

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

SUBJECT: Applicability Determination for Delco Products in Dayton, Ohio

FROM: Director
Stationary Source Compliance Division
Office of Air Quality Planning and Standards

TO: David Kee, Director
Air Management Division - Region V

This is in response to your request dated March 16, 1983, concerning the applicability of new source permitting requirements to Delco's automobile parts manufacturing facility in Dayton, Ohio. Delco operates two coal-fired boilers at their Dayton facility which are limited to SO₂ emission rates of 1.2 pounds per million Btu. These emission rates were established under new source requirements. Delco now wishes to raise these emission limits to 1.6 pounds per million Btu.

Delco's unit #4 was permitted under Ohio nonattainment new source review requirements which established as LAER an emission limit of 1.2 pounds of SO₂ per 1,000,000 Btu. As a condition of this permit Delco was required to reduce the emission limit applicable to then existing unit #3 from 1.6 to 1.2 pounds of SO₂ per 1,000,000 Btu. This latter reduction was necessitated in order to supply sufficient emission offsets required by the new source permitting requirements.

At the time the original permit was issued, the area where unit #4 was constructed had not attained the national ambient air quality standards (NAAQS) for SO₂. Since that time, this area's air quality has improved to such a degree that NAAQS are now being attained. (For purposes of this response it is assumed that both primary and secondary standards are currently being attained.)

As a result of this request, you seek to ascertain whether: (1) unit #4 can increase its emission level beyond that established as LAER, (2) unit #3 can exceed the level agreed upon in supplying emission offsets for the construction of unit #4 and #3) any additional regulatory requirements apply to this proposed relaxation.

EPA can allow the relaxation of a permitting requirement within the constraints of the State or local agency's authority. The original permitting requirements were established based on the nonattainment status of the Montgomery County, Ohio area. Inasmuch as this area has now been redesignated to attainment, EPA can no longer require the continued application of the nonattainment requirements. As long as any relaxed emission limit will not interfere with the maintenance of the NAAQS nor any applicable air quality increment, such a relaxation can be approved.

Since this change in emission limitations will result in a significant net increase in emissions, Delco will be required to obtain a PSD permit. As a part of the PSD permitting requirements, Delco must obtain a year's worth of air quality data. This will be critical in this instance to ensure the continued attainment status of this area. Along with this monitoring data, Delco will also have to perform BACT and air quality analyses. As alluded to earlier, Delco will also have to modify their existing Section 51.18 permit to allow for this relaxation. A careful review of the State or local Agency's authority should be conducted to ascertain whether it possesses the authority to modify the existing permit.

This response has been coordinated with the Office of General Counsel and the Control Programs Development Division and they concur in its findings. Should you have any additional questions or concerns, please contact Rich Biondi at 382-2831.

Edward E. Reich

cc: Darryl Tyler
Mike Trutna
Peter Wyckoff
David Rochlin
Ron Van Mersbergen

UNITED STATES ENVIRONMENTAL PROTECTION REGION V

DATE: MARCH 16, 1983

SUBJECT: Applicability Determination for Deco Product in Dayton, Ohio

FROM: David Kee, Director
Air Management Division

TO: Edward Reich, Director
Stationary Source Compliance Division

Attached is a self explanatory request for a policy determination from the air pollution control agency in Dayton, Ohio. The request deals with the new source review requirements which apply to an area which has been redesignated from nonattainment to attainment. If you have any questions, please call Mr. Ron VanMersbergen at FTS 886-6056 or call Mr. James Grass in Dayton at FTS (513) 225-4435.

cc: James Grass
Robert Meyers
Michael Trutna
R. Van Mersbergen

REGIONAL AIR POLLUTION CONTROL AGENCY
Serving Clark, Darke, Greene, Miami, Montgomery & Preble counties
451 W. Third Street, P.O. Box 972, Dayton, Ohio 45422, (513)225-4435

February 22, 1983

Ronald VanMersbergen
U. S. Environmental Protection Agency
Air Programs Branch
230 South Dearborn Street
Chicago, Illinois 60604

Dear Mr. VanMersbergen:

Recent telephone conversations between you and John Paul of this agency have focused on regulatory applicability regarding two coal fired boilers operated by a local automobile parts manufacturing facility, Delco Products Division, General Motors Corporation. This facility has requested that the sulfur dioxide emission limitations for these two units be increased from 1.2 pounds of SO₂ per million Btus to 1.6 pounds per mmBtus. Since the existing 1.2 limits were established under new source requirements, we feel Delco Products' request raises some fundamental new source requirement issues. We are writing at this time to seek written responses to these issues.

For the sake of background, a copy of the following documents has been enclosed for your review:

- Boiler #4 application for permit to install;
- Boiler #4 permit to install with agency new source review;
- Boiler #4 permit to operate with special terms and conditions;
- Boiler #3 permit to operate with special terms and conditions;
- August 28, 1981 Federal Register notice redesignating Montgomery County to attainment for SO₂;
- Delco Products original request dated January 15, 1982;
- Ohio EPA response (in draft form), letter sent on May 1, 1982; and,
- Delco Products' second request dated January 26, 1983.

