



**Final Report:**  
**Alaska Department of Environmental Conservation**  
**Title V Program Review**  
**(2<sup>nd</sup> Round)**

**EPA Region 10**  
*September 17, 2015*

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## Attachments

- 1 Program Review Kickoff Letter and Information Request, June 2, 2015
- 2 Program Review Information Request Response (email)
- 3 Alaska Rule Changes Excel Spreadsheet
- 4 Draft TOPS Report Covering January thru June 17, 2015
- 5 Alaska’s 2009 Action Plan Status Report
- 6 Alaska Final Action Plan, July 15, 2007

## I. Introduction

This report documents the second review of the Alaska Department of Environmental Conservation's (Alaska's) Title V permitting program. The first Title V program review for Alaska was completed in September 2006.

### Alaska's Title V Program

The Alaska Department of Environmental Conservation is a state air pollution control agency with jurisdiction throughout Alaska. The Environmental Protection Agency Region 10 (Region 10) is the Title V permitting authority in Indian country and on the outer continental shelf (more than 3 miles off the Alaska coastline).

Alaska's Title V regulation is found in Chapter 50 of Title 18 in the Alaska Administrative Code. Region 10 granted Alaska interim approval of its Title V program, effective December 5, 1996, and full approval, effective November 30, 2001. No revisions to Alaska's program have been approved since 2001.

Alaska issues Title V permits to approximately 150 sources through two different offices: Anchorage and Juneau. There are nine permit engineers that spend at least some of their time on Title V permits.

### Program Review Objective and Overview

The Title V program reviews were initiated in response to recommendations in a 2002 Office of Inspector General audit. The objective of broader program reviews (as opposed to individual permit reviews) is to identify good practices that other agencies can learn from, document areas needing improvement and learn how the EPA can help improve state and local Title V programs and expedite permitting. The EPA set an aggressive initial national goal of reviewing all state and local Title V programs with 10 or more Title V sources. Alaska was one of ten Title V programs reviewed between 2004 and 2007. Here is the list of agencies reviewed in the first round along with the final report date and the current number of Title V sources they regulate:

<b><u>Permitting Authority (first round)</u></b>	<b><u>Report Date</u></b>	<b><u>Permits</u></b>
Idaho Department of Environmental Quality	January 2004	59
Oregon Department of Environmental Quality	June 2006	123
Lane Regional Air Protection Agency (OR)	June 2006	19
Spokane Regional Clean Air Agency (WA)	August 2006	10
Puget Sound Clean Air Agency (WA)	September 2006	35
Washington Department of Ecology	September 2006	27
Northwest Clean Air Agency (WA)	September 2006	21
Alaska Department of Environmental Conservation	September 2006	158
Olympic Regional Clean Air Agency (WA)	September 2007	15
Southwest Clean Air Agency (WA)	September 2007	12

In response to a follow-up review by the Office of Inspector General, the EPA also committed to repeat the reviews of all Title V programs with 20 or more Title V sources every four years beginning in 2007. Based on current permit numbers, the second round will cover each of the

four state programs in Region 10 (Alaska, Idaho, Oregon and Washington) as well as two local agencies (Puget Sound Clean Air Agency and Northwest Clean Air Agency). Region 10 plans to tailor all second round reviews to each agency. To date, four second-round program reviews in Region 10 have been completed. Below is the list of agencies reviewed to date in the second round along with the final report date. All of the program review reports can be found on Region 10's air permitting website.

<b><u>Permitting Authority (second round)</u></b>	<b><u>Report Date</u></b>
Idaho Department of Environmental Quality	September 2007
Puget Sound Clean Air Agency (WA)	September 2008
Northwest Clean Air Agency (WA)	September 2013
Washington Department of Ecology	September 2014

The first Title V program review looked at all major elements of a Title V program. With this second-round review, Region 10 has elected to focus on issues specific to Alaska's implementation of their permitting program. Of particular interest is how Alaska has addressed the concerns identified in the first review. Region 10 is also interested in Alaska's permit issuance progress, resources, compliance assurance monitoring (which is required to be added during permit renewal for most sources) and how Alaska has integrated new requirements and rules into their permits and program.

In preparation for this second-round review, Region 10 requested specific information from Alaska (Attachment 1). Region 10 reviewed Alaska's emailed response (Attachment 2) which included an excel spreadsheet outlining Alaska rules changes since November 2001 (Attachment 3), a draft copy of the January through June 2015 (as of June 17) permit issuance report (Attachment 4), a copy of the 2009 status report for their Round 1 Action Plan (Attachment 5) and a link to Alaska's online Quality Management System which houses work instructions, guidance documents and reference materials for processing and preparing operating permits.

