?

10. When public noticing proposed permit revisions, how do you identify which portions of the permit are being revised? (e.g., narrative description of change, highlighting, different fonts).

A narrative in all parts of the evaluation will discuss this: proposal, compliance assessment, condition mapping and draft permit.

11. When public noticing proposed permit revisions, how do you clarify that only the proposed permit revisions are open to comment?

We don't limit public comments to the revisions – we will respond to all comments on a proposed permit.

Permit Renewal Or Reopening

- N 12. Do you have a different application form for a permit renewal compared to that for an initial permit application?

a. If yes, what are the differences?

- N 13. Has issuance of renewal permits been “easier” than the original permits? Please explain.

Issuing renewal permits has not been easier than original permits, just as more recent renewals have not been easier than prior renewals, due to the fact that there are more rules and regulations being promulgated on both the local and national level, and these rules and regulations are getting more complex. Similarly, more recent original permits have also been “harder” than previous original permits.

14. How are you implementing the permit renewal process (ie., guidance, checklist to provide to permit applicants)?

In terms of guidance to applicants, our [application forms and instructions](#) (attachment 14) guide the sources through the application process. After that the process is the same as for initial Title V permits, and we have held public workshops explaining Title V and the application process for those facilities newly subject to Title V.

15. What % of renewal applications have you found to be timely and complete?

Over the past 5 years, approximately 75 to 80% of renewal applications have been timely, and 95% have been complete (so that 75 to 80% are both timely and complete). To assist sources, we are developing a notification system to remind sources 12 months before their existing Title V permit expires that the renewal application is due 6 months before the expiration date.

16. How many complete applications for renewals do you presently have in-house ready to process?

There are currently 9 renewal applications that are pending.

Y 17. Have you been able to or plan to process these renewals within the part 70 timeframe of 18 months? If not, what can EPA do to help?

We have had issues in the past in processing renewals in a timely manner; however, we no longer have those difficulties and are now issuing all renewals in a timely manner.

Y 18. Have you ever determined that an issued permit must be revised or revoked to assure compliance with the applicable requirements?

Yes, as rules change.

F. Compliance

1. Deviation reporting:

a. Which deviations do you require be reported prior to the semi-annual monitoring report? Describe.

All instances of non-compliance with permit requirements must be reported to the District in writing within 10 calendar days of discovery. In addition, if the deviation is associated with a breakdown (as defined in [District Rule 1100](#), attachment 15) for which the facility is seeking relief from enforcement action, the facility must notify the District within 1 hour of discovery.

- Y b. Do you require that some deviations be reported by telephone?

If a deviation is associated with a breakdown (as defined in [District Rule 1100](#)) for which the facility is seeking relief from enforcement action, the facility must notify the District within 1 hour of discovery. Notification must be by telephone, facsimile, or email.

- c. If yes, do you require a followup written report? If yes, within what timeframe?

Yes, a written deviation report is required within 10 calendar days of discovery.

- Y d. Do you require that all deviation reports be certified by a responsible official? (If no, describe which deviation reports are not certified).

- Y i. Do you require all certifications at the time of submittal?

- ii. If not, do you allow the responsible official to “back certify” deviation reports? If you allow the responsible official to “back certify” deviation reports, what timeframe do you allow for the followup certifications (e.g., within 30 days; at the time of the semi-annual deviation reporting)?

2. How does your program define deviation?

All instances of non-compliance with permit requirements, including those attributable to upset conditions, as defined in the permit.

- Y a. Do you require only violations of permit terms to be reported as deviations?

- b. Which of the following do you require to be reported as a deviation (Check all that apply):

- Y i. excess emissions excused due to emergencies (pursuant to 70.6(g))

- Y ii. excess emissions excused due to SIP provisions (cite the specific state rule)
- District Rule 1100 (Equipment Breakdown) provides relief from enforcement action if the Permittee demonstrates to the District's satisfaction that a breakdown condition exists subject to several factors prescribed by the rule. Although qualifying breakdown conditions provide relief from enforcement of violations of SIP rules and permit requirements, the deviations must still be reported to District as per usual.*
- Y iii. excess emissions allowed under NSPS or MACT SSM provisions?
- Y iv. excursions from specified parameter ranges where such excursions are not a monitoring violation (as defined in CAM)
- Y v. excursions from specified parameter ranges where such excursions are credible evidence of an emission violation
- Y vi. failure to collect data/conduct monitoring where such failure is "excused":
- N A. during scheduled routine maintenance or calibration checks
- N B. where less than 100% data collection is allowed by the permit
- Y C. due to an emergency
- N vii. Other? Describe.
3. Do your deviation reports include:
- Y a. the probable cause of the deviation?
- Y b. any corrective actions taken?
- Y c. the magnitude and duration of the deviation?

- Y 4. Do you define “prompt” reporting of deviations as more frequent than semi-annual?

At a minimum, a deviation must be reported, in the form of a written deviation report, to the District within 10 calendar days of discovery. In addition, if a deviation is associated with a breakdown (as defined in [District Rule 1100](#)) for which the facility is seeking relief from enforcement action, the facility must notify the District within 1 hour of discovery. Notification must be by telephone, facsimile, or email.

- Y 5. Do you require a written report for deviations?

A written deviation report is required within 10 calendar days of discovery.

- Y 6. Do you require that a responsible official certify all deviation reports?

7. What is your procedure for reviewing and following up on:

- a. deviation reports?

All reported deviations are entered into a database for tracking, assigned to inspection staff for investigation/evaluation, and processed through supervisory and/or senior staff for review once a compliance determination is made. The District pursues enforcement action where appropriate.

- b. semi-annual monitoring reports?

Reports are logged into a database for tracking. Once received, reports are reviewed using the District Title V computer application. Each report goes through an initial review (support staff level), a secondary review (facility inspector level), and a final review (supervisor/senior level). The District pursues enforcement action where appropriate.

- c. annual compliance certifications?

Reports are logged into a database for tracking. Once received, reports are reviewed using the District Title V computer application. Each report goes through an initial review (support staff level), a secondary review (facility

*inspector level), and a final review (supervisor/senior level).
The District pursues enforcement action where appropriate.*

8. What percentage of the following reports do you review?

a. deviation reports

100%

b. semi-annual monitoring reports

100%

c. annual compliance certification

100%

9. Compliance certifications

Y a. Have you developed a compliance certification form? If no, go to question 10.

Y i. Is the certification form consistent with your rules?

ii. Is compliance based on whether compliance is continuous or intermittent or whether the compliance monitoring method is continuous or intermittent?

Compliance is based on whether compliance is continuous or intermittent.

N iii. Do you require sources to use the form? If not, what percentage does?

Approximately 95%

N iv. Does the form account for the use of credible evidence?

The District's form does not contain specific language which addresses credible evidence.

- Y v. Does the form require the source to specify the monitoring method used to determine compliance where there are options for monitoring, including which method was used where more than one method exists?

10. Excess emissions provisions:

- Y a. Does your program include an emergency defense provision as provided in 70.6(g)? If yes, does it:

Y i. Provide relief from penalties?

Y ii. Provide injunctive relief?

Y iii. Excuse noncompliance?

- Y b. Does your program include a SIP excess emissions provision? If no, go to 10.c. If yes does it:

If breakdown relief is granted pursuant to District Rule 1100, the District does no pursue enforcement action.

Y i. Provide relief from penalties?

Y ii. Provide injunctive relief?

Y iii. Excuse noncompliance?

- c. Do you require the source to obtain a written concurrence from the District before the source can qualify for:

Y i. the emergency defense provision?

Y ii. the SIP excess emissions provision?

iii. NSPS/NESHAP SSM excess emissions provisions?

Permit holders must follow any applicable NSPS/NESHAP procedures.

11. Is your compliance certification rule based on:

- N a. the '97 revisions to part 70 - i.e., is the compliance certification rule based on whether the compliance monitoring method is continuous or intermittent; or:
- Y b. the '92 part 70 rule - i.e., is the compliance certification rule based on whether compliance was continuous or intermittent?

12. Any additional comments on compliance?

None

G. Resources & Internal Management Support

- N 1. Are there any competing resource priorities for your “title V” staff in issuing Title V permits?

No, staff is well aware of the District’s obligations to meet the Title V permit issuance deadlines, and we don’t allow other tasks to compete with this obligation.

- a. If so, what are they?

- 2. Are there any initiatives instituted by your management that recognize/reward your permit staff for getting past barriers in implementing the title V program that you would care to share?

We have a unique program at the Air District, called STAR (Service, Teamwork, Attitude, and Respect), that has been instigated and championed by the District’s executive director. All District employees are expected to incorporate STAR in all activities, by providing the best possible service to internal and external contacts, helping each other and those we serve with a great attitude and demonstration of respect, and recognizing peers when they employ these STAR principles. While the implementation of STAR is widespread and comprehensive throughout the District’s actions, there are several components that directly apply to this question:

- 1. *District staff are asked to always look for ways to make things work better, even if they are already working well. We don’t believe in the old adage, “if it’s not broke, don’t fix it.” To assist with this effort of continuous improvement, we maintain*

a chart of suggestions from staff, and revisit the chart in bi-weekly staff meetings. Each suggestion has a “next action due date” with specifics about that next action. We have implemented 1000’s of staff suggestions aimed at improving permitting processes, many of which directly apply to Title V permitting, such as various enhancements to our Permit Administration System (PAS, our in-house permit-issuing computer program) such as our general condition database and cut-and-paste editing options; scores of policies, procedures, and FYIs designed to improve the quality of our application forms, evaluations, and the resulting permits; and various permit streamlining tools designed to increase efficiency.

- 2. In addition to this encouragement towards continuous improvement, STAR also provides us with multiple opportunities for STAR employees to be recognized and rewarded for their contributions towards improved efficiency and quality. For instance, all staff meetings are opened with a STAR discussion, part of which is a discussion of the STAR suggestion charts and recognition of those that have contributed towards suggesting or completing items of the chart. In addition, this part of the staff meeting includes a round of peer-to-peer and management-to-staff recognitions of other STAR-oriented activities, like helping a peer with a project or with a difficult individual, etc. In addition, outstanding employees who most comprehensively embrace the STAR principles are recognized at the Permit Services’ annual symposium, with the Employee of the Year awards (one from each of the four Permit Services groups), which recognition comes with various other perks.*
- 3. Finally, STAR is heavily emphasized in performance evaluations and promotions, and staff members are well aware of this.*

As a direct result of this STAR program, we have a staff that knows that they can propose solutions to any systemic barriers that exist, and in fact that they are expected to do so, and they are recognized and rewarded for doing so. In turn, this has resulted in the most efficient, highest quality air permit processing program that we are aware of.

3. How is management kept up to date on permit issuance?

As described in the answer to question E.6, above, there are reports within PAS that allow management to know the status of any project at any time, and the permit writers meet with their Supervisor on a

weekly basis to give status updates, at which time Supervisors are able to redirect staff as necessary to meet permit deadlines. See attachment 16 for one such report.

- Y 4. Do you meet on a regular basis to address issues and problems related to permit writing?

Weekly, see above.

- N 5. Do you charge Title V fees based on emission rates?

- a. If not, what is the basis for your fees?

As was approved by EPA in 1995 (Federal Register Vol 60 No. 211, November 1, 1995, pages 55516 to 55521, attachment 17), we demonstrated that we met the minimum presumptive fee, using a combination of application filing fees, annual permit to operate fees (including a surcharge for Title V sources) and billing for all time spent in processing projects at an average weighted hourly rate (processing fee).

- b. What is your Title V fee?

