

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

11 MAY 1979

OFFICE OF ENFORCEMENT

MEMORANDUM

SUBJECT: PSD Regulations

FROM: Director  
Division of Stationary Source Enforcement

TO: Stephen A. Dvorkin, Chief  
General Enforcement Branch, Region II

This is in response to your memo of March 21, 1979, in which you raised 6 questions regarding application of the PSD regulations. I will address each question in the order presented in your memo.

1. Q - If a facility which is within one of the twenty-eight categories, e.g., a fossil-fuel fired boiler of greater than 250 million Btu/hour heat input, is being located at a source which is not classified within one of the twenty-eight categories, is the facility subject to the 100 ton per year or the 250 ton per year potential emission level for determining the applicability of PSD?

A. If a facility which is in one of the 28 source categories listed in §52.21(b)(1)(i) is located within a source which is not in one of the 28 listed categories, it is subject to the 250 ton per year potential emission level for determining PSD applicability. For example, if a company plans to install a 250 mm Btu/hour fossil fuel-fired boiler at a textile mill, the addition of the boiler (facility) is considered a modification to the textile mill (source). Since the textile mill is not within one of the 28 listed source categories, a major modification of the textile mill occurs when the potential emissions of the textile mill are increased by 250 tons/year.

This interpretation is based on the definitions of the terms "major modification" and "source" in the PSD regulations. "Source" is defined as, "any structure, building, facility, equipment, installation, or operation (or combination thereof) which is located on one or more contiguous or adjacent properties and which is owned or operated by the same person (or by persons under common control)".

In the example, above, the textile mill, rather than the boiler, would be considered the source. The addition of a new boiler would be considered a modification of the textile mill. Since textile mills are not one of the 28 listed source categories, textile mills undergo major modifications based on potential emission increases of 250 tons/year.

2. Q - What are examples of "repairs" and replacements" that could be classified as routine?

A. We would prefer to address this question as it applies to a particular source. In general, however, routine replacement means the replacement of parts, within the limitations of reconstruction, and would certainly not include the replacement of an entire "facility" as that term is defined in §52.21(b)(5).

3. Q - Where a replacement facility is constructed, i.e., an existing facility is shut-down and one which performs the same function is constructed in its place, is it permissible to use, to "offset" emissions from the new facility, the emissions from the old facility, to determine whether either first-tier or second-tier PSD review is required?

A. For purposes of determining whether first- or second-tier review apply to a source, increases in potential and in allowable emissions should be calculated without taking into account any emission reductions which occur simultaneously at the source. Therefore, if a replacement facility is constructed at a source, the calculation of increased potential emissions from the addition of the facility shall not take into account the emission reduction which will result from shutdown of the facility being replaced. It is recognized however, that when a modification results in no net increase in emissions, an air quality impact may not result. Accordingly, §52.21(k)(1)(iv) provides an exemption from the air impact analysis requirements if a modification will result in no net increase in emissions and no adverse air quality impact will occur.\* Basically, the reason replacement facilities are subject to PSD even when a net increase in emissions does not result, is that we feel any new facility, including replacement facilities, should apply BACT if allowable emissions exceed 50 tons/year.

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\*A source is not eligible for this exemption if it would impact a class I area or an area that is known to exceed an increment. See §52.21(k)(1)(i).

This treatment of replacement facilities is based on the definition of the term, "major modification" in §52.21(b)(2) and on §§52.21(j)(2)(ii) and 52.21(k)(3) which discuss the calculation of allowable emissions. "Major modification" is defined as "any physical change...to a stationary source which increases the potential emission rate of any air pollutant regulated under the act...regardless of any emission reductions achieved elsewhere at the source...".

Sections 52.21(j)(2)(ii) and 52.21(k)(3) state that in determining whether and to what extent a modification would increase allowable emissions,

"there shall be taken into account no emission reductions achieved elsewhere at the source at which the modification would occur".

The term "elsewhere" used in these sections of the regulation was perhaps ill-chosen. By "elsewhere" we mean anywhere and perhaps should change this word by a technical amendment to the regulations. Basically, I see no reason for distinguishing between a replacement facility which is located in the exact spot occupied by the facility being replaced, and a replacement facility installed at another location within the source.

3. (sic) Q - Where new facilities are added to a source, either to replace existing facilities or for growth, but the result is a decrease in the emission of a particular pollutant, must an air quality impact analysis be performed?

A. According to §52.21(k)(1)(iv), a modified source will be exempt from the requirements of paragraphs (l), (n), and (p) if there will be no net increase in the emissions of a criteria pollutant and no adverse air quality impact will result. Please note that this exemption is not available if the source impacts a Class I area or an area that is known to exceed an increment. See §52.21(k)(1)(i).

4. Q - Is a reconstructed facility deemed a new facility?

A. Yes, a reconstructed facility is a new facility.

5. Q - What is meant by the word "revamped" in the preamble to the PSD regulations (43 FP at 26394, middle column, second full paragraph, lines 5-6)?

A. The word "revamped", as used on pg. 26394, means "modified". In that paragraph we are making a distinction between facilities which are modified and those which are reconstructed. The purpose of using the word revamped in place of modification is to avoid confusing the concept of a modified facility with the term "major modification" (of a source), which is specifically defined and is directly related to a particular level of increased emissions (100/250 tons per year).

I trust this satisfies your request. If you have any further questions, please call Libby Scopino at 755-2564.

Edward E. Reich

cc: Peter Wyckoff  
Mike Trutna