Region 10 also reviewed past permit issuance data Alaska reported to the Title V Operating Permits System and a selection of recently-issued permits. Permits selected for review were issued within the last year to provide a more accurate depiction of how Alaska permits changed since the first program review. The permits reviewed include:

<b><u>Permit No.</u></b>	<b><u>Company Name (Location)</u></b>	<b><u>Date Issued</u></b>
AQ1190TVP02P	Alaska Electric & Energy - Nikiski	03/19/2015
AQ0244TVP03P	Alaska Interstate Construction - Deadhorse	03/05/2015
AQ0191TVP03P	Barrow Utilities & Electric - Power Plant	09/19/2014
AQ1121TVP02P	Doyon Utilities - Fort Wainwright	01/30/2015
AQ0923TVP01P	Eni US Operating – Nakaitchuq	06/03/2014
AQ0624TVP03P	Municipality of Anchorage - Landfill	05/11/2015
AQ0062TVP03P	Hilcorp Alaska – Anna Platform	05/05/2015
AQ0232TVP03P	Trident Seafoods – Sand Point	10/20/2014
AQ0238TVP03P	US Army – Fort Greeley Real Estate	10/29/2014

While on site at Alaska's office on July 15, 2015, Region 10 staff interviewed permit writing staff, accounting staff and four managers. The purpose of the interviews was to clarify and

discuss what was learned from the review of their permits and other information. Region 10 and Alaska discussed permit issuance progress, program resources (and the fee program), general program implementation topics, and specific issues identified during the previous review of Alaska's program including compliance assurance monitoring. Alaska managers and financial staff shared their plans for addressing current budget challenges and provided Region 10 with a link to online, past, internal financial audits.

During the on-site interviews, Alaska requested some examples and guidance that were discussed. Region 10 sent a link to two documents available online. An example of a Region 10-issued permit (Warm Springs Forest Products) that contains synthetic minor limits and statement of basis that contains a compliance assurance monitoring applicability analysis, can be found at this link: [http://yosemite.epa.gov/R10/airpage.nsf/Public+Notices/warm\\_springs\\_forest\\_caa](http://yosemite.epa.gov/R10/airpage.nsf/Public+Notices/warm_springs_forest_caa).

### **Program Review Report**

This program review report is presented in four main sections:

- I. Introduction
- II. Follow-up to 2006 Program Review
- III. Additional Review
- IV. Summary of Concerns and Recommendations

Section I presents some background regarding Alaska's Title V program as well as an overview of Region 10's program review plan. Section II presents Region 10's evaluation of Alaska's progress in resolving concerns identified in the 2006 program review. Section III presents additional observations from Region 10's review of Alaska's permit issuance progress, fee program and individual permits. Finally, Section IV summarizes Region 10's second-round concerns and presents Region 10's recommendations for resolving any outstanding issues.

## II. Follow-up to 2006 Program Review

In the initial Title V program review, finalized in September 2006, Region 10 provided observations delineated into nine separate topic areas labeled A thru I. In each section, Region 10 identified good practices, concerns and other observations. Following that initial report, Region 10 asked Alaska to respond to the concerns identified. In November, 2006, Alaska responded to Region 10, including an action plan for addressing the concerns identified by Region 10. After additional communications between Alaska and Region 10, on July 15, 2007, Alaska sent a final action plan to Region 10 (Attachment 6), along with descriptions of two related projects: (1) developing standard application forms; and (2) reviewing and improving the permit format. Alaska periodically provided updates to Region 10 on their progress in completing the action plan, with the most recent update in February 2009 in which Alaska reported that all tasks had been completed except the project to develop standard application forms.

This section of the second-round review report presents Region 10's evaluation of the progress Alaska has made in addressing the concerns identified in the initial program review. Each of Region 10's original concerns is listed below, followed by Alaska's response as detailed in their July 2007 Action Plan, and followed by Region 10's second-round (Round 2) evaluation.

### Section A. Title V Permit Preparation and Content

A-1 2006 EPA Concern: Alaska routinely cites to federal regulations such as the New Source Performance Standards or National Emission Standards for Hazardous Air Pollutants at a subpart or section level rather than specifically identifying the subsections to which the source is subject. Alaska permits generally use terms such as "comply with the applicable requirements of 40 CFR" or "that are applicable to the facility." This practice does not address a key goal of the Title V program – identifying the specific provisions to which a source is subject. The permit needs to cite to whatever level is necessary to identify the applicable requirements that apply to each emissions unit, and to identify how those units will comply with the requirements, including applicable monitoring, recordkeeping and reporting requirements of the underlying regulation. Specifically identifying any applicable monitoring, recordkeeping and reporting requirements of the underlying regulations would also allow for Alaska to include necessary gap-filling monitoring requirements. Where the underlying regulation has various compliance options, the permit should reflect applicability determinations by Alaska or operating scenarios. In all future revisions and renewals of Title V permits, Alaska should either include the requirements in the permit or cite to whatever level is necessary to identify the applicable requirements that apply to each emissions unit, and to identify how those units will comply with the requirements, including applicable monitoring, recordkeeping and reporting requirements of the underlying regulation.

2007 Alaska Action Plan: Addressed to Region 10's satisfaction, in 2004, Alaska adopted the referenced EPA May 20, 1999 letter and guidance to Hodanbosi et.al. of STAPPA ALAPCO guidance. Alaska trained all Title V staff regarding its interpretation and use in April 2005. Staff hired after April of 2005 will attend a follow-up training.

Short-term Plan: Title V staff will obtain training documents used in the April 2005 training and provide this information to new staff.

- Resources: Title V staff, office supervisor
- Estimated time: 15 hours
- Estimated Timeline: The training will be complete by December 31, 2007

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska generally cites to applicable requirements with the appropriate level of specificity. In one permit reviewed as part of this review, Alaska was responsible for writing Maximum Achievable Control Technology Subpart DDDDD into the Title V permit. Alaska was prohibited from specifying in the permit a single set of requirements as (a) the compliance date had not yet arrived at the time of the writing of the permit and (b) the permittee apparently refrained from committing to a particular compliance option. Under those circumstances, Alaska was correct in specifying only a general suite of compliance options in writing Subpart DDDDD into the permit. At the time of next permit revision or renewal after the Subpart DDDDD compliance date, Region 10 expects Alaska to revise the permit to reflect the compliance options the permittee has committed to. In another permit reviewed, the applicable sections of New Source Performance Standard Subpart A were incorporated by reference; it would have been better to at least list those requirements in the permit. Region 10 does not consider Alaska's level of citation a concern that warrants additional follow up.