ATC application filing fees at \$71 per permit unit and Title V application fees are \$15 per permit unit, with both creditable against the processing fee. The annual permit to operate fees range from \$105 per permit to over \$8,000 per permit, as outlined in [District Rule 3020](#) (attachment 18), and there is an additional \$33 per permit unit surcharge collected from Title V sources. The current hourly weighted labor rate is \$105 and is updated annually.

6. How do you track title V expenses?

Within our Labor Information System (LIS), each employee logs, on a daily basis, the amount of time they spend on each activity, down to the 0.1 of an hour (which is also used as the basis for invoicing the processing fee). Each type of activity has a unique code, including Title V activities, so that the labor expenses can be tracked. Additionally, from PAS we can invoice for miscellaneous expenses, like for meeting hall rental fees if a public hearing has been requested.

7. How do you track title V fee revenue?

Within our Finance system, all revenues are logged into separate accounts based on what the payment is for.

8. How many Title V permit writers does the agency have on staff (number of FTE's)?

While we have 41 Engineers currently on staff (with 10 current vacancies), we have no staff who are dedicated solely to Title V permitting. To calculate the FTE, the amount of time spent on Title V permitting in 2011 was determined to be approximately 14,000 hours (per LIS). Assuming a FTE would have 1,900 hours per year (2080 total hours – 180 combined leave hours), this equates to approximately 7.4 FTE Title V permit writers.

N

9. Do the permit writers work full time on Title V?

a. If not, describe their main activities and percentage of time on title V permits.

Other duties that our engineers have include processing ATC applications for the thousands of sources we regulate (both major and minor sources), as well as providing engineering support to our plan and rule development department. In 2011, approximately 15.5% of the engineers' time was spent on Title V permitting.

b. How do you track the time allocated to Title V activities versus other non-title V activities?

As discussed under question G.6, above, all time spent by staff is logged into LIS to the nearest tenth of an hour, against the activity and specific project being worked on.

10. Are you currently fully staffed?

The District has adequate staffing to receive and process applications and issue permits and has no open recruitments for permitting staff. The Permit Services department has 82 positions that are currently filled (specialists, engineers, support staff, and management team), and has 14 additional budgeted positions that have been left vacant based on current workload levels.

11. What is the ratio of permits to permit writers?

We have approximately 11,900 permits at the 305 facilities subject to Title V permitting. This equates to approximately 1,608 permits per FTE, and 41 facilities per FTE.

12. Describe staff turnover.

Staff turnover is about 4-6% per year. The District has a very careful and considered process of justifying and prioritizing recruitments to fill open positions that works very well to tailor the staffing to the quantity and type of workload.

a. How does this impact permit issuance?

No impact. As noted above, the District determines the resources necessary for the given workload and adjusts our vacancy rate accordingly.

b. How does the permitting authority minimize turnover?

By offering competitive salaries, great benefits, and the best working environment of any regulatory agency.

Y

13. Do you have a career ladder for permit writers?

a. If so, please describe.

The typical, although certainly not only, path to management positions in the SJVAPCD is through the Permit Services ranks. The potential path for Title V permit writers:

- *Air Quality Engineer*
- *Senior Air Quality Engineer*
- *Supervising Air Quality Engineer*
- *Permit Services Manager*
- *Director of Permit Services*

In terms of career ladder, in addition to the Director of Permit Services, past members of the Permit Services team also hold the following executive management positions at the San Joaquin Valley Air District:

- *Director of Strategies and Incentives*
- *Deputy Air Pollution Control Officer*
- *Air Pollution Control Officer/Chief Executive Officer*

Y 14. Do you have the flexibility to offer competitive salaries?

Our salaries/benefits packages are quite competitive for this area.

Y 15. Can you hire experienced people with commensurate salaries?

Our competitive salary and benefit package makes us quite successful in attracting outstanding qualified candidates for beginning-level positions, and we much prefer to promote from within those who have proven successful in fitting into the District's unique set of expectations (providing great service, with a great attitude, and always looking for ways to improve things).

16. Describe the type of training given to your new and existing permit writers.

The premise of training given to permitting staff is to provide guidance consistent with the performance evaluation factors that management will subsequently use to judge performance. Those factors are: Quality of Work, Cooperation/Teamwork/Attitude, Adaptability, Oral Communication, Written Communication, Job Knowledge, Planning/Timeliness, Judgment, Resourcefulness/Initiative, Safety, and Lead/Supervision. For a newly hired engineer, a mentor is assigned to provide hands-on guidance and training of the daily functions and ensure complete understanding of the job description as well as expectations as a team member. We follow the New Hire Training Orientation manual (see attachment 19 for the current training program, and attachment 20 for an enhanced draft program that will be implemented soon), which provides guidance in context of actual work to be performed and approved job description, and includes attending our Certified Air Pollution Professional (CAPP) training that we provide to permitting consultants (see attachment 21) and the annual CAPCOA-Sponsored Engineer Training Program. Another resource is the District's Permitting Handbook where it covers the

permitting process, preliminary and new source review/NSR Rule requirements, effective permit writing, ERCs, and evaluations for specific source categories. The training curve is tailored to the individual's progress where the complexity of NSR projects, ERC Banking, and Title V permitting assignments are considered to maximize the engineer's growth and attainment of the factors as stated above.

CARB training and a wide variety of other outside training classes are attended by staff and they are then expected to share the highlights of that training during staff meetings. With ongoing enhancement of work resources and development of new resources (policies, procedures, decisions, directives, etc.), these are also shared and discussed during staff meetings as an ongoing practice.

17. Does your training cover:

- Y a. how to develop periodic and/or sufficiency monitoring in permits?
- Y b. how to ensure that permit terms and conditions are enforceable as a practical matter?
- Y c. how to write a Statement of Basis?

N 18. Is there anything that EPA can do to assist/improve your training?
Please describe.

19. How has the District organized itself to address Title V permit issuance?

When we started issuing Title V permits in the mid to late 1990's, we had a small group of engineers who did nothing except Title V permitting. We have since expanded Title V permitting such that now all engineers are capable of, and do, Title V permitting (as well as the other engineering tasks).

20. Overall, what is the biggest internal roadblock to permit issuance from the perspective of Resources and Internal Management Support?

There are no internal roadblocks to permit issuance. Instances of late permit issuances in the past have been due to lack of management

focus on Title V permitting timelines, not to any roadblocks. We no longer allow Title V permitting timelines to be missed.

Environmental Justice Resources

- Y 21. Do you have Environmental Justice (EJ) legislation, policy or general guidance which helps to direct permitting efforts?

If so, may EPA obtain copies of appropriate documentation?

See attached the District's "[Environmental Justice Strategy](#)", attachment 22. Also see the District's Environmental Justice webpage at

http://valleyair.org/Programs/EnvironmentalJustice/Environmental_Justice_idx.htm.

22. Do you have an in-house EJ office or coordinator, charged with oversight of EJ related activities?

Environmental justice activities related to permitting are managed by the Director of Permit Services. The District also has an Environmental Justice Advisory Group made up of concerned citizens with support from several District departments that provides input and advice on more general environmental justice issues.

- Y 23. Have you provided EJ training / guidance to your permit writers?

All permit writers are familiar with our environmental justice strategy, and are aware of our ability and obligation to provide translation services (both verbal and written) when requested. However, it's important to note that all of our rules, policies, and procedures are designed to protect all people of the Valley equally, regardless of economic, social, or minority status. This is, of course, equally true and even more relevant with respect to Title V permitting, given the District's complete lack of permitting discretion for facilities operating in compliance with all applicable requirements.

- Y 24. Do the permit writers have access to demographic information necessary for EJ assessments? (e.g., soci-economic status, minority populations, etc.)

The District has interactive environmental justice maps of the San Joaquin Valley, used primarily for grant funding purposes, on the District web site (see http://valleyair.org/Programs/EnvironmentalJustice/Environmental_Justice_idx.htm#ejmap). Because of a variety of economic conditions including chronically high unemployment, large portions of the Valley are categorized as environmental justice areas, especially in rural areas and older urban communities. For permitting, we have designed our rules, policies, and practices to provide the same high degree of protection and conservativeness to all populations, and to all residents of the valley, regardless of their socio-economic or minority status. Our permitting staff members follow these same rules and policies regardless of the area in which a facility sits, and our management team is in place to review the work of staff, and to further assure that those rules are followed.

- N 25. When reviewing an initial or renewal application, is any screening for potential EJ issues performed? If so, please describe the process and/or attach guidance.

See above.

H. Title V Benefits

To the readers of this questionnaire: If answered as written, most of the following questions would give the impression that the San Joaquin Valley believes that there are benefits from implementing the Title V program. Unfortunately, there are not. The Title V program added about 7 or 8 full-time staff members of necessary resources, while resulting in no air quality benefit. The reality is that the District's permitting staff is better trained and more experienced, and produces work of significantly higher quality than 20 years ago, when Title V was first implemented. However, this had nothing to do with Title V, which consists largely of reproducing our existing Permits to Operate and Authority to Construct permits in the expected federal Title V format. All the real work of determining compliance with existing rules and assuring that emissions are reduced to the extent possible are performed long before the Title V permit is issued. Therefore, we

have taken the liberty of re-writing the questions to be more appropriate to the question of "Title V Benefits":

1. ~~Compared to the period before you began~~ Due to implementing the Title V program, does the Title V staff generally have a better understanding of:

- N a. NSPS requirements?
- N b. The stationary source requirements in the SIP?
- N c. The minor NSR program?
- N d. The major NSR/PSD program?
- N e. How to design monitoring terms to assure compliance?
- N f. How to write enforceable permit terms?

2. ~~Compared to the period before you began~~ Due to implementing the Title V program, do you have better/more complete information about:

- N a. Your source universe including additional sources previously unknown to you?
- N b. Your source operations (e.g., better technical understanding of source operations; more complete information about emission units and/or control devices; etc.)?
- N c. Your stationary source emissions inventory?
- N d. Applicability and more enforceable (clearer) permits?

3. ~~In~~ Due to issuing the Title V permits:

- N a. Have you noted inconsistencies in how sources had previously been regulated (e.g., different emission limits or frequency of testing for similar units)? If yes, describe.
- N b. Have you taken (or are you taking) steps to assure better regulatory consistency within source categories and/or between sources? If yes, describe.

4. Based on your experience, estimate the frequency with which potential compliance problems were identified ~~through~~ because of the Title V permit issuance process:

	Never	Occasionally	Frequently	Often
a. prior to submitting an application	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. prior to issuing a draft permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. after issuing a final permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Based on your experience with sources addressing compliance problems identified through the Title V permitting process, estimate the general rate of compliance with the following requirements prior to implementing Title V:

	Never	Occasionally	Frequently	Often
a. NSPS requirements (including failure to identify an NSPS as applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
b. SIP requirements	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>

Here, we will agree, prior to Title V, permittees and the District were generally ignoring obsolete SIP-approved rules that had been replaced by more stringent local rules that had been submitted to EPA for inclusion in the SIP, but had not been approved into the SIP because of years of inaction by EPA. Therefore these outdated and obsolete SIP rules were not captured in District operating permits before Title V. Title V, of course, required hours of examination of these outdated rules, and streamlining of requirements with those of the newer rules, to officially demonstrate what we already knew – the new rules were more stringent than the SIP rules, and therefore should be the basis of conditions in the permit. Again, there was no air quality benefit resulting from this complex and time consuming exercise.

c. Minor NSR requirements (including the requirement to obtain a permit)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X
d. Major NSR/PSD requirements (including the requirement to obtain a permit)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X

6. What changes in compliance behavior on the part of sources have you seen in response to Title V? (Check all that apply.)