In light of the potential widespread impact the Delco Products' request may have on both existing sources and future new sources, we welcome any pertinent discussion you feel is

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U. S. Environmental Protection
Agency
February 22, 1983

appropriate. We do, however, wish to pose some specific questions which apply to this matter.

First, applicable regulations during the installation of Unit #4 called for sulfur dioxide emission reductions which satisfied emission offset requirements. A portion of these offsets were achieved through a tightening of the allowable limitation applicable to Unit #3 from 1.6 pounds of sulfur dioxide per million Btus to 1.2 pounds of SO₂ per million Btus. Since Delco Products' request includes limitation increases from 1.2 pounds to 1.6 pounds for both units, the question of emission offset permanency arises. Specifically, are the emission offsets from Unit #3 permanent even though the ambient air quality now lies within the national standards?

The existing Unit #4 sulfur dioxide emission limitation of 1.2 pounds per million Btus reflects lowest achievable emission rate (LAER). An increase to 1.6 pounds would thus represent a relaxation from LAER. Therefore, a similar question to offset permanency arises. Are LAER determinations lifelong or can emission limitations established under LAER be modified once National Ambient Air Quality Standards are achieved?

Finally, if the established limits are "renegotiable" due to improved air quality, what regulatory requirements apply? Specifically, would the Prevention of Significant Deterioration rules now apply?

Mr. VanMersbergen, as you can see, the Delco Products' request impacts some of the basic principles of the new source review program. We feel this high level of importance necessitates a written federal response. We appreciate your consideration in this matter.

Sincerely,

James W. Gross
Air Pollution Control Specialist
Abatement Unit

JWG/vmt
Enclosures

cc: Robert Meyers
Edward Reich
Michael Trutna

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

APR 1 1981

OFFICE OF
ENFORCEMENT

MEMORANDUM

SUBJECT: PSD Questions

FROM: Director
Division of Stationary Source Enforcement

TO: Merrill S. Hohman, Director
Air & Hazardous Materials Division, Region I

This is to respond to your memo of February 26, 1981 in which you requested answers to five questions that were raised by industry representatives concerning PSD. I would like to respond to your questions in the order in which they were raised.

(1) The answer to this question is found in section 52.21 (b)(3)(i) of the August 7, 1980 amendments to the PSD regulations. In order for a decrease in emissions to be considered contemporaneous, the actual decrease itself must take place within five years of the particular physical change or change in method of operation at a stationary source. The decrease must be enforceable in order to be creditable; however, enforceability is a requirement distinct from the five year contemporaneous time frame of the actual emissions decrease.

(2) In order to determine if PSD review is applicable for a modification, it is necessary to look at the source status (major vs. non- major) before and after the proposed modification. If the existing source is of major status for one pollutant but the results of the modification will bring the source below the major source threshold for that pollutant, PSD review will not be required. In order for PSD review to be applicable for the case in question, the source must either retain its major status for SO₂ or propose increases that would make the source major for TSP after the modification. Any contemporaneous creditable increases or decreases in emissions should be included when determining the emission results of the proposed modification.

(3) PSD review, or exemptions to PSD review are based on preconstruction information. A major source which qualifies as a non-profit health institution may receive an exemption from PSD review. The effect of a change in the source's non-profit status upon its exemption would depend on any conditions of the exemption or factors concerning the change in status. This office would like to reserve judgement on your question until more specific information on the source in question is available.

(4) The following definition of "municipal solid waste," which is found in 40 CFR 60.51(b)

should be used when determining a possible exemption under 40 CFR 52.21(b) (2).

"Solid Waste" means refuse, more than 50 percent of which is municipal type waste consisting of a mixture of paper, wood, yard wastes, food wastes, plastics, leather, rubber, and other combustibles, and noncombustible materials such as glass and rock.

This definition is used to maintain consistency between the PSD and NSPS programs. The policy of using NSPS definitions (where appropriate) for PSD and NSR is supported by language in the PSD workshop manual and in an October 24, 1980 memo from OAQPS to the Regional Offices (copy attached).

(5) The definition of "steam generating unit" given in 40 CFR 60.41 a should be used when determining an exemption under 40 CFR 52.21 (b)(2)(iii)(d). As you mentioned in your memo, the application of the aforementioned exemption was more narrowly defined between proposal and promulgation of the PSD amendments. The proposed rule exempted from modification any use of RDF generated from municipal solid waste. The promulgated rules exempted the use of RDF only at steam generating units. The language in the August 7, 1980 preamble and the purpose of the exemption itself, however, supports the use of the broader definition of "steam generating unit."

If you have any questions regarding this response, please contact Janet Littlejohn of my staff at 755-2564.

