

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Office of Air Quality Planning and Standards
Research Triangle Park, North Carolina 27711

MEMORANDUM

DATE: August 5, 1987

SUBJECT: Implementation of Revised Prevention of Significant Deterioration (PSD) Program for Particulate Matter

FROM: Darryl D. Tyler, Director
Control Programs Development Division (MD-15)

TO: Director, Air Management Division
Regions I, III, and IX
Director, Air and Waste Management Division
Region II
Director, Air, Pesticides, and Toxics Management Division
Regions IV
Director, Air and Radiation Division
Region V
Director, Air, Pesticides, and Toxics Division
Region VI
Director, Air and Toxics Division
Regions VII, VIII, and X

As you know, the revisions to the national ambient air quality standards (NAAQS) for particulate matter, published in the Federal Register on July 1, 1987, and effective on July 31, 1987, will cause significant changes to the way that EPA and affected State and local agencies implement the national PSD program with respect to particulate matter. While it is clear that EPA must begin to impose the new PM10 provisions under its Part 52 PSD regulations beginning on July 31, 1987, we do not have a good understanding as to what kind of particulate matter analyses will be required by the State and local agencies who have PSD responsibility [either via delegation or State implementation plan (SIP) approval] once the PM10 NAAQS become effective. The purpose of this memo is: (1) to highlight the potential differences as to when the new PM10 indicator must be subject to PSD review under EPA's Part 52 PSD regulations versus the PSD rules in approved SIP's, and (2) to encourage you to communicate with your affected State and local agencies (if you have not already done so) to ensure that all parties understand their PSD role concerning the new PM10 requirements.

There are three basic implementation schemes under which the national PSD program is currently being carried out. Below, for each implementation scheme, I have summarized the way that the PSD program for particulate matter should be carried out from the date the new PM10 indicator became effective (July 31, 1987). I have also indicated the communicative

actions that you will need to take to ensure that we understand the role of the affected State or local agencies in carrying out the PM10 revisions under PSD in the upcoming months.

Case 1. EPA implementation of PSD

In the areas where EPA has sole responsibility for PSD review under the requirements at 40 CFR 52.21, the new PM10 indicator must be reviewed as a PSD pollutant as of July 31, 1987, the date the revised NAAQS for particulate matter became effective under 40 CFR 50.6. On and after July 31, 1987, EPA Regional Offices must regard PM10 as a pollutant subject to regulation under the Clean Air Act (Act). As such, PSD review must apply in general to any PM10 emitted in significant amounts by a PSD source. See, for example, the requirements for best available control technology (BACT) at 40 CFR 52.21(j).

Another part of the PSD requirements, under 40 CFR 52.21(d), requires that no concentration of a pollutant from a proposed source or modification can cause a violation of a primary or secondary NAAQS. Beginning on July 31, 1987, EPA is legally obligated to protect the PM10-based NAAQS under its Part 52 PSD regulations; the total suspended particulates (TSP) NAAQS will no longer exist under 40 CFR Part 50. However, the TSP PSD increments are still in effect and must continue to be protected; there are, as yet, no PM10 increments.

Implementation of PSD will follow the newly-amended Part 52 PSD regulations, which now contain a new PM10 significant emission rate and air quality concentration (the latter for enabling monitoring exemptions), a special PM10 monitoring phase-in schedule, and PM10 grandfathering provisions. All PSD applicants who are not eligible to be grandfathered must be instructed to include as part of their particulate matter analysis a review of both TSP and PM10 as appropriate under the new significance criteria. Accordingly, an applicant may be required to include a BACT analysis for both PM10 and TSP, and may have to demonstrate that the source will not cause or contribute to a violation of the PM10 NAAQS and the TSP increments.

Case 2. State implementation of PSD under EPA delegation

In States where the PSD program is carried out wholly or in part by the State or local agency under a delegation of EPA's PSD responsibility, the requirements contained in EPA's PSD regulations at 40 CFR 52.21 will apply to PM10. All PSD applicants who are not eligible to be grandfathered must be instructed to meet the applicable PSD provisions for TSP and PM10 as of July 31, 1987, as in case 1.