As the following responses illustrate, overall changes seen in TV facilities' compliance efforts have resulted primarily from an increase in administrative paperwork and reporting, resulting in little to no decrease in emissions.

- a. increased use of self-audits?

Yes; however, this increase has its focus on an administrative response to each and every condition. Rather than looking for emission reductions, the program requirements put the onus on completing the reports.

- b. increased use of environmental management systems?

Yes; this is largely due to companies complying with the reporting requirements. Some larger companies have implemented computer software/applications, but only to manage administrative reporting requirements.

- c. increased staff devoted to environmental management?

Yes; however, only in some of the larger companies where the Title V program has created a significant amount of administrative work. In many of these companies, the work is given to outside consultants. In both cases the labor cost is primarily to address reporting requirements.

- d. increased resources devoted to environmental control systems (e.g., maintenance of control equipment; installation of improved control devices; etc.)?

No; however, more resources have been used to meet the requirements of District related rules. For example, a large number of companies put significant resources into R/D and purchase of new burners for boiler Rules 4305, 4306, 4307, and 4320, and into control systems for the engine Rules 4701 and 4702.

- e. increased resources devoted to compliance monitoring?

Not significantly; the increased resources for compliance monitoring are associated with those necessary to meet the reporting requirements associated with Title V, which result in

only administrative violations, which have no bearing on compliance with emission limits or attainment standards.

f. better awareness of compliance obligations?

No; or at least none that can be directly attributed to Title V.

g. other? Describe.

- N 7. Have you noted a reduction in emissions due to the Title V program?
- NA a. Did that lead to a change in the total fees collected either due to sources getting out of title V or improving their compliance?
- NA b. Did that lead to a change in the fee rate (dollars/ton rate)?
8. Has title V resulted in improved implementation of your air program in any of the following areas due to Title V:
- N a. netting actions
- N b. emission inventories
- N c. past records management (e.g., lost permits)
- N d. enforceability of PTE limits (e.g., consistent with guidance on enforceability of PTE limits such as the June 13, 1989 guidance)
- N e. identifying source categories or types of emission units with pervasive or persistent compliance problems; etc.
- N f. clarity and enforceability of NSR permit terms
- N g. better documentation of the basis for applicable requirements (e.g., emission limit in NSR permit taken to avoid PSD; throughput limit taken to stay under MACT threshold)
- N h. emissions trading programs
- N i. emission caps
- N j. other (describe)

9. If yes to any of the above, would you care to share how this improvement came about? (e.g., increased training; outreach; targeted enforcement)?

Y 10. Has Title V changed the way you conduct business?

Yes, Title V has resulted in a significant increase in personnel (to implement the program)

N a. Are there aspects of the Title V program that you have extended to other program areas (e.g., require certification of accuracy and completeness for pre-construction permit applications and reports; increased records retention; inspection entry requirement language in NSR permits). If yes, describe.

N b. Have you made changes in how NSR permits are written and documented as a result of lessons learned in Title V (e.g., permit terms more clearly written; use of a statement of basis to document decision making)? If yes, describe.

We had used statements of bases for permit conditions long before Title V was implemented.

N c. Do you work more closely with the sources? If yes, describe.

N d. Do you devote more resources to public involvement? If yes, describe.

Any increases in public involvement have been in areas other than Title V permitting.

N e. Do you use information from Title V to target inspections and/or enforcement?

No; we look at each of these facilities annually, and investigate and respond to all deviation notifications.

N f. Other ways? If yes, please describe.

The following question is confusing. If it is asking if the Title V fees are helpful in running the Title V program, the answer is yes. Specifically, the fee that was mandated by the Title V program, and was only necessary because of the Title V program, was useful in implementing the Title V program. However, since the fee was only necessary because of the Title V program, we're assuming the question is actually this:

N 11. Has the Title V fee money been helpful in running the District's overall air quality program?

The Title V fees recover the approximate additional costs associated with implementing the Title V program, and have little relevance outside of the Title V program.

Have you been able to provide:

N a. better training?

N b. more resources for your staff such as CFRs and computers?

N c. better funding for travel to sources?

N d. stable funding despite fluctuations in funding for other state programs?

Our permitting program funding mechanisms already resulted in stable funding.

N e. incentives to hire and retain good staff?

N f. are there other benefits of the fee program? Describe.

Y 12. Have you received positive feedback from citizens?

We regularly get positive feedback from Valley businesses with respect to the streamlining and highly efficient processes we implement to minimize the cost of the Title V program. However, we cannot think of a single instance of a member of the non-regulated public providing positive feedback about the Title V permitting program. We assume this is because we already had a highly effective operating permit program before Title V came along, and citizens saw no air quality benefit occur.

N 13. Has industry expressed a benefit of Title V? If so, describe.

N 14. Do you perceive other benefits as a result of the Title V program? If so, describe.

N 15. Other comments on benefits of Title V?

Good Practices not addressed elsewhere in this questionnaire

Are any practices employed that improve the quality of the permits or other aspects of the title V program that are not addressed elsewhere in this questionnaire?

The one area that this questionnaire does not adequately cover is the opportunity for the use of electronic media. For instance, it asks if we have brochures and asks if Title V fees help us buy CFRs. In both of these cases, the answers are moving in the direction of electronic media. We always access the most recent CFRs electronically, and we provide most pertinent and up-to-date permitting guidance and documentation through our website. On our website, one can find permitting guidance, applications and instructions, District permitting policies of a wide variety, EJ strategies, public notice and comment information, links to relevant info on all Title V permit renewals, etc., etc.

EPA assistance not addressed elsewhere in this questionnaire

Is there anything else EPA can do to help your title V program?

Yes, help us streamline Title V further, to reduce or eliminate the redundancies between the Title V permitting program and our existing state/local preconstruction and operating permit program. The District will be presenting to EPA our approach to implementing this streamlining soon, and looks forward to working with EPA in the future on this important resource issue.

Appendix C

WORKPLAN FOR SJVAPCD TITLE V PROGRAM EVALUATION

**Workplan
for
Title V Program Evaluation
San Joaquin Valley Air Pollution Control District**

US EPA, Region 9

OBJECTIVES

- To perform a title V program evaluation of the San Joaquin Valley Air Pollution Control District (SJVAPCD)
- To identify any areas for improvement in SJVAPCD's title V program and in EPA's own oversight role.
- To identify areas where SJVAPCD's program could be used as an example for other permitting authorities to improve their implementation of title V.

SJVAPCD is one of several air permitting agencies in Region 9 where EPA plans to perform title V program evaluations. These evaluations are being performed nationwide by EPA.

EPA PROGRAM EVALUATION TEAM FOR SJVAPCD

The following staff and managers are part of EPA's program evaluation team. Should you have any questions, please contact Roger Kohn (415/972-3973) or Gerardo Rios (415/972-3974).

Site Visit Participants:

1. Kerry Drake - Air Division Associate Director, Division lead for SJVAPCD
2. Gerardo Rios - Air Division Permits Office Chief
3. Roger Kohn - SJVAPCD title V program evaluation coordinator, Permits Office
4. Roberto Gutierrez – SJVAPCD title V program evaluation team member, Permits Office
5. Andrew Chew - SJVAPCD title V program evaluation team member, Permits Office
6. Geoffrey Glass - SJVAPCD title V program evaluation team member, Permits Office
7. Ken Israels – SJVAPCD title V program evaluation team member, Grants and Program Integration Office
8. Richard Grow, SJVAPCD title V program evaluation team member, Grants and Program Integration Office
9. additional staff (to be determined)

Other EPA Staff Providing Assistance:

10. Kara Christenson - Office of Regional Counsel

APPROACH

The program evaluation will be conducted in two stages.

- Stage I: SJVAPCD's responses to the title V program evaluation questionnaire will help us prepare for the second stage of the program evaluation.
- Stage IIa: In-House File Review. EPA will conduct a review of in-house permit files prior to the site visits.
- Stage IIb: Site visits (interviews and on-site file reviews). During the site visits, EPA will visit SJVAPCD to interview staff and managers involved in the title V program. In addition, EPA will conduct a review of SJVAPCD files/systems, such as any title V-related documents which were not available during the in-house file review, SJVAPCD tracking system for title V permits and related documents, and standard operating procedures.
- Stage IIc: Follow-up and Report. EPA may need to contact certain SJVAPCD staff/managers for follow-up questions and/or to complete some interviews. EPA will prepare a draft report, which we will share with SJVAPCD for review and comment. EPA will then issue the final report.

DETAILED DESCRIPTION OF EPA EFFORTS

EPA will examine how SJVAPCD implements its title V permitting program. Particular emphasis will be placed on SJVAPCD overall program goals and how decisions are made. We will also review some aspects of the program implementation budget and evaluate how title V resources are allocated. We will work closely with SJVAPCD throughout the program evaluation.

Needed Information

Listed below is information EPA will need to help us prepare for the site visits to SJVAPCD:

- A listing of staff related to the title V program with their respective responsibilities (including staff that work on public outreach for title V permitting).
- SJVAPCD's current organizational chart with names and phone numbers.
- A flowchart (or other information) of SJVAPCD's title V fee structure clearly showing how fees are set, collected, tracked, and used in support of the program. In addition, SJVAPCD should provide specific references to title V fee-related legislation used by the Department.
- a list of sources that SJVAPCD regulates under its title V program

Interviews

During the site visits, EPA will interview SJVAPCD managers and staff who are involved with the title V program. EPA will schedule interview appointments in advance. We would like to ask for your assistance in identifying appropriate interviewees.

During the interviews, we plan to ask questions based on the areas addressed in the title V Program Evaluation Questionnaire sent to SJVAPCD. These areas include (1) title V permit preparation and content, (2) monitoring, (3) public participation, (4) permit issuance, revision, and renewal, (5) compliance, (6) resources & internal management support, and (7) title V benefits. EPA's interview questions may also be based upon our in-house file reviews.

Other Site Visit Activities

EPA plans to review the systems used by SJVAPCD for tracking title V permits, applications, emission inventories, title V fees, compliance certifications, and related reports. We would also like to examine how title V permit and compliance files are organized at SJVAPCD's Fresno office. We may also review title V-related documents that were not available during our in-house file review. During our site visits, we will need access to all the systems and files described above.

Site Visit Schedule

The site visits will occur in late October or November of this year. We will work with SJVAPCD before the site visits to schedule individual, on-site interviews. During our visit to your Fresno office, we plan to conduct interviews for the first four days and review the tracking systems and files on the last day.

Follow-up After Site Visits and Completion of Report

EPA may follow up by phone with SJVAPCD after the site visits to ask for clarification on any questions or issues resulting from our visit.

EPA plans to issue a draft report in mid-2013. The report will be based on the interviews, the site visits, and our internal file reviews of title V permits and related documents issued by SJVAPCD. The report will allow EPA to document the successes and areas needing improvement that arise from the program review. Prior to public release, EPA will issue the draft report to SJVAPCD for a 30-day review and comment period. After considering SJVAPCD's comments and input, EPA will issue the final report with our recommendations.

A copy of EPA's final report will be made publicly available and will be published on our website. If a corrective action plan is necessary, there may be a follow-up step after the corrective action plan is finalized to determine how well the recommendations/commitments are being implemented.