A-2 2006 EPA Concern: Alaska's permits are laid out in a format that groups permit conditions by applicable requirement or regulation rather than by emission unit. Consequently, to determine what actions are required for a particular emission unit, the reader is forced to scan the entire permit. This format also leads to potential overlap or redundant permit conditions in the instance of similar regulations, e.g. New Source Performance Standard and state implementation plan requirements for emissions of particulate matter. Of the agencies in Region 10, Alaska is the only one to use such a permit format instead of one grouped by emission unit. Alaska should consider the benefits a new permit format would bring.

2007 Alaska Action Plan: Each permit format has its benefits and weaknesses. However, Alaska agrees to survey the regulated community's preference whether to have the permit conditions written by emission unit type or to have permit conditions written by applicable requirement or regulation or other possible formatting structures.

Short-term Plan: Technical Services Section in conjunction with Title V Section will develop a survey sent in bulk to all of Alaska's regulated Title V source operators. The survey will include a deadline to respond by January 11, 2008.

- Resources: Technical Services staff, Administrative staff, Title V staff, office supervisor, section manager
- Estimated time: 20 hours to prepare the survey form and mail-out.
- Estimated Timeline: October 31, 2007
- Budget: \$362.00

Long-term Plan: Technical Services Section staff in conjunction with Title V Section will conduct, analyze, and determine the percent of respondents, their preference and recommendations for other format options. TV staff will analyze the responses and determine which suggestion would provide the best permit. When evaluating the

suggestions staff will consider the following: ease of use of document, makes the process more efficient and less confusing, and creates a logical flow. While a two-year timeframe is not ideal; due to staff turnover, Quality Management System program still under development, and other internal situations; a project time of completion of 2009 is realistic.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 270 hours
- Estimated Timeline to analyze survey results: May 2008
- Estimated timeline to change the TV template format January 2009
- Budget: \$16,200

Round 2 Evaluation: Alaska completed their survey in October 2008. In their February 2009 progress update, Alaska reported that there was no overwhelming evidence to change the current permit structure, noting that some respondents indicated a strong preference to keep the existing format given the resources spent tailoring reporting and certification mechanisms to the current permit format. While Region 10 still believes that the permit format can be improved, permit content is more important. The current permit format does not prevent Alaska from meeting Part 70 requirements for permit content. Region 10 does not consider Alaska's permit format a concern that warrants additional follow up.

A-3 2006 EPA Concern: Emission limits in Alaska permits are not linked to specific test methods. Emission limits are defined in part by a specific quantification method. In the absence of such a linkage, an emission limit lacks specificity. Different test methods or quantification methods can yield different results, making the emission limit either too stringent or too lenient. When renewing permits, Alaska should ensure that each emission limit is accompanied by a test or quantification method.

2007 Alaska Action Plan: Region 10 based this concern on SIP standards for fuel burning emission units that burn natural gas. Alaska clarified to Region 10 staff that Alaska does not require any particulate matter testing or visible emission readings for gas fuel burning equipment. Instead, Alaska only requires maintaining records showing that equipment burns gas fuel. There is no test method necessary to maintain such records for continuous compliance. Alaska has no documented concern for these SIP standards with units that burn gas fuel nor does Alaska require testing.

Round 2 Evaluation: Based on our review of recently-issued permits, some permits still have some limits, unassociated with natural gas firing, that do not specify how to demonstrate compliance. In most examples, there were no associated testing requirements; however, Region 10 still sees the utility of specifying the methods in the permit just in case future compliance concerns arise and testing is necessary. Though Region 10 sees this as a minor issue (given the permits reviewed), we would like to see Alaska ensure more consistency when specifying the compliance method for all limits.

A-4 2006 EPA Concern: In many cases, explanations of decisions made in the permitting process are either cursory or entirely missing. The purpose of the statement of basis is to memorialize rationale for arriving at these decisions. Examples of such decisions include

applicability determinations, monitoring requirements, gap-filling and use of the permit shield. In some cases, sections of the standard conditions have been omitted from a permit with no explanation. In the absence of such descriptions, it is hard to draw any conclusion on the appropriateness of some of the permitting decisions. For example, in one permit action, the Title V statement of basis reversed a prior determination that 40 CFR 60, Subpart VV applied to a source with no explanation of the basis for such a reversal. In all future statements of basis, Alaska should more completely explain decisions made in development of each permit.

2007 Alaska Action Plan: Alaska agrees to improve documentation in future statements of basis regarding applicability determinations, monitoring requirements gap filling, and use of the permit shield.

Short-term Plan: During the renewal process, Title V staff will document in the statement of basis if a standard not previously identified is now applicable, the information on why and how applicability was determined

- Resources: Title V staff, office supervisor, section manager
- Estimated time: an average of 16 hours per permit
- Estimated Timeline: DEC will implement this change immediately. Alaska will complete this change by 2015, when DEC completes the third round of permit renewals for all regulated Title V sources in the State.

Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System will develop an applicability determination procedure to review federal standards (MACT, NESHAPs and NSPS) for all permits. During the renewal process, Title V staff will use this to determine applicability. The procedure will include a road map to aid Title V staff with future applicability determinations. Since federal standards are constantly undergoing changes, this process must have extreme flexibility to allow for these changes in the road map.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 60 hours
- Estimated Timeline: October 2008

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska's statement of basis can still be improved with better explanations regarding compliance assurance monitoring (see concern C.1), hazardous air pollutant emissions (see concern A.9) and decisions regarding compliance determination methods. While Alaska's statements of basis are generally very informative and thorough, there is room for more details and better consistency from permit to permit.

A-5 2006 EPA Concern: It appears that Alaska revises construction permits through issuance of Title V permits. Although EPA guidance does account for determinations in the Title V permitting process that permit terms in a construction permit need not be carried over if they are obsolete or call for actions that have been completed, Alaska's description in the statement of basis indicates that revisions were undertaken in the interests of "permit hygiene" rather than because of obsolete permit requirements. If such actions are intended to be parallel processing of a Title V permit and a modification to the

construction permit, that needs to be made clearer, the authority and process for each permitting program must be cited and followed, and the construction permit must in fact be revised. Alaska should desist from using Title V permits to modify construction permit requirements.

2007 Alaska Action Plan: Addressed to Region 10's satisfaction, Alaska previously corrected this concern in October 2004 through changes in its Title I permitting program. Alaska is willing to discuss its plan to take no further action on this concern since Alaska established regulations in 2004 to revise construction permit terms only through a Title I process. See 18 AAC 50 Article 5.

Round 2 Evaluation: None of the permits reviewed as part of this program review appear to contain prevention of significant deterioration-originating limits (or other construction permit limits) that were altered solely through the Title V permit process. However, in 2014, Region 10 objected to the issuance of an Alaska permit because Alaska attempted to change a prevention of significant deterioration emission limit through the Title V permit process. Rather than fix and re-propose the permit, Alaska chose to withdraw the proposed permit. Region 10 has not yet decided to take over that permit and issue it with the necessary correction. Alaska is still considering options to resolve the objection. During the onsite interviews, Alaska indicated that 12 administratively extended permits are being held up by this same issue. Alaska's current backlog of administratively extended permits is a significant concern (see New Concern #1). Either Alaska or Region 10 should resolve this problem and issue the held-up permits.

- A-6 2006 EPA Concern: Alaska's statements of basis should contain a discussion of the facility's compliance history. In a December 20, 2001, letter from the EPA Region 5 to the Ohio EPA, the EPA provided guidelines on the content of an adequate statement of basis that meets the requirements of 40 C.F.R. § 70.7(a)(5). That letter states, among other things, that the statement of basis should include factual information that is important for the public to be aware of including the compliance history of the source such as inspections, any violations noted, a listing of consent decrees into which the permittee has entered and corrective action(s) taken to address noncompliance. In one of the permits reviewed, it appeared that a facility had constructed prior to issuance of a permit to construct, and that the facility had submitted a Title V application after operating for about five years. Both of these events appear to be inconsistent with the corresponding regulations, yet the statement of basis provided no discussion of the compliance status of these events. Another statement of basis documented historical prevention of significant deterioration violations at a facility with no description of how the compliance issues were resolved.

2007 Alaska Action Plan: Alaska agrees to improve the statement of basis by discussing pertinent compliance history in the permit.

Short-term Plan: A College intern or Title V staff will re-create recent compliance history and present this to the Title V staff to determine which information is pertinent for the proposed TV permit action. The Title V staff will then include the information in the permit renewal.

- Resources: college intern, Title V staff, office supervisor, section manager

- Estimated time. 10 hours per permit to document pertinent compliance history
- Estimated Timeline: DEC will implement this change immediately. DEC will complete this change by 2015, when DEC completes the third round of permit renewals for all regulated Title V sources, in the State.

Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System will develop TV permit writing work instructions. During the renewal process, Title V staff will use these instructions to draft permits. The procedure will include guidance to document each Title V source's pertinent compliance history.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 140 hours
- Estimated Timeline: May 2009

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska consistently includes a compliance history in each statement of basis. In some cases, the compliance history is rather brief, repeating the same generic statement that a review of permit files indicates the source is “generally operating in compliance with its operating permit.” During onsite interviews, Alaska staff explained that that statement means there have been no compliance issues or only compliance issues regarding administrative requirements (e.g. reporting). Adding a bit more detail as to whether there have been any compliance issues and a brief note about what the past compliance entailed would improve the compliance history in each statement of basis. Region 10 considers this a minor concern, one that does not warrant additional follow up.

A-7 2006 EPA Concern: Alaska's statements of basis should contain a discussion of facility permitting history. This type of discussion is important to allow the reader to analyze what requirements might potentially apply to the source and to serve as a record of facility changes for determining applicability for minor new source review and prevention of significant deterioration purposes.

2007 Alaska Action Plan: Alaska documents relevant permitting history in the statement of basis including contemporaneous Title I permit actions, TV permit amendments and permit modifications issued from this point forward. Alaska did not find federal requirement, but agrees to improve permitting history.

Short-term Plan: Title V staff will include all relevant permit history in the statement of basis. The Title V staff will include the information in the permit during renewal.

- Resources: Title V staff, office supervisor, section manager
- Estimated time: 10 hours per permit to document pertinent permitting history
- Estimated Timeline: Alaska will implement this change immediately. Alaska will complete the implementation by 2015, when Alaska completes the third round of permit renewals for all regulated Title V sources in the State.