Delegate agencies should be encouraged to continue implementing the PSD program. It is important, therefore, for you to determine whether the existing delegation agreement for each delegate agency in your Region is adequate to cover PSD review for the new PM10 indicator, and whether the delegate agency intends to immediately carry out the required PM10

analyses. In the event that the delegation agreement is not adequate, you should seek to negotiate an updated agreement to cover the new PM10 responsibilities. I urge you to initiate communications with the appropriate agencies as soon as possible in light of the July 31, 1987, implementation date for PM10.

If the State chooses not to modify the agreement at this time, then the Region must undertake responsibility for the PSD review for at least those PSD sources that would have the potential to emit significant amounts of PM10 emissions. Any change to a delegation agreement, whether it be to expand the current delegation authority or to withdraw a portion of the State's authority, must be noticed in the Federal Register.

Case 3. State implementation of PSD under approved SIP

In States where an approved PSD SIP currently exists, each State should revise its rules to fully address the new PM10 indicator by May 1, 1988. Until the new PSD procedures are approved by EPA as SIP revisions, States must continue to implement their existing PSD rules for particulate matter.

The EPA will assume at this point that under their current PSD SIP's, States will continue to review only TSP as the regulated indicator for particulate matter until a SIP revision is submitted to EPA for approval.

Some States, however, may find that the language in their existing rules is sufficiently open-ended to enable (or require) them to review PM10 as a regulated form of particulate matter from the date the PM10 NAAQS became effective (July 31, 1987). A survey of some State regulations suggests that some States may also be authorized to provide such immediate protection of the PM10 NAAQS.

The possibility that a State PSD rule could already cover PM10 is based on the fact that some States have used the phrase "each pollutant subject to regulation under the Act" in several PSD provisions, e.g., the requirement for BACT. This phrase could be interpreted to mean that when EPA promulgates requirements for a new pollutant (or in this case, a new regulated form of a pollutant) in accordance with the Act, such pollutant could immediately be considered to be a regulated pollutant pursuant to their PSD rule:

Similarly, the section of a State regulation which defines "NAAQS" (or equivalent terminology) could be considered sufficiently open-ended in some cases to enable a State to immediately incorporate EPA's revised particulate matter NAAQS based on the new PM10 indicator.

Based on the considered possibilities, I foresee at least three ways that States may implement their PSD programs for particulate matter under the existing language of their PSD rule:

1. No immediate PM10 review (TSP remains as the only indicator for particulate matter until SIP revisions are approved);

2. A PSD review for PM10 only as a regulated pollutant (BACT analysis required for PM10, but TSP NAAQS remain in effect); or

3. A PSD review for PM10 as a regulated pollutant, with PM10 also the indicator for the NAAQS.

Of course, regardless of which case may apply, TSP must also continue to be reviewed as a regulated pollutant and as the indicator for the PSD increments. In no case, however, will EPA have a responsibility to review PM10 under a PSD permit issued pursuant to an approved PSD SIP.

There are at least two reasons why it is important to understand how the States intend to implement their existing PSD SIP with respect to particulate matter. First, PSD applicants must know what preconstruction analyses will be required of them. Second, once a State makes a determination as to what the current rules will require, EPA will expect all PSD permits issued pursuant to such rule to be consistent with that determination. For these reasons, I believe that it is necessary for each Regional Office to notify affected State and local agencies concerning their need to determine how they intend to implement their PSD requirements for particulate matter based on the current language under the approved SIP. The State or local agency determinations should be submitted to EPA in writing and will be used by EPA to interpret the applicability of the current PSD SIP's to PM10.

During the next several months, it will also be appropriate to review the preliminary determinations being issued by State and local agencies to ensure that the particulate matter analyses are being performed in accordance with their written interpretation of the existing PSD rules. Thus, if you are not already requiring that such preliminary determinations be routinely submitted to you, I urge you to do so at this time.

In order that I might be informed of your progress in determining the status of existing delegations and approved PSD SIP's, please have the person assigned this task contact our New Source Review Section personnel within the next several weeks. In the meantime, if you have any questions concerning PM10 implementation under PSD or need further guidance regarding the issues involving PSD delegations or existing SIP language, please call Dan deRoeck at FTS 629-5593 or Gary McCutchen at FTS 529-5592.