Appendix D

EXAMPLES OF CERTIFICATE OF CONFORMITY DOCUMENTATION

Merced Sun Star

**NOTICE OF PRELIMINARY DECISION
FOR THE ISSUANCE OF AUTHORITY TO CONSTRUCT AND
THE PROPOSED SIGNIFICANT MODIFICATION OF FEDERALLY
MANDATED OPERATING PERMIT**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Air Pollution Control District solicits public comment on the proposed significant modification of E & J Gallo Winery for its winery located at 18000 West River Road in Livingston, California. This project is to install fifty-two wine fermentation and storage tanks.

The District's analysis of the legal and factual basis for this proposed action, project #N-1123583, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. The emissions increase associated with this proposed action will be mitigated by providing sufficient amount of offsets in the form of emission reduction credits. This will be the public's only opportunity to comment on the specific conditions of the modification. If requested by the public, the District will hold a public hearing regarding issuance of this modification. For additional information, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400. Written comments on the proposed initial permit must be submitted within 30 days of the publication date of this notice to DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT, 4800 ENTERPRISE WAY, MODESTO, CA 95356-8718.



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



JAN 24 2013

Ms. Christine Ryan
E & J Gallo Winery
18000 West River Road
Livingston, CA 95334

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # N-1237
Project # N-1123583**

Dear Ms. Ryan:

Enclosed for your review is the District's analysis of an application for Authorities to Construct for the facility identified above. The applicant is requesting that Certificates of Conformity with the procedural requirements of 40 CFR Part 70 be issued with this project. This project is to install fifty-two wine fermentation and storage tanks.

After addressing any EPA comments made during the 45-day comment period, the Authorities to Construct will be issued to the facility with Certificates of Conformity. Prior to operating with modifications authorized by the Authorities to Construct, the facility must submit an application to modify the Title V permit as an administrative amendment, in accordance with District Rule 2520, Section 11.5.

If you have any questions, please contact Mr. Rupl Gill, Permit Services Manager, at (209) 557-6400.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

DW:WMS/st

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95355-8718
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Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



JAN 24 2013

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St.
San Francisco, CA 94105

**Re: Proposed ATC / Certificate of Conformity (Significant Mod)
District Facility # N-1237
Project # N-1123583**

Dear Mr. Rios:

Enclosed for your review is the District's engineering evaluation of an application for Authorities to Construct for E & J Gallo Winery located at 18000 West River Road in Livingston, which has been issued a Title V permit. E & J Gallo Winery is requesting that Certificates of Conformity, with the procedural requirements of 40 CFR Part 70, be issued with this project. This project is to install fifty-two wine fermentation and storage tanks.

Enclosed is the engineering evaluation of this application and proposed Authorities to Construct # N-1237-609-0 through N-1237-660-0 with Certificates of Conformity. After demonstrating compliance with the Authority to Construct, the conditions will be incorporated into the facility's Title V permit through an administrative amendment.

Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter. If you have any questions, please contact Mr. Rupi Gill, Permit Services Manager, at (209) 557-6400.

Thank you for your cooperation in this matter.

Sincerely,

David Warner
Director of Permit Services

DW:WMS/st

Enclosures

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Executive Director/Air Pollution Control Officer

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San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

JAN 28 2013

Mr. Steve Kidd
E & J Gallo
18000 W River Road
Livingston, CA 95334

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # N-1121200**

Dear Mr. Kidd:

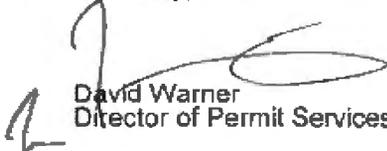
The Air Pollution Control Officer has issued Authorities to Construct (N-1237-490-1 through -569-1) with Certificates of Conformity to E & J Gallo. The applicant proposes to modify 80 wine tank permits to revise the average ethanol content to 15%, revise the maximum daily storage temperature to 77.3 deg F and revise the annual average temperature to 61.6 deg F.

Enclosed are the Authorities to Construct and invoice. The application and proposal were sent to US EPA Region IX on October 23, 2012. No comments were received following the District's preliminary decision on this project.

Prior to operating with modifications authorized by the Authority to Construct, you must submit an application to modify the Title V permit as an administrative amendment in accordance with District Rule 2520, Section 11.5.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,



David Warner
Director of Permit Services

Enclosures
jag

Sayed Sadredin
Executive Director/Air Pollution Control Officer

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www.valleysair.org

Southern Region
34906 Flyover Court
Bakersfield, CA 93308-9725
Tel: (861) 382-5500 FAX: (861) 392-5585



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

JAN 28 2013

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

**Re: Final - Authority to Construct / Certificate of Conformity (Minor Mod)
Project # N-1121200**

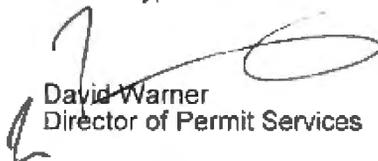
Dear Mr. Rios:

The Air Pollution Control Officer has issued Authorities to Construct (N-1237-490-1 through -569-1) with Certificates of Conformity to E & J Gallo. The applicant proposes to modify 80 wine tank permits to revise the average ethanol content to 15%, revise the maximum daily storage temperature to 77.3 deg F and revise the annual average temperature to 61.6 deg F.

Enclosed are copies of the Authorities to Construct. The application and proposal were sent to US EPA Region IX on October 23, 2012. No comments were received following the District's preliminary decision on this project.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Jim Swaney, Permit Services Manager, at (559) 230-5900.

Sincerely,



David Warner
Director of Permit Services

Enclosures
jag

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San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



FEB 16 2012

Jason Donchin
Chevron USA, Inc
PO Box 1392
Bakersfield, CA 93302

**Re: Administrative Amendment to Title V Operating Permit
District Facility # S-1128
Project # S-1120247**

Dear Mr. Donchin:

In accordance with District Rule 2520, Federally Mandated Operating Permits, the District reviewed the Chevron USA, Inc application and has administratively amended the requirements for their Title V operating permit. This administrative amendment incorporates the requirements of ATC S-1128-116-60, which was issued with Certificate of Conformity after EPA review into the Title V permit for this facility. The change is to increase the time allowed for notification of a flaring event from one hour to 24 hours. This amended Title V permit is being sent to you as a final action.

Your cooperation in this matter was appreciated. Should you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,



David Warner
Director of Permit Services

DW:spj

cc: Gerardo Rios, EPA Region IX

Enclosures

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www.valleyair.org

www.healthyairliving.com

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Appendix E

FEBRUARY 19, 1999 EPA LETTER TO CAPCOA



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

February 19, 1999

Mr. David Dixon
Chairperson, Title V Subcommittee
San Luis Obispo County
Air Pollution Control District
3433 Roberto Court
San Luis Obispo, CA 93401

Dear Mr. Dixon:

I am writing to provide a final version of our response to your July 2, 1998 letter in which you expressed concern about Region IX's understanding of the Subcommittee's tentative resolution to the 45-day EPA review period issue. I have also included a summary of the Subcommittee's agreement on two title V implementation issues originally raised by some Subcommittee members at our meeting on August 18, 1998. Our response reflects many comments and suggestions we have received during the past several months from members of the Title V Subcommittee and EPA's Office of General Counsel. In particular, previous drafts of this letter and the enclosure have been discussed at Subcommittee meetings on October 1, 1998, November 5, 1998, January 14, 1999, and February 17, 1999. Today's final version incorporates suggested changes as discussed at these meetings and is separated into two parts. Part I is "guidance" on what constitutes a complete Title V permit submittal; and Part II is a five-point process on how to better coordinate information exchange during and after the 45-day EPA review period.

We will address the letter to David Howekamp from Peter Venturini dated August 7, 1998 regarding permits issued pursuant to NSR rules that will not be SIP approved in the near future. This issue was also discussed at the August 18 Title V Subcommittee meeting.

I appreciate your raising the issues regarding the 45-day EPA review clock to my attention. Your efforts, along with the efforts of other Title V Subcommittee members, have been invaluable towards resolving this and other Title V implementation issues addressed in this letter. The information in the enclosure will clarify Title V permitting expectations between Region IX and the California Districts and will improve coordination of Title V permit information. It is important to implement this immediately, where necessary, so the benefits of this important program can be fully realized as soon as possible in the state of California as well as other states across the country.

If you have any questions please do not hesitate to call me at (415) 744-1254.

Sincerely,



Matt Haber
Chief, Permits Office

Enclosure

cc: California Title V Contacts
California Air Pollution Control Officers
Ray Menebroker, CARB
Peter Venturini, CARB

Enclosure

Neither the guidance in Part I nor the process in Part II replace or alter any requirements contained in Title V of the Clean Air Act or 40 CFR Part 70.

PART I. Guidance on Information Necessary to Begin 45-day EPA Review

A complete submittal to EPA for a proposed permit consists of the application (if one has not already been sent to EPA), the proposed permit, and a statement of basis. If applicable to the Title V facility (and not already included in the application or proposed permit) the statement of basis should include the following:

- additions of permitted equipment which were not included in the application;
- identification of any applicable requirements for insignificant activities or State-registered portable equipment that have not previously been identified at the Title V facility,
- outdated SIP requirement streamlining demonstrations,
- multiple applicable requirements streamlining demonstrations,
- permit shields,
- alternative operating scenarios,
- compliance schedules,
- CAM requirements,
- plant wide allowable emission limits (PAL) or other voluntary limits,
- any district permits to operate or authority to construct permits;
- periodic monitoring decisions, where the decisions deviate from already agreed-upon levels (e.g., monitoring decisions agreed upon by the district and EPA either through: the Title V periodic monitoring workgroup; or another Title V permit for a similar source). These decisions could be part of the permit package or could reside in a publicly available document.

Part II - Title V Process

The following five-point process serves to clarify expectations for reviewing Title V permits and coordinating information on Title V permits between EPA Region IX ("EPA") and Air Pollution Districts in California ("District"). Districts electing to follow this process can expect the following. Districts may, at their discretion, make separate arrangements with Region IX to implement their specific Title V permit reviews differently.

Point 1: The 45-day clock will start one day after EPA receives all necessary information to adequately review the title V permit to allow for internal distribution of the documents. Districts may use return receipt mail, courier services, Lotus Notes, or any other means they wish to transmit a package and obtain third party assurance that EPA received it. If a District would like written notice from EPA of when EPA received the proposed title V permit, the District should notify EPA of this desire in writing. After receiving the request, Region IX will provide written response acknowledging receipt of permits as follows:

(Date)

Dear (APCO):

We have received your proposed Title V permit for (Source Name) on (Date). If, after 45-days from the date indicated above, you or anyone in your office has not heard from us regarding this permit, you may assume our 45-day review period is over.

Sincerely,

Matt Haber
Chief, Permits Office

Point 2: After EPA receives the proposed permit, the permit application, and all necessary supporting information, the 45-day clock may not be stopped or paused by either a District or EPA, except when EPA approves or objects to the issuance of a permit.

Point 3: The Districts recognize that EPA may need additional information to complete its title V permit review. If a specific question arises, the District involved will respond as best it can by providing additional background information, access to background records, or a copy of the specific document.

The EPA will act expeditiously to identify, request and review additional information and the districts will act expeditiously to provide additional information. If EPA determines there is a

basis for objection, including the absence of information necessary to review adequately the proposed permit, EPA may object to the issuance of the permit. If EPA determines that it needs more information to reach a decision, it may allow the permit to issue and reopen the permit after the information has been received and reviewed.

Point 4: When EPA objects to a permit, the Subcommittee requested that the objection letter identify why we objected to a permit, the legal basis for the objection, and a proposal suggesting how to correct the permit to resolve the objection.