Edward E. Reich

Attachment

cc: Mike Trutna (OAQPS)
Peter Wyckoff (OGC)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: OCT 24, 1980

SUBJECT: Definition of "Installation" in Nonattainment Regulations

FROM: Walter C. Barber, Director
Office of Air Quality Planning and Standards

TO: Director, Air and Hazardous Materials Division
Regions I-X

The definition of source in the regulations pertaining to review of major new sources and modifications in nonattainment areas is focused at two levels: the entire plant and an installation within the plant. The term installation refers to "an identifiable piece of process equipment". (See August 7, 1980 Federal Register, p. 52742 and 52744.) I and my staff have responded orally to questions over the past year or so on how to interpret the term "installation", especially in cases where an NSPS applies to a source category. Our guidance has been that where an NSPS exists or is under development, the "affected facility" definition is usually the most appropriate definition of "installation". This memo restates that guidance in writing.

If an NSPS identifies an "affected facility", the reviewing agency should consider such an affected facility as an installation for the purpose of new source review applicability determinations. For example, an installation at a power plant would be any electric utility steam generating unit.

Where a portion of a plant is not specifically defined as an affected facility, either because an NSPS is silent or there is no NSPS for the source category, the reviewer should still refer to the NSPS approach for guidance as to how small a portion of a plant the term installation should apply to. To illustrate, in October 1979 EPA proposed an NSPS for auto surface coating operations which defined the affected facilities as the prime coat, surface coat, and top coat lines. Spray booths, flash-off areas and ovens within these lines are not defined as affected facilities by the proposal. Therefore, such line elements should not be considered installations; in this case, an installation is one of the three lines noted above.

This position is not new; it has been the basis for decisions for more than a year. It is being presented here for clarification and to avoid inconsistency in the new source review process. If your staff has any questions on this subject in the future, please contact our Source Review Office

(FTS 629-5291).

cc: Director, Enforcement Division, Regions I-X
E. Reich D. Hawkins
P. Wyckoff S. Kuhrtz
L. WegmanE. Tuerk
R. BiondiM. Trutna
D. RhoadsD. Goodwin

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: February 26, 1981

SUBJECT: PSD Questions

FROM: Merrill S. Hohman, Director
Air & Hazardous Materials Division

TO: Edward E. Reich, Director
Division of Stationary Source Enforcement
Washington, DC

Subsequent to our recent PSD workshop, representatives of the attending industries presented us with some interesting questions. I am hopeful that you can assist us in answering the following questions. Assume all sources are in PSD areas for all pollutants.

Question 1: A source shuts down an old boiler in 1976. Several years after the shutdown, the source decides to build a new boiler and commence construction on it in 1983. (Therefore, the emissions reduction from the old facility would not normally be considered contemporaneous because it occurred beyond the five year period before the new source construction.) However, the old boiler shutdown was not federally enforceable until the source consented to a permit condition in 1979. Question: Would the reduction from the shutdown be considered contemporaneous?

Question 2: An existing source is considered major for SO₂ emissions only. (It has the potential to emit SO₂ at a level that is slightly in excess of the 250 tons per year applicability level.) The source plans a new boiler modification that increases only TSP above the "de minimus" levels. Normally, this would bring TSP under a PSD review. However, after the modification is completed, there will be enough contemporaneous reductions to bring the SO₂ levels below 250 tons per year; therefore, making the source, as modified, a minor source. Question: is the source still considered a major source after the modification and subject to a PSD review for TSP, or would it be considered a minor source and not subject to PSD?

Question 3: A source applies to the Governor and requests an exemption from PSD because they are a nonprofit health institution. Assume the request is approved and EPA concurs.

Scenario A: After the source commences construction, but before it starts operation, ownership changes to an organization that cannot be considered "non-profit" and would not operate the source in a "non-profit way". Question: Is Region I correct in assuming that the source being operated by the new owners would be subject to a PSD review?. Scenario B: Source

is built and commences operation. Ownership changes to the organization not considered non-profit after the source is operating. Question: Would the new owners be required to retrofit BACT and be subject to other PSD requirements because they no longer qualify for the "non-profit" exemption, or would they be exempt from PSD because there is only a change in ownership (and no increase in emissions)?

Question 4: Is there a definition for municipal solid waste as that term is used under the exemption at 40 CFR 52.21(b)(2)(iii)(d)? Would construction site waste that consists mostly of wood, with some nails and bolts, bits of concrete and gravel, steel strapping, wire, shingles, etc., be considered municipal solid waste? Note: Such waste is currently being landfilled at a municipal dump.

Question 5: Under the same exemption indicated in Question 4, the term "steam generating unit" is used. On page 52704 of the August 7, 1980 revisions, the preamble states that only the switch to RDF at a "steam generating unit" is exempt. It goes on to explain that the term shall have the same meaning for the purposes of PSD as it does for the purposes of the new NSPS for certain electric utility "steam generating units". Under 40 CFR 60.41a, there is a definition for "steam generating unit" and a definition for "electric utility steam generating unit". Question: Which definition is applicable? Since the exemption may either apply to virtually all boilers, under one definition or only those that contribute to the generation of electricity for sale, under the other definition the distinction is important.

Since these are questions that involve real case situations, we would appreciate it greatly if you could respond to these questions by March 13, 1981.

Please contact John Courcier of my staff if you should have any questions. He can be reached at (FTS) 223-4448.

cc: Janet Littlejohn, DSSE
Notebook Entries: 12.10