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska consistently includes a permit history discussion in each statement of basis. Region 10 no longer considers this topic a concern.

A-8 2006 EPA Concern: Alaska's current Title V permits contain a requirement for facilities to pay emission fees. At present, the permits do not require the permittees to pay the other required Title V fees, e.g. permit administration fees. Alaska should revise their Title V permit template to include conditions requiring facilities to pay all Title V fees.

2007 Alaska Action Plan: Alaska implemented this change and added administration fees requirement in the current permit template. Alaska anticipates all TV permits will have this term by 2015, when Alaska completes the third round of permit renewals for regulated Title V sources in the State.

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska has addressed this issue. Region 10 no longer considers this topic a concern.

A-9 2006 EPA Concern: Statements of basis should include a discussion regarding whether a facility is a major source of hazardous air pollutants. In some cases, monitoring of HAPs may be appropriate to confirm that emission rates are below major source thresholds.

2007 Alaska Action Plan: Alaska agrees from this point forward to discuss in the statement of basis the source's characterization as a HAPs major or minor source.

Short-term Plan: Immediately implement changes to the Title V statement of basis format to include HAP major classification and discussion for permit renewals. The implementation will be complete by 2015, when Alaska completes the third round of permit renewals for all regulated Title V sources in the State.

Long-term Plan: Update the Title V application forms. Alaska is currently developing and implementing a Quality Management System. We anticipate the QMS will be complete in six to nine months. Alaska prefers not to create forms that will then require edits to meet QMS requirements. Therefore, Alaska intends to develop Title V forms after QMS roll-out. Included in the application form, will be requirement for the permittee to provide HAP information consistent with 40 CFR 71 and 18 AAC 50.326. Title V staff will include in the statement of basis a discussion of the source HAP status, emission estimates and methodologies for the estimates. This process will also include placing the application onto the state's website, updating the application checklist form and possible guidance documents, if necessary, to assist the regulated community to fill out the application. For detailed information see attached project plan for developing an updated Title V application. While a two-year timeframe is not ideal, due to staff turnover, QMS program still under development, and other internal situations; a project time of completion of 2009 is realistic.

- Resources: Technical services. staff, Title V staff, office supervisor, section manager
- Estimated time: 355 hours
- Estimated timeline: June 2009
- Budget: \$19,100

Round 2 Evaluation: Based on our review of recently-issued permits, Alaska has been including HAPs in the potential emissions tables found in statements of basis. It would be

beneficial if Alaska also provided a discussion of the emission inventory and whether testing or monitoring is appropriate when Alaska's lack of confidence in the emission inventory warrants it. Region 10 considers this a minor concern, one that does not warrant additional follow up.

## **Section B. General Permits**

B-1 2006 EPA Concern: Alaska makes their general permits readily available from the permits webpage. However, not all of the Title V general permits have statements of basis available on the website. A readily-available statement of basis would help the permittee and other reviewers understand the bases for conditions in the permit. Alaska should post all of their statements of basis to their website.

2007 Alaska Action Plan: Alaska provided a copy of the general permit statement of basis in question to the review team in its September 15, 2006 response to Region 10 regarding this concern in its draft report.

Short-term plan: Alaska will post on the website the available statement of basis for general permits.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 10 hours
- Estimated timeline: December 2007

Long-term plan: Alaska will develop missing statement of basis. The implementation will be complete when Alaska completes permit renewals for all general permits.

Round 2 Evaluation: Alaska completed this task. Region 10 no longer considers this topic a concern.

## **Section C. Monitoring**

C-1 2006 EPA Concern: Alaska indicates that the Compliance Assurance Monitoring program only applies to emission units with controlled emissions in excess of 100 tons per year. In actuality, the emissions threshold applicability criteria in 40 CFR Part 64 indicates that CAM applies to emission units with a potential pre-control device emissions of at least the major source threshold for the pollutant of concern. Alaska should review CAM applicability determinations in all permits and reopen and revise those permits where CAM applicability was incorrectly applied.

2007 Alaska Action Plan: Alaska agrees that this concern requires an action plan to immediately update Alaska's procedures consistent with 40 CFR 71 provisions now incorporated by reference in 18 AAC 50.040.

Short-term Plan: During permit renewals, Title V staff will review Compliance Assurance Monitoring rules and guidance, determine emission unit applicability and include the appropriate information in the statement of basis whether an emission unit at

the source requires a CAM plan and each applicable permit term associated with the permittee's plan.

- Resources: Title V staff, office supervisor, section manager
- Estimated time: 30 hours per permit
- Estimated Timeline: Alaska will implement this change immediately. Alaska will complete implementation by 2015, when Alaska completes the third round of permit renewals for all regulated Title V sources in the State.

Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System will update permit writing procedures. During the renewal process, Title V staff will use this to draft permits and permit renewals. The procedure will include guidance to document Title V sources pertinent compliance history.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 140 hours, already accounted for in item A-6.
- Estimated Timeline: May 2009

Round 2 Evaluation: Based on a review of recently-issued permits and as mentioned in Concern A-4, CAM applicability decisions should be explained better. Few permits described existing control equipment, something that could easily be added to the emission unit table in each permit and/or statement of basis. No permits presented the potential to emit at an emission unit level of detail to support claims that the pollutant-specific emission unit had pre-control and post-control potential emissions less than the regulatory thresholds. Very few permits specifically addressed hazardous air pollutant emissions in the CAM applicability explanations. Two permits noted the existence of flares; when used to destruct pollutants, flares are control devices that should be evaluated for CAM applicability. Certain applicable requirements are exempt from CAM; however, an emission unit subject to those same exempt requirements may still be subject to CAM for other, non-exempt requirements such as SIP emission limits. None of the permits addressed opacity requirements, which are surrogate limits on particulate emissions and potentially subject to CAM. During the interviews, Region 10 staff suggested Alaska review the tabular approaches several permitting authorities are now using to document CAM applicability. When an emission unit is subject to CAM, all of the general CAM requirements in Part 64 must be included in the permit complete with citations to the CAM rules. Alaska should provide internal training on CAM and enhance how CAM is addressed in their permit and statement of basis guidance.

C-2 2006 EPA Concern: Alaska's permits contain general testing requirements that include the ability to have alternative test methods approved by Alaska. The permit must specify the alternative methods, contain replicable procedures for establishing an alternative, or authorize the alternative methods through a permit revision. In addition, Alaska cannot approve an alternative to the test method that is approved as part of the SIP, see 40 CFR 51.212, unless the SIP requirement contains the alternative methods or replicable procedures for establishing alternatives.

2007 Alaska Action Plan: Alaska will remove from permits the authority to approve alternative test methods outside a permit action for federal standards. Alaska will include specific methods upon permit renewal.

- Estimated time: Alaska will implement this change immediately. The implementation will be complete by 2015, when Alaska completes the third round of permit renewals for all regulated Title V sources in the State.

Round 2 Evaluation: Based on a review of recently-issued permits, it appears that the alternative test methods language that was a concern has been removed. Region 10 no longer considers this topic a concern.

- C-3 2006 EPA Concern: Alaska indicates that Title V allows a source to test only one of identical emission units that is subject to a New Source Performance Standard. Title V cannot allow this if it is not allowed under the NSPS. In the cases Alaska is referring to, under Subpart GG for combustion turbines, each turbine must comply individually with the NSPS and periodic monitoring unless the facility has requested and been granted an alternative monitoring waiver from the EPA.

2007 Alaska Action Plan: Alaska agrees that only the EPA has the authority to waive source testing required by the federal regulation, such as the source test initial demonstration. However, the EPA has not promulgated federal regulations that require ongoing source test demonstrations [under] the gas turbine NSPS Subpart GG. Alaska proposes to continue with current practice allowing a source to test only one of identical turbines subject to NSPS. Subpart GG. This practice is the result of a joint effort between Alaska and the regulated community to develop and implement gap-fill monitoring, recordkeeping and reporting that is lacking in NSPS Subpart GG. Region 10 may, on a case by case basis, review each permit and evaluate if gap-filling monitoring, recordkeeping and reporting is fitting and appropriate.

While 40 CFR § 60.8(a) states that every affected unit must be tested, 40 CFR § 60.8(c) states that "[p]erformance tests shall be conducted under such conditions as the Administrator shall specify to the plant operator based on representative performance of the affected facility." If the permittee can demonstrate that the use of an emission unit is representative of a group of emissions units, then they should be allowed to take this option.

Round 2 Evaluation: Region 10 agrees with Alaska that only Region 10 has the authority to waive source testing required by the federal regulation and that a source can be allowed to test only one of several identical units on a case-by-case basis, as long as the decision is technically supported and documented. Based on a review of currently-issued permits, Alaska appears to be carefully considering and documenting their decisions to require single-unit testing. Region 10 did not observe any examples where the decision seemed questionable or was undocumented. Region 10 no longer considers this topic a concern.

- C-4 2006 EPA Concern: The frequency of source testing and monitoring should generally depend on how close actual emissions are to the standard. More rigorous monitoring, recordkeeping and reporting requirements should generally be required when source tests

indicate that actual emissions are close to emission limits. In these cases, source testing once every five years does not generally provide reasonable assurance of compliance. In addition, even in the case of more frequent source testing, the permit should also generally require monitoring of the same operational parameters that were monitored during the most recent compliant source test to ensure that the equipment is operating in the same manner as it did during the compliant source test.

2007 Alaska Action Plan: Alaska agrees with the general statement and sets up periodic monitoring based on this rule of thumb.

Round 2 Evaluation: Based on a review of currently-issued permits, Alaska seems to follow this general rule of thumb. The monitoring and testing in the permits reviewed indicate that Alaska is making good decisions in this regard. Region 10 no longer considers this topic a concern.

C-5 2006 EPA Concern: In many instances, where Alaska requires the permittee to conduct specific monitoring of emission units or effluent streams, the permit does not specify the monitoring or test methods or other procedures to be used by the permittee. Whenever monitoring or testing is required, the permit should specify the test methods or procedures to be used for the required monitoring.

2007 Alaska Action Plan: Alaska agrees and proposes from this point forward to compare Title I monitoring, record keeping, and reporting with Part 71 periodic MR&R requirements, testing, and monitoring procedures when incorporating the Title I terms into a permit renewal, administrative amendment or modification. This will occur with each Title I permit that is incorporated into a TV permit and during permit renewals.

Short-term Plan: Title V staff will determine the appropriate MR&R requirements for Part 71 and update the permit during permit renewals or at the time that the construction permit is incorporated into the TV permit.

- Resources: Title V staff, office supervisor, section manager
- Estimated time: 15 hours per permit to determine applicable Requirements.
- Estimated Timeline: Alaska will implement this change immediately. Alaska will complete the implementation by 2015, when Alaska completes the third round of permit renewals for all regulated Title V sources in the State.