It has always been our intent to meet this request. In the future, when commenting on, or objecting to Title V permits, our letters will identify recommended improvements to correct the permit. For objection letters, EPA will identify why we objected to a permit, the legal basis for the objection, and details about how to correct the permit to resolve the objection. Part 70 states that "Any EPA objection...shall include a statement of the Administrator's reasons for objection and a description of the terms and conditions that the permit must include to respond to the objections."

Point 5: When EPA objects to a permit, and a District has provided information with the intent to correct the objection issues, the Subcommittee members requested a letter from EPA at the end of the 90-day period stating whether the information provided by the District has satisfied the objection.

While we agree with the Districts' desire for clear, written communication from EPA, a written response will not always be possible by the 90th day because the regulations allow a District 90 days to provide information. To allow EPA ample time to evaluate submitted information to determine whether the objection issues have been satisfied, we propose establishing a clear protocol. The following protocol was agreed to by members of the Subcommittee:

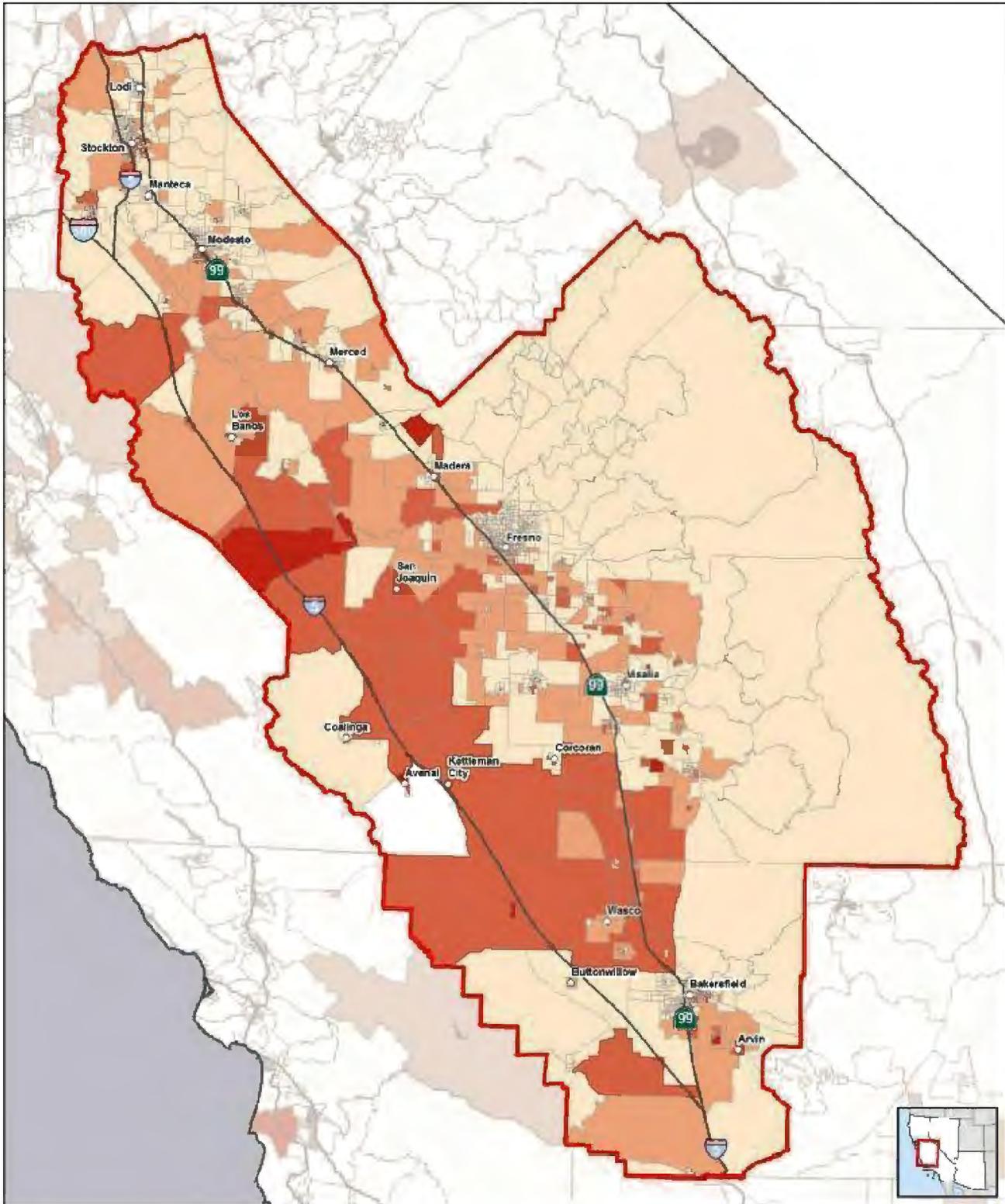
1. within 60 days of an EPA objection, the District should revise and submit a proposed permit in response to the objection;
2. within 30 days after receipt of revised permit, EPA should evaluate information and provide written response to the District stating whether the information provided by the District has satisfied the objection.

|

Appendix F

**MAP OF LINGUISTICALLY ISOLATED HOUSEHOLDS IN THE SAN JOAQUIN
VALLEY**

LINGUISTICALLY ISOLATED HOUSEHOLDS BY 2010 US CENSUS BLOCK GROUP SAN JOAQUIN VALLEY UNIFIED AIR QUALITY MANAGEMENT DISTRICT

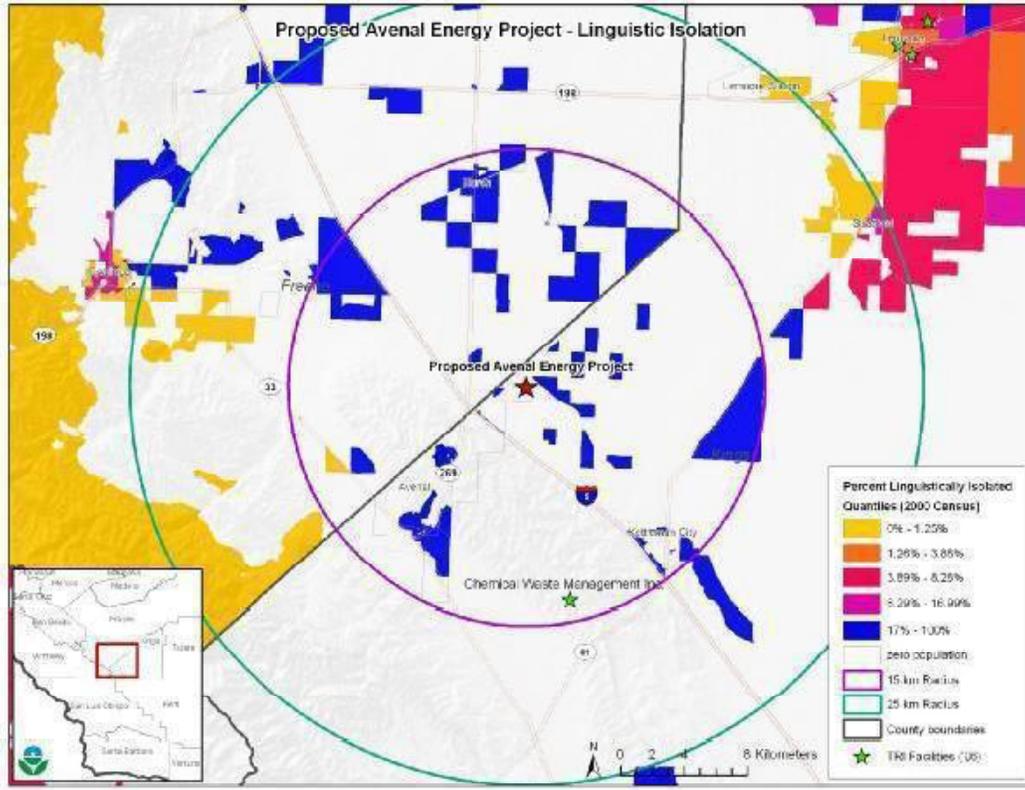


EPA
 REGION 9 - AIR
 April 10, 2013
 APR130001_4_2.mxd
 Sources: US Census Bureau (2010), ESRI (2013), TANA (2006)

Appendix G

**MAP OF LINGUISTICALLY ISOLATED COMMUNITIES LIVING WITHIN A 15, 25
AND 50 KM RADIUS OF THE PROPOSED AVENAL ENERGY PROJECT**

Figure 5 - Percent Linguistically Isolated



Radius, km	Population	Percent Minority	Percent Under Age 18	Percent Over Age 64	Percent Linguistically Isolated	Percent w/o High School Diploma	Average Median Household Income, \$
15	25,660	85	24	3	34	51	27,221
25	32,244	82	25	3	30	50	27,771
50	162,723	62	29	7	11	35	36,843
Kings County	129,461	59	29	7	9	31	35,749
Fresno County	799,407	60	32	10	10	32	34,725
San Joaquin Valley	3,182,529	55	33	10	9	33	38,162
State of CA	33,871,648	53	27	11	10	23	47,493

Source: US Census 2000, Summary Tape File 3

Appendix H

SJVAPCD COMMENTS ON DRAFT REPORT AND EPA RESPONSES



September 23, 2013

Gerardo Rios
U.S. E.P.A. – Region IX
Chief, Permits Office, Air Division (AIR-3)
75 Hawthorne Street
San Francisco, CA 94105

Subject: Comments on EPA's Draft Evaluation of the San Joaquin Valley Air Pollution Control District's Title V Operating Permit Program

Dear Mr. Rios: *Gerardo*

The San Joaquin Valley Air Pollution Control District (District) has received EPA's August 14, 2013 draft evaluation on the District's Title V permitting program. Thank you for providing the District the opportunity to provide comments to ensure that the Title V program evaluation accurately describes the District's Title V permitting program.

We appreciate the many positive findings and comments you provided. We appreciate the recognition of the District's excellent title V implementation policies and procedures, quality assurance practices, staff training systems, attention to permit streamlining processes, and outstanding customer service, a result of the District's implementation of a set of core values that place a high priority on customer service and continuous improvement. We also greatly appreciate the acknowledgement of our exceptional title V compliance program, the District's outstanding legal support team, and our unparalleled computerized Permit Administration System.

In general, we find the evaluation to be well-structured and easy to understand. However, we do have specific comments and recommendations on several items, which are attached.

Please contact me if you wish to discuss further, or if you disagree with any of our recommendations.

Sincerely,

David Warner
Director of Permit Services

Attachment

Sayed Eshredin
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ATTACHMENT

San Joaquin Valley Air Pollution Control District Comments on EPA's draft August 14, 2013 Title V Program Evaluation

September 23, 2013

Below are comments and suggestions on several of EPA's draft findings and recommendations. Our comments are generally focused on three areas:

- The correction of factual errors,
- EPA's excessively generalized findings based on a very small number of isolated issues discovered,
- A lack of specificity regarding recommendations that are based on law or regulation, as opposed to those that are merely preferences of EPA Region IX staff.

To the extent that EPA accepts our proposed changes in EPA's "Findings" and "Recommendations", EPA may also want to revisit the related "Discussion" sections for each item. For findings not listed below, the District has no comments.

Finding 2.4

EPA's Finding:

When sources submit applications for minor permit modifications, SJVAPCD does not ensure that applicants certify that the proposed modifications meet the title V minor modification criteria.

District's Response:

We disagree with this finding. To apply for Minor Modification of a Title V permit, applicants need to complete 2 forms available on the District website:

- Title V Modification Application (TVFORM-008)
- Title V Compliance Certifications for Modifications (TVFORM-009)

A Title V Modification application is considered "complete" when both forms are received, completed and signed by the applicant, and all technical information necessary to proceed with the evaluation is received.

