

MEMORANDUM

DATE: July 14, 1978

SUBJECT: PSD Requirements

FROM: Director
Division of Stationary Source Enforcement

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

We have reviewed your memo of May 12, 1978 in which you raise questions regarding the applicability of the PSD regulations in situations where a source is modified or constructed in discrete increments, none of which are individually subject to preconstruction review, but which result in potential emissions greater than 100/250 tons per year when accumulated. Section 52.21 (b) (2) of the PSD regulations defines "major modification" as "any physical change in, or change in the method of operation of, or expansion of a stationary source . . . taking into account all accumulated increases in potential emissions occurring at the source since August 7, 1977, or since the time of the last construction approval issued pursuant to this section, whichever time is more recent...". It is clear that incremental increases in potential emissions at a source should be accumulated to determine applicability of the regulations. It is not clear, however, whether allowable emissions should also be accumulated to determine the need for a second-tier review and, if so, whether BACT should be applied retroactively. We are currently discussing these issues with the Office of General Counsel and will advise you once a resolution has been reached. In the interim, case specific questions may be referred to us for guidance.

Your memo also requests a determination as to whether the source category "primary aluminum ore reduction plant" should apply to a plant involved solely with extracting alumina from bauxite. We understand, from talking to Paul Kahn (Region II), that the Region II source in question will have potential emissions much greater than 250 tons per year and will be subject to PSD review regardless of whether it is considered a "primary aluminum ore reduction plant". We further discussed this question with the Control Programs Development Division (CPDD) in an effort to determine whether the category was intended to include such a source. In light of the fact that such a determination is not critical in applying the regulations to the Region II source in question, CPDD would prefer to resolve it after further consideration. We will advise you once a determination has been made.

Finally you asked whether a pharmaceutical manufacturing plant should be considered a "chemical process plant". We also discussed this question with CPDD and reached the conclusion that a pharmaceutical manufacturing operation should be considered a chemical process plant.

Libby Scopino (755-2564) of my staff will be in contact with you regarding the final interpretation of the emissions accumulation provision and the interpretation of "primary aluminum ore reduction plant". Please contact her if you have any additional questions.

Edward E. Reich

cc: Mike Trutna
Peter Wyckoff
Paul Kahn