Long-term Plan: As part of the Quality Management System Alaska will develop a permit writing procedure to incorporate the new step into the Title V permit process and instruct Title I and Title V permit staff how to develop Part 71 MR&R.

Round 2 Evaluation: Based on our review of recently-issued permits, other than the minor concern already described in Concern A.3, Alaska has generally been doing a much better job adding testing and monitoring methods as well as related recordkeeping and reporting requirements to permits, particularly when gap-filling is necessary. Consistent with Concern A.3, Region 10 sees this as a minor issue (given the permits reviewed), but we would like see Alaska ensure more consistency when specifying the compliance method for all limits.

## **Section D. Public Participation and Affected State Review**

D-1 2006 EPA Concern: On Alaska's web-based mailing list enrollment form, subscribers can sign up for a variety of air quality topics. However, the link to the subscription area is not easy to find. Further, the usefulness of this tool in the Title V world is diminished because subscribers cannot limit their subscription to only Title V actions or even to a specific facility. The ability to restrict notices to certain facilities would allow the public to focus their attention on facilities in their area of interest instead of receiving notices for all 187 Title V permits.

2007 Alaska Action Plan: Alaska believes the website is user friendly and has received compliments in regards to its website. Region 10 clarified that members of the public would benefit from website flexibility to allow requesters to select notices regarding specific sources or specific locales when opting to join one of Alaska's permit program mailing list. Currently the website only allows people to select notices for air permit topics in general, such as proposed permitting projects or stationary source air quality. This would reduce spam regarding permit projects for which the requester is not interested. Alaska commits to make our website more useable for the general public. We will take Region 10's recommendations under advisement as resources allow.

Round 2 Evaluation: Alaska has enhanced their web-based mailing list to allow members of the public to select an individual permit to be notified about, rather than being notified about all permits processed regardless whether the person is interested. Alaska's permit notification system has become a good example for other permit authorities. Region 10 no longer considers this topic a concern.

D-2 2006 EPA Concern: Like many of the permitting authorities across the country, Alaska provides the permittee with a pre-draft permit for review and comment before the draft permit goes out for public comment. Soliciting the permittee's input on the factual aspects of the permit can help to reduce errors in the permit and help educate the permittee on its obligations under the permit. Working with the permittee on developing the substantive permit requirements can, however, create the impression that the permit issuance process is not an open process. Alaska should carefully balance these interests as it works with permittees during the development and issuance of Title V permits.

2007 Alaska Action Plan: Alaska appreciates and shares this stated concern. However, absent further discussion regarding Region 10's basis for concern, Alaska does not propose expended resources to alter current process. For the review team's consideration, Alaska finds the benefits of providing the permittee a pre-draft permit far outweigh the perception of a closed process. This process reduces mistakes and misunderstandings that could lead to unnecessary permit appeals, delays in permit processing and harmful rapport between the permittee and regulatory staff. Alaska follows pre-draft collaboration with an open public comment period, during which the public has the opportunity to review Alaska's decisions.

Round 2 Evaluation: Alaska seems to adequately manage their pre-draft review process. The process is relatively transparent, and no concerns have been raised by members of the public. Region 10 no longer considers this topic a concern.

## **Section E. Permit Issuance / Revision / Renewal**

E-1 2006 EPA Concern: At the time of Region 10's visit to Alaska's offices, Alaska had issued 10 significant permit revisions, 12 minor permit revisions and 57 administrative amendments. Due to workload conflicts, Alaska has been unable to issue some permit revisions within Title V timeframes. Alaska should issue all permit revisions within the required timelines.

2007 Alaska Action Plan: Alaska's goal is to have the Title V Section fully staffed by the first quarter of 2008. This will allow Alaska meet regulatory deadlines.

Round 2 Evaluation: Alaska's most recent TOPS reports indicate that there is no longer a significant backlog of permit modification applications with only one active application older than 18 months. As noted in our evaluation of concern G-1, Alaska is currently fully staffed. Region 10 no longer considers this topic a concern. See New Concern #1 in Section III of this report regarding a related concern about Alaska's permit renewal backlog.

E-2 2006 EPA Concern: About 87% (33 applications) of renewal applications were found to be timely and complete. The remaining 13% (5 applications) have essentially lost their application shield and are potentially operating out of compliance with Title V until their renewal permit is issued by Alaska. Alaska should review the status of these facilities and ensure that timely and appropriate enforcement action was undertaken.

2007 Alaska Action Plan: Alaska appreciates the gravity of this situation and is working to the best ability of the staff within manpower constraints. This topic would be an appropriate discussion at the bimonthly enforcement teleconferences Region 10 compliance staff hold with their Alaska counterparts.

Round 2 Evaluation: The most recent TOPS reports indicate that three late applications have not yet been issued; however, during the onsite interviews, Alaska confirmed that those reports were relying upon incorrect information. Alaska's latest TOPS report, covering the time period January 1 through June 30, 2015, shows no late applications remain unissued. Region 10 no longer considers this topic a concern.

## **Section F. Compliance**

F-1 2006 EPA Concern: Because of workload issues, Alaska reviews only about 72% of deviation reports submitted to the agency. In addition, semi-annual monitoring reports and annual compliance certifications can take as long as two years to review, again because of resource constraints. Alaska should review all submitted reports on a timely basis.