Under this process, applicants are required to determine the type of modification, to sign the Title V Modification Application, and to certify that the information provided is correct and true. Therefore, under this process, when applying for a Title V minor modification, an applicant is certifying that the proposed modification qualifies to be processed by the District as a minor modification.

Suggested Revisions:

Finding:

When sources submit applications for minor permit modifications, District application forms include provisions that require that the applicant certify that the proposed modifications meet Title V minor modification criteria. However, more specific certification language would make the applications easier to understand and provide a more distinct certification.

Recommendation:

The District may want to consider modifying their Title V modification applications to clearly indicate that an applicant applying for a Title V minor modification is certifying that the proposed modification qualifies as a minor modification.

Finding 2.5:

EPA's Recommendation:

SJVAPCD may consider grouping emission units subject to identical requirements together and grouping permit conditions by type of condition.

District's Response:

The District does group permit conditions by type of condition.

EPA's discussion and recommendation are focused on the format of the District title V permits based on comments from some District staff during the interviews. While the permits do not currently contain headings for groups of conditions, District staff guidance is to group permit conditions as follows, and in this order:

- design conditions;
- operational conditions;
- special conditions;
- emission limits;
- testing requirements;
- test methods;
- monitoring conditions;
- recordkeeping conditions.

The District will continue to work with its permitted sources on ways to make lengthy Title V permits easier to understand. One such method is, for units that have identical requirements, to include the actual conditions only on the facility wide requirements, and refer back to those requirements in each affected permit. This has been implemented for one large facility during a recent title V permit renewal and the results have been beneficial. Applicants for future permit renewals may request their permits be structured in a similar manner.

We disagree that grouping common emissions units would have any positive impact. Our permit units are organized numerically, and the permit numbers are assigned

chronologically. If we were to order the permit units by type of unit, the individual units would be extremely difficult to find by examining the facility permit. Remember that we might have issued permits for 300 tanks at an oilfield source, and there might be five or six types of tanks. Currently, we page through to a given permit number, a very easy process. Grouping the units by type of tank would make it nearly impossible to find a particular tank permit.

Suggested Revisions:

Finding:

District staff reported that while they are generally happy with the format of the District's title V permits. Due to the length of the permits, the District should continue to investigate methods of making the permits clearer and easier to read.

Finding 2.6

Finding:

SJVAPCD has not updated its title V application forms to require PM2.5 emission data.

District's Response:

The District has incorporated New Source Review requirements for PM2.5 (73 FR 28321) into Rule 2201 – New and Modified Stationary Source review. As a result of these changes, a source can only be major for PM2.5 (200,000 lb/year) if it is major for PM10 (140,000 lb/year).

Consistent with the PM2.5 requirements within Rule 2201, the District only requires that PM2.5 emissions data be submitted for major PM10 sources. And we strongly disagree that it is necessary to collect PM2.5 information from a source which is not major for PM10. We believe that all possible permit streamlining and permit evaluation simplification is necessary to implement title V processes in a way that minimizes the severe impact on resources that it creates.

Additionally, EPA states that the District does not include or discuss PM2.5 emissions in Title V projects involving changes in PTE. We strongly disagree with this statement. Any changes in emissions are covered under the Authority to Construct application evaluation associated with the change – we do not authorize emissions increases via a Title V application!

As EPA is aware, Title V applications and approvals are solely administrative in nature. Title V approvals do not authorize any new or modified emission units, or any increases in emissions. So, there are two mechanisms to incorporate the ATC requirements into the Title V permit: either the ATC is handled under the District's Certificate of Conformity process, in which the EPA has a 45-day review of the ATC, in which the PM2.5 emissions are discussed if appropriate; or the ATC's conditions are incorporated into the Title V permit as a part of a non-administrative action, during which the EPA again has the opportunity to review our analysis of PM 2.5 emissions.

Suggested Revisions:

Finding:

We applaud the District's efforts to streamline the Title V permitting process, such as only requiring PM2.5 emissions information from sources that are major for PM10 (since PM2.5 sources cannot be major under the District's rules unless they are also major for PM10).

Recommendation:

The District's initial Title V application forms require the submittal PM10 emissions data, but not PM2.5 emissions data. While EPA believes that the District's approach to addressing major source status for PM2.5 emissions appears to be adequate, they may consider updating these forms to explicitly require the submission of stationary source PM2.5 emission information.

Finding 2.7

EPA's finding:

Although SJVAPCD statements of basis contain a considerable amount of useful information, the District does not adequately document all decisions it has made in the permitting process.

EPA's Recommendation: *SJVAPCD must expand the scope of its statements of basis to adequately document decisions the District has made in the permitting process.*

District's Response:

While we appreciate the compliment regarding the large amounts of information contained within our statements of basis, we strongly disagree with the general statement that they do not contain enough information and that they must be expanded!

The District must object to these types of broad statements where only a limited number of examples are shown (out of the approximately 270 title V facilities with thousands of permit units and thousands of permitting actions). EPA should have stated that found in a small number of cases that did not fully document permitting decisions, as that is all that can be gleaned from the draft report. As written, the discussion implies that all Title V evaluations do not adequately document permitting decision.

Suggested Revisions

Finding:

EPA's review found a small percentage of cases where the District's Statements of Basis did not adequately document decisions it had made in Title V permitting processes. However, overall the application reviews (statements of basis) contain a considerable amount of useful information and in almost all cases do an excellent job of support permitting decisions.

Recommendation:

The District can improve their statements of basis in a small percentage of their Title V permitting evaluations by making taking extra steps to ensure every statement of basis adequately documents all permitting decisions.

Finding 2.8

EPA's finding:

SJVAPCD frequently streamlines overlapping applicable requirements in its title V permits; but the resulting conditions do not always ensure compliance with all subsumed requirements.

EPA's Recommendation: *When streamlining multiple applicable requirements, SJVAPCD must ensure that permit conditions assure compliance with all subsumed applicable requirements, taking into account the units of measurement, averaging periods, and compliance methods associated with each limit. SJVAPCD must cite all subsumed requirements in the citations of the origin and authority of each streamlined condition. When the District streamlines multiple applicable requirements in its title V permits, the District must document its decisions in its statement of basis. We recommend that permit writers review White Paper 2 and EPA Region 3 Permit Writer Tips on streamlining to become more familiar with EPA policy on streamlining and to ensure it is implemented correctly.*

District's Response:

Again, EPA's general statements infer a higher degree of occurrence than actual exists, and we must object.

The statement about not discussing streamlining in the evaluation is troublesome, as EPA making broad statements while only showing 2 examples of such alleged deficiencies are cited, and for which the District agrees with only one. For the Pilkington (N-477) example, that permit shield was incorrectly carried over, and the District is in the process of resolving the issue.

For the Chevron (C-311) example, the conditions EPA references were developed during the initial Title V permitting (Project C960762), and resulted from the use of general template SJV-GT-7-0 that had been approved by EPA (and the covered rules had not changed before the last renewal to affect those conditions). Additionally, the District does discuss commonly streamlining in its evaluations, such as for Shell Pipeline (C-1234, Project C1082670) and Saint-Gobain Containers (C-801, Project C1072785).

Regarding EPA's statement that District performs incomplete streamlining with regard to emission limit averaging periods, the District has guidance on the inclusion of averaging periods in permits – District Policy APR 1725 Averaging Period for Emission Limits on ATCs and PTOs. This policy sets forth the procedures to establish the appropriate

averaging periods for emission limits in ATCs and PTOs. The requirements of this policy are imposed on PTOs routinely.

Regarding the isolated cases you cited where emission limits do not include an appropriate averaging period or include complete rule citations, while we note that EPA had opportunities to review all of our title V permits prior to issuance, we will investigate these claims and work with the permit holders to revise the permits accordingly using the appropriate administrative processes.

Concerning EPA's statement that permits lack permit shield attention is drawn to the fact that the Title V rules (District and federal) allow for permit shields, but don't require them. EPA's White Paper 2 states that that streamlined terms should be covered by a permit shield to fully realize the benefits of streamlining, but again does not require a permit shield. Additionally, permit holders must request a permit shield to be included in their Title V permit.

We do not believe that permits that lack a "permit shield" are in any way deficient, as permit shields are not required, and in fact are not allowed to be intigated by the District, as our rules require an applicant's request.

Suggested Revisions

Finding:

The District frequently streamlines overlapping applicable requirements in its title V permits; and in the vast majority of those cases, the streamlining is appropriately structured and implemented. However, in a very few cases, the resulting conditions did not ensure compliance with all subsumed requirements.

Recommendation:

EPA recommends that streamlining efforts be identified as such in statements of basis, and that the District must eliminate the small percentage of streamlining efforts that are not adequately documented.

Finding 3.2

EPA's Finding:

Title V permits for sources subject to CAM do not contain all the required elements of 40 C.F.R. Part 64.

District's Response:

Again, EPA is making broad statements that are not consistent with reality, nor are they consistent with EPA's review of every District Title V permit we've ever issued! We have worked with and negotiated with EPA a very consistent approach to implementing CAM requirements, and EPA has reviewed every CAM –containing permit that we've ever issued, and when EPA has had issue with CAM-implementation, EPA and the District have successfully negotiated resolutions. The District is disappointed that EPA now revisits many of these same issues in this report.

Specifically, we have the following comments relative to EPA's specific CAM-related comments:

- Contrary to EPA's claims, the District Title V permits do not "relieve" sources of their obligation to report excursions or exceedances from their annual reporting! Any violations of all permit conditions must be reported!
- In EPA's comment regarding the definition of excursion, while you did not cite the specific section of the CAM regulation, it appears that you are referring to 40 CFR 64.6(c)(2). This section requires that permits specify the means by which an operator will define an exceedance or excursion and the level at which a exceedance or excursion has occurred. This section goes on to say that the permit may specify the indicator range or may specify procedures to specify the indicator range and provide notification to the permitting authority of any reestablishment of the indicator range.

While some permit conditions concerning CAM monitoring requirements do not use the terms excursion or exceedance, any operation reading of an indicator range outside of that specified by the permit (or otherwise formally established) is a violation of that permit condition. Such a violation must be reported as a deviation of the permit requirement within 10 days of detection, included in the facilities semi-annual report of required monitoring, and included in the facility's annual compliance certification.

For these reasons, we believe that the permit requirements require compliance at all times, and that any violations of permit requirements be reported as deviations, that the requirements on 40 CFR 64(c)(2) are satisfied in District Title V permits.

- EPA did not cite a specific section of the CAM regulation that requires that the District develop case by case recordkeeping requirements for CAM monitoring and include such recordkeeping requirements in Title V permits. Our review of 40 CFR 64 did not reveal any such requirement. Therefore, for some Title V permits we only require that records be maintained as required by 40 CFR 64.9.
- EPA also stated that no District permits included specific detailed CAM recordkeeping requirements. We strongly disagree with this broad statement. Where appropriate we have included specific recordkeeping requirements to demonstrate compliance with CAM monitoring.

Examples of such permits include:

- Elk Corporation of Texas (roofing manufacturing), PTOs S-2033-5, 6, 7, 9, 10, and 12
- California Power Holdings (peaking power plant) PTOs C-3775-1, 3, 4, 5, 6, 7, 8
- Pacific Ethanol Stockton (ethanol production) PTOs N-7365-4, 5, 6

Additional examples can be provided upon request.

- EPA also did not cite a specific section of the CAM regulation that requires that the District specify on a Title V permit the specific range for parameters to be monitored. However, 40 CFR 64.6(c)(2) states that the permit may either define the specific values of the indicator range or specify procedures used to establish an indicator range (provided the permittee notifies the District of updates to the indicator range).

As stated in this section, the permit is not required to specify the range of the parameter to be monitored, but the permit holder and the District must have the latest available range of such parameters available.

Therefore, District permits that may have this incorporated this provision of the CAM regulation, are consistent with the CAM regulation, as clearly stated in 64.6(c)(2).

Suggested Revisions

Finding:

The District generally ensures that Title V permits for facilities subject to CAM contain all required elements of Part 64.

Recommendation:

Rule 2520 should be amended at the next opportunity to require that annual compliance certifications require a clear statement of when CAM parameters being monitored were out of the identified acceptable range during the reporting period. The existing requirement for reporting deviations from permit conditions appears to be sufficient for reporting excursions or exceedances of identified monitoring parameters. Although not required by regulation, EPA recommends that Title V permits be reviewed at the next renewal to determine if daily recordkeeping is required for sources subject to a daily monitoring requirement. While EPA would prefer that the allowed CAM monitoring parameters be maintained on the permit, the District's occasional practice of maintaining the allowable range of the CAM parameters to be monitored "off-permit" is consistent with the requirements of the CAM regulation.

Finding 3.3

EPA's Finding:

The District has not required sources subject to CAM to submit written CAM plans with their title V permit applications.

District's Response:

Sources in the District with NO_x or VOC potential to emit as low as 10 ton/year (major sources) are required to obtain a Title V permit. This low major source threshold results

in small "Mom and Pop" facilities being major sources that are subject to the permitting requirements of Title V. Many of these small facilities do not have staff dedicated to satisfying environmental requirements, including Title V permitting requirements, and do not understand CAM requirements or know how to submit a CAM plan with their Title V application.

Rather than imposing a rigid requirement that Title V applications contain a CAM plan when they are originally received by the District, District staff works cooperatively with facilities to establish monitoring requirements that satisfy the requirements of CAM when evaluating the Title V application. This collaborative effort results in a CAM plan that is considered a part of the permit application and is subsequently incorporated into a facility's Title V permits.

We have found that this collaborative approach to addressing CAM requirements satisfies the requirements of CAM and provides an excellent level of service to our facilities subject to the requirements of CAM. We do not intend to change these existing, productive practices when addressing CAM in Title V permits.

Suggested Revisions:

Finding:

EPA applauds the District's customer-service-oriented approach to addressing CAM Plan submittal requirements, especially with their smaller Title V sources. The District does not always require applicants to submit CAM plans with their initial applications, however staff works with applicants to assure that CAM requirements are nonetheless satisfied and documented in statements of basis.

Recommendation:

The District's current practice of working collaboratively with applicants in addressing CAM applicability and developing CAM monitoring requirements results in Title V permits that appropriately address CAM requirements while providing needed assistance to facilities in addressing CAM requirements. This excellent service helps facilities better understand the requirements of CAM.

Finding 3.5

EPA's Finding:

While SJVAPCD includes periodic monitoring in its permits when it is necessary to assure compliance with emission unit-specific opacity limits, the District rarely does so for generally applicable opacity limits.

District's Response:

The District, as part of a CAPCOA workgroup, worked collaboratively with CARB and EPA Region IX from October 1998 to September 2001 to develop periodic monitoring requirements for common types of emission units. The various guidance documents of this effort can be found here <http://www.arb.ca.gov/fcaa/tv/tvinfo/guidmrr.htm>.

In general, this guidance was based on the premise that if there was an expected high degree of compliance with visible emissions standards that periodic monitoring would not be required. In cases where there was a lower expected compliance margin, or if the compliance margin depended on the proper use of control equipment, periodic visible emissions monitoring would be required.

For source categories with a high level of compliance margin, e.g. gaseous fueled combustion equipment, emergency use equipment no periodic visible emission monitoring is typically required. For sources categories with a lower compliance margin or whose compliance margin depends on the proper use of control equipment, e.g. emissions from dry materials handling controlled by a water spray, bag house, or cyclone periodic visible emission monitoring or other permit requirements that ensure that the control equipment was used properly are required.

Rather than requiring across the board visible emissions monitoring, this guidance was designed to target those sources that may not reasonably be expected to consistently meet visible emissions requirements. District practice is consistent with this general guidance.

As such, we believe that general opacity requirements are adequately enforced in Title V permits, and further that EPA Region IX has previously approved this approach.

Suggested Revisions

Finding:

The District's existing practice of including periodic opacity monitoring in permits where specific underlying requirements do not include monitoring necessary to assure compliance with unit-specific opacity limits. For generally applicable visible emissions requirements the District's procedures for imposing these requirements are adequate. In addition, District requirements for visible emissions monitoring for generally applicable emission limits is consistent with guidance cooperatively developed by CAPCOA, CARB, and EPA Region IX .

Recommendation:

The District should continue to its existing practice of including periodic opacity monitoring in permits where underlying requirements do not include monitoring necessary to assure compliance with unit-specific opacity limits.

Finding 4.1

EPA's Finding:

The District provides public notices and other meaningful information of its draft and final title V permitting actions on its website.

Recommendation:

We encourage the District to continue posting title V documents on its website, and consider improvements to further enhance public access to these documents.

District's Response:

Since early 2013, to increase public accessibility to information about title V facilities, all public notices, including Title V public notices, are translated in Spanish. All public notices are also posted on the District website under the Public Notice page. In addition to this service offered to the community, the District has developed a list-serve for members of the public to receive notices (English or Spanish) for specific facilities or all notices within a region or the entire District.

Suggested Revisions:

Recommendation:

EPA recognizes and applauds the District's effort to reach out to the Spanish speaking community by posting all public notices (English and Spanish) on the District website under the Public Notice page. EPA also recognizes the District for its newly developed list-serve system designed to enhance its reach out to both Spanish and English-speaking members of the community. We encourage the District to continue to involve the public in its permitting actions.

Finding 4.2

EPA's Finding:

The District's draft and final permit packages do not inform the public of the right to petition the EPA Administrator to object to a title V permit.

Recommendation:

The District should add language to each of its draft and final permit packages to notify the public of the right to petition within 60 days from the EPA's 45-day review period and the procedures for exercising this right

District's Response:

The comment cited 40 CFR 70.8(d) and Rule 2520 section 11.1.12 as providing for any person the ability to petition the EPA administrator to object to the issuance of a Title V permit. Please note that Rule 2520 section 11.1 specifies administrative requirements for model general permits and model general permit templates, whereas section 11.3 .1 specifies administrative requirements for initial permits, permit renewals, and significant permit modifications. We believe your comments are more appropriately directed at Rule 2520 section 11.3.7 – Public Petitions to EPA.

The District public notice procedures for initial permits, permit renewals, and significant permit modifications are consistent with those specified in Rule 2520 section 11.3.1.2 and 40 CFR 70.7(h) – Public participation. These requirements do not specify that the District's public notices include a statement that the public may petition the EPA to

object to the issuance of a Title V permit. Further, EPA states that neither 40 CFR 70 or Rule 2520 require that public notices for the issuance of a Title V permit include such a statement, rather that such a statement would be preferable.

However, please note that the District's website provides information about the title TV permitting program (<http://www.valleyair.org/busind/pto/titlev.htm>), including opportunities for public participation and the right of a member of the public to petition the EPA to object to the issuance of a Title V permit.

Suggested Revisions

Finding:

The District's draft and final permit packages include all legal requirements. However, such notices do not inform the public of the right to petition the EPA Administrator to object to a title V permit.

Discussion:

The content of the District's Title V public notices is consistent with the requirements of Rule 2520 and 40 CFR 70 (h). While EPA believes that it would be a good practice to include in such notices the public's ability to petition EPA to object to the issuance of a Title V permit, such a notification is not required by either 40 CFR 70(h) or District Rule 2520. Therefore, the content of the District's public notices for Title V permits satisfies the all legal requirements. We appreciate the District's informative website discussion of the public's right to petition EPA to object to the issuance of a Title V permit.

Recommendation:

While the not a legal requirement, the District should consider adding language to each of its draft and final permit packages to notify the public of the right to petition within 60 days from the EPA's 45-day review period and the procedures for exercising this right.

Finding 4.3:

EPA's Finding:

Some of the District's statements of basis incorrectly state that certain terms and conditions in title V permits that originate from a model general permit template have already been subject to EPA and public review and are not subject to further review.

District's Response:

We strongly disagree with EPA's conclusion in this matter. District Rule 2520, which is part of the District's EPA-approved Title V program, provides special procedures for permit applications that rely on a model general template as follows:

Section 11.1.7: For permit applications utilizing model general permit templates, public and agency comments on District's proposed actions shall be limited to the

applicant's eligibility for the model general permit template, applicable requirements not covered by the model general permit template, and the applicable procedural requirements of this rule.

Section 11.7.6: For applications utilizing model general permit templates, EPA's objection shall be limited to the applicants eligibility for the model general permit template, applicable requirements not covered by the model general permit template, and the applicable procedural requirements of this rule.

In other words, there is nothing "incorrect" about a statement that "*certain terms and conditions in title V permits that originate from a model general permit template have already been subject to EPA and public review and are not subject to further review.*"

It's important to note that this general permit concept was an important permit streamlining action authorized by Congress and consistently supported by EPA. Region IX's newly expressed dislike for this concept is not consistent with their prior approval of the District's Title V program.

Suggested Revisions:

Finding:

District's statements of basis correctly state that certain terms and conditions in Title V permits that originate from a model general permit template have already been subject to EPA and public review and as such are not subject to further review.

Recommendation:

The District's use of permit templates, including procedures to receive public comment on such when the templates are developed, are consistent with the requirements of Rule 2520. Such procedures are the result of the District's consistent efforts in streamlining the issuance of Title V permits.

Finding 5.2

EPA's Finding:

The District should improve their synthetic minor permits.

District's Response:

The two major concerns identified in this finding's discussion seem to relate to making sure the conditions currently used by the District are both legally enforceable and enforceable as a practical matter (reference footnote 25, 26 & 27), and are sufficient to adequately maintain margin of compliance.

Over two years ago, the District developed guidance document FYI 276 (Potential to Emit & Annual Limiting Condition -- July 18, 2011), which provides specific recommendations for writing permit limitations that may be used to restrict an emissions unit's potential to emit to less than the TV permitting thresholds. For permit emission

limitations less than an emission unit's maximum design capacity, this guidance document recommends the use of a 12-month rolling total emission limit together with appropriate short term emission limits (e.g. daily emission limit). FYI 276 also recommends that such permits contain appropriate daily and 12-month rolling recordkeeping and monitoring requirements, and states that the permit's 12-month rolling total shall be updated every month. Furthermore, the District's Compliance Division conducts frequent and regular inspections of a facility's permits to ensure that none of the permitted limitations have been exceeded. Therefore, the District believes that its current method of writing synthetic minor permits is both legally and practically enforceable.

Note that the District's Title V thresholds are different than other areas' Title V thresholds in two ways: the major source thresholds for ozone precursors are at 10 tons per year, significantly lower than such thresholds in other parts of the country; and the new source review offsetting thresholds for these pollutants have been at that same low level for many years prior to the major source threshold being lowered to 10 tons.

The result is that we have been establishing 10-ton annual emissions limits for stationary sources (to not be subject to NOx or VOC offset requirements) for many years before they became thought of as "synthetic minors" in Title V. There are hundreds of permits for small sources of pollution that have demonstrated ongoing compliance with these annual limits with wide compliance margins. These wide margins of compliance make it an extremely low priority to revisit the permits for each of these hundreds of facilities, merely to update them to a level of recordkeeping to satisfy EPA's overly rigid concept of "legally and practically" enforceable.

Finally, while the District understands EPA's concerns regarding the narrow margin of compliance for synthetic minor permit limitations, the District believes imposing an arbitrary margin of compliance to synthetic minor permits is unnecessary and not supported by regulation. As noted above, District staff inspects facility emission records to ensure a facility is keeping an accurate record of emissions and to ensure that a facility is not exceeding any of its permitted emission limits. In the event that District Compliance staff determines that a permit limit affecting the synthetic minor status of a facility has been exceeded, the District requires the facility to obtain a TV permit. The District believes the imposition of some arbitrary margin of compliance would only serve to unnecessarily restrict a facility's operation beyond that required by the CAA.

In summary, we strongly believe that our permits are adequately assuring compliance with "synthetic minor" requirements, and that "synthetic minor" permits issued recently (under the guidance of FYI 276) go beyond these reasonable levels of assurance, and provide the level of enforceability that EPA is requesting.

Suggested Revisions:

Finding: The District has provided excellent guidance to staff in establishing legally and practically enforceable "synthetic minor" permits. EPA recommends

that older permits that do not all conform to this guidance be updated at the time of permit renewal or modification.

Recommendation:

The District's permits for synthetic minor sources, and all other minor sources, include emission limits that are practically enforceable and ensure that the facility emissions do not exceed major source thresholds.

Finding 5.3

EPA's finding:

The District does not provide EPA and the public an opportunity to review and comment on proposed synthetic minor permits.

District's Response:

Neither District rules nor federal regulations require EPA and public notification for establishing synthetic minor permits. As stated under finding 5.2 above, the District has issued hundreds of permits limiting annual emissions to less than major source thresholds.

We reviewed District permits determine the potential number of facilities with emission limits below the major source thresholds. There are approximately 500 facilities that currently already have daily and or annual emission limits that restrict NOx or VOC emissions below 10 tons/yr. Approximately 410 of these facilities belong to coating and/or graphic arts categories, of those, approximately 320 are auto body coating facilities.

Subjecting such sources to the same noticing requirements as Title V sources would add unnecessary burden on permitted sources, District, and EPA staff. Such a process would also unduly increase the time required to issue such permits for relatively simple stationary sources.

Suggested Revisions:

Finding:

The District's administrative procedures for the issuance of permits for non-major sources are consistent with the requirements of Rules 2201, 2520 and Federal Title V requirements.

Recommendation:

The District's processes for issuing permits for non-major sources are consistent with District regulations and the requirements of Title V. However, EPA staff believes that such permits should be subject to the same public and EPA noticing requirements as is required by Rule 2520 for title V permits, and recommends that the District consider revising the appropriate regulations in the future to require such noticing.

Finding 7.2

EPA's Finding:

The District has an effective electronic database for permits management.

Recommendation: *EPA commends the District for its efforts to build and maintain a highly effective database that provides a variety of tools for implementing the title V program. Given the importance of tracking synthetic minor permits and the significant ramifications of violations of these permits, we recommend that the District consider adding the capacity to track synthetic minor permits to the PAS database.*

District's Response:

Actually, the District's permitting database does include a tracking mechanism that identifies facilities subject to District Rule 2530, and as synthetic minor sources. This feature is used by the District for purposes of reporting such facilities to EPA and to indicate that source sources must be inspected on an annual basis.

Suggested Revisions:

Recommendation:

EPA commends the District for its efforts to build and maintain a highly effective database that provides a variety of tools for implementing the Title V program.

Section 8, "Title V Benefits"

The District notes for the record that it strongly disagrees with the title of this section. In no way should the great work the district does, as listed in the following sections, be construed as "Title V Benefits". In fact, we strongly disagree that any of the findings below are directly or exclusively related to Title V. We recommend that the title of this section be changed to "Other Considerations", or some other title that is not misleading and transparently self-serving.

Finding 8.1

EPA's finding:

SJVAPCD works constructively with permittees.

District's Response:

The District appreciates EPA's recognition of constructive working relationship the District has developed with its regulated sources. The District takes great pride in its Service, Teamwork, Attitude, and Respect (STAR) work culture, which leads to providing great customer service.

The District would like to point out that the STAR work culture has existed at the District since its inception in 1992, and predates Title V permitting. Additionally, the STAR work culture is independent of Title V permitting.

The District has a positive working relationship with all regulated sources, not only with Title V sources. This positive relationship is not a result of sources requiring Title V permits, but rather a result of the District's implementation of a set of core values that place a high priority on customer service and continuous improvement.

As such, this positive relationship is certainly not a benefit of the Title V program. However, our Title V permitting program has benefitted from the positive working relationships the District has developed and maintains.

Finally, while EPA recommends expanded training and outreach to Title V sources as a part of this comment, such recommendations should be associated with a cost/benefit analysis, and we do not agree that they types of training proposed would provide benefits consistent with their costs.

Suggested Revisions:

Recommendation: The District should continue its constructive working relationship with all sources, including but not limited to Title V sources.

Finding 8.4

EPA's finding:

The information in SJVAPCD's statements of basis help promote transparency in the title V permitting process by documenting permitting decisions and helping the public to understand stationary sources' CAA obligations.

District's Response:

Within the discussion for this finding, EPA encourages the District to include in its evaluations the significant issues the District does not cover, as detailed in Finding 2.8. With this recommendation, EPA is making broad generalizations that are not reflective of the total number of Title V facilities in the District. See District response to Finding 2.8 above.

Suggested Revisions

Recommendation:

The District should continue to produce informative statements of basis (application reviews) that document compliance with all applicable Federal requirements.

EPA Region 9 Responses to SJVAPCD Comments on the Draft Title V Program Evaluation Report

Thank you for providing comments on the draft title V program evaluation report.¹ EPA has reviewed SJVAPCD's comments and provides the following responses.

Finding 2.4

Although applicants must submit and sign permit applications certifying that the information in the applications is correct and true, the District's title V applications do not require applicants to certify that the project meets the specific criteria for minor modifications. The District should consider revising title V permit applications to provide for a specific certification by the permit applicant that the proposed modification meets the title V minor modification criteria, as well as certifying the information submitted is correct and true. We will add the Districts' suggestion to the recommendation.

Finding 2.5

EPA agrees with the District's suggestion and has added it to the recommendation.

Finding 2.6

40 CFR 70.5 (c)(3)(i) requires permit applications to "describe all emission of regulated air pollutants emitted from any emissions unit" (except for exempt units) and to include "additional information related to the emissions of air pollutants sufficient to verify which requirements are applicable to the source." Therefore, title V permit applications must address PM 2.5 emissions, whether or not the source is major for PM10, if necessary to determine applicable requirements. We have not changed the finding or recommendation.

Finding 2.7

We will revise our findings to clarify that they apply to the permits we reviewed.

Finding 2.8

As stated in the discussion associated with this finding, in most of the permits we reviewed as part of this program evaluation, the District included the most stringent emission limit for emission units subject to multiple overlapping applicable requirements. Streamlining decisions, however, were not documented in the title V statements of basis that we reviewed. We have revised this finding to make our point more clear.

¹ The District's comments, along with EPA's responses to comments, are included as Appendix H in the final report.

Finding 3.2

By looking at Finding 3.1 and 3.2 together we hope that this report contains a balanced discussion of how the District implements the CAM Rule.

We note in Finding 3.1 that the District systematically implements the CAM Rule in title V permits, generally determines and explains CAM applicability correctly, and adds monitoring to title V permits when necessary.

Most of the issues addressed in Finding 3.2 are related to implementation of the CAM Rule, but are nevertheless required content of title V permits. For example, we agree that the District's title V permits require permittees to report deviations from monitoring ranges established under CAM. However, these permits, as currently written, do not require permittees to identify these permit deviations as CAM exceedances or excursions. We believe the District can easily rectify this issue at the time of permit modification or renewal.

We agree that the CAM Rule does not require detailed, case-by-case recordkeeping. However, the CAM rule does require owners and operators to maintain records of monitoring data and other information required to be collected under part 64². Many of the District permits we reviewed merely state that "[t]he owner operator shall comply with the recordkeeping and reporting requirements of 40 CFR 64.9" without specifying which particular monitoring is subject to 40 CFR 64.9. Again, we believe that the District can easily rectify this issue at the time of permit modification or renewal.

We also agree that part 64 allows permitting authorities to write flexible permits when a monitoring range cannot be established at the time of permit issuance. However, part 64 establishes the means for doing this. In lieu of the specific values of the monitoring range, a permit may contain provisions indicating the specific procedures that will be used to establish the monitoring range and appropriate procedures for permittees to notify the permitting authority when establishing or reestablishing the monitoring range³. Furthermore, if the permittee needs to install, establish, or verify control equipment, the permit must include schedules with appropriate milestones for establishing monitoring ranges after the date of permit issuance.⁴

After further review, we have determined that our initial recommendation was more prescriptive than necessary and have modified the recommendation.

Finding 3.3

EPA agrees that in some instances, especially with minor sources, the District will have to work with sources to fully develop an effective CAM plan. However, sources subject to CAM are required to submit written CAM plans with their title V applications. The

² 40 CFR 64.9(b)

³ 40 CFR 64.6(c)(2)

⁴ 40 CFR 64.6(d)

District might consider working with the applicants to develop the CAM plan, *prior* to deeming an application complete in order to assure that the application requirements are met. We have not changed the finding or recommendation.

Finding 3.5

We agree that some units are unlikely to have visible emissions and that additional monitoring is unnecessary for these units, as stated in the footnote in Finding 3.5. However, there are still units for which additional monitoring may be required and those decisions need to be documented in the statements of basis. As a result, we have not changed the finding or recommendation.

Findings 4.1 and 4.4

EPA appreciates the District's perspective on this issue. We have revised the report to reflect your comments.

Finding 4.2

Thank you for your clarification. We acknowledge that the District has developed a webpage on their website that provides information regarding the title V permitting program, which was included as a footnote in the draft report. While the District's title V webpage includes information on the public's right to petition the EPA Administrator to object to a title V permit, we believe that it is good practice to also provide this information as part of the draft and final permit packages. We have not changed the finding or recommendation.

Finding 4.3

We have revised the report to reflect your comments.

Finding 5.2

Thank you for elaborating on the Districts approach to permitting synthetic minor sources and meeting the requirements for synthetic minor permits. The explanation was helpful in understanding the Districts process and we will revise our recommendation to state that the District should develop a plan to assure synthetic minor permits conform with EPA guidance.

Finding 5.3

We appreciate the District's suggestions for the recommendation for this finding and have revised it accordingly.

Finding 7.2

Thank you for your clarification. During our on-site visit and file review using the PAS database, searching for and recalling synthetic minor permits appeared problematic, based on the demonstration provided by the District. We will clarify the recommendation to suggest improving the capacity to track synthetic minor permits that already exists in the program.

Section 8 “Title V Benefits”

Thank you for your thoughts regarding the title of this chapter. We have found that for most if not all permitting agencies, the title V program requirements have had a beneficial impact. We have not changed the title of the chapter.

Finding 8.1

EPA acknowledges the STAR program and the work culture it promotes throughout all departments within the District since it was established in 1992. The recommendation to expand training and outreach was not intended to add a burden to the District. Rather, it was meant as recognition of the usefulness of this program and how it could be expanded in other areas. Nevertheless, we will remove the additional topics from the recommendation as you suggested.

Finding 8.4

Thank you for your comment. We agree that the recommendation will be clearer if we remove the second sentence of the recommendation and have revised the report accordingly.