2007 Alaska Action Plan: Alaska is working to the best ability of the staff within manpower constraints to review and investigate permit deviation reports and take timely action.

Round 2 Evaluation: Though Alaska still cannot promise to review 100% of the deviation reports they receive, they do appear to take the reports seriously. This particular topic will likely be covered in the next enforcement program review, hopefully in the context of their overall compliance and enforcement programs. From a Title V permit program perspective, Region 10 no longer considers this topic a concern that warrants follow up.

- F-2 2006 EPA Concern: Alaska does not have a compliance certification form for facilities to use in certifying compliance annually. As a result, facilities certify compliance using their own formats. Alaska should develop a standardized compliance certification form that would better ensure that sources are including all necessary information in compliance certifications.

2007 Alaska Action Plan: Alaska acknowledges that it has not developed a certification form in all Title V permits and terms. The form is not a permit content element of the Department's approved operating permit program or an element of 40 CFR § 71.6(c). However, the practice has its merits. Alaska agrees to include it in the survey referenced under Concern Number A.2's plan to determine if the regulated community prefers Alaska to develop compliance certification forms within the Title V permit.

Short-term Plan: Technical Services Section in conjunction with Title V Section will develop a survey for the regulated community. The survey, sent in bulk to all TV permittees, will include a survey deadline to respond by January 11, 2008.

- Resources: Technical Services staff, Administrative staff, Title V staff, office supervisor, section manager
- Estimated time: 20 hours to prepare the survey form and mail out.
- Estimated Timeline: October 31, 2007

Long-term Plan: Technical Services Section staff in conjunction with Title V Section will conduct, analyze and determine the percentage of permittees that responded and their preference. If the regulated community prefers a standard compliance certification form then Title V staff will create a form.

- Resources: Technical Services staff, Title V staff, office supervisor, section manager
- Estimated time: 100 hours
- Estimated Timeline to analyze survey results: May 2009

Round 2 Evaluation: Based on a survey of permittees, Alaska concluded that there was no need for a compliance certification form and has no plans to create one. Region 10 still thinks a form would help Alaska be more efficient when reviewing compliance certifications. Given that Alaska is confident that they are getting all of the data they need to determine compliance, Region 10 does not consider the lack of a form a concern that warrants additional follow up.

- F-3 2006 EPA Concern: Like many permitting authorities, Alaska requires corrective actions when certain monitored parameters are outside of the acceptable range. This is a practical approach for assuring potential operational problems are addressed promptly. When using this approach, Alaska should clarify when a deviation occurs (when the unit is

outside the range or if corrective action is not taken), such that the appropriate records are created and reported. Furthermore, Alaska should add recordkeeping so each event of operation outside the acceptable range is documented, even if it is not a deviation.

2007 Alaska Action Plan: After further discussion with Region 10 staff, it became clear that in some older permits the excess emissions and permit deviation notice condition might have been poorly written. Alaska proposes to review and verify that the current excess emissions and permit deviation reports standard condition is understandable and make it clear when a permittee must submit a notice to Alaska.

Round 2 Evaluation: Based on a review of recently-issued permits, it appears that Alaska has been consistently adding specific recordkeeping and reporting requirements to go with the monitoring required in permits. Region 10 does not consider this lack of recordkeeping and reporting a concern that warrants additional follow up.

## **Section G. Resources and Internal Management Support**

G-1 2006 EPA Concern: Alaska has experienced appreciable staff turnover over the years. In the past fiscal year, Alaska lost eight of the 18 positions in the Title V program. In addition to the challenges in retaining staff, Alaska faces challenges in recruiting qualified staff. The past three recruitment efforts for the Anchorage office did not yield a single qualified candidate. These resource constraints may have contributed to the delay in issuance of permit revisions, as noted in Section E.

2007 Alaska Action Plan: Alaska appreciates and shares this concern, which is being handled through a Department-wide initiative to improve employee retention through an intern program, career track flexibly staffed positions, and training. For more information, contact Ms. Katherine Heumann, Program Coordinator, of Alaska's Commissioner's Office at 907-465-5296.

Round 2 Evaluation: While we will always share Alaska's concern about hiring and retaining qualified staff, we see that Alaska is currently fully staffed. More importantly, Alaska is making headway in reducing the backlog of renewal permits that have been administratively extended. That will continue only if Alaska retains their experienced staff. Region 10 no longer considers this topic a concern.

G-2 2006 EPA Concern: It appears that Alaska's Title V permit writers have had limited access to Title V training. Most of the training appears to have been provided "on-the-job." Because of the limited demand in the geographical area, it is very unlikely that training opportunities will occur in Anchorage, Fairbanks or Juneau. Resources should be available for staff to travel to proximate population centers such as Seattle, Portland and Denver to access the latest and complete Title V and related training and to enable permit writers to interact with peers in other jurisdictions. Alaska should assess whether adequate travel funds are available to enable this program development activity. If not, additional fees may need to be assessed to cover training costs. Alaska should not have policies that restrict travel to training.

2007 Alaska Action Plan: Alaska agrees with this concern. Alaska encourages Region 10 to hold more Title V-specific classes in Alaska. Over the past five years, Alaska has brought to Alaska classes such as permit writing, combustion source evaluation, New Source Review, advanced negotiating skills to better improve the skills of Alaska's permit writing team. Alaska encourages Region 10 to provide additional opportunities.

Round 2 Evaluation: Region 10 co-hosts a Title V workshop every two to three years, rotating the location from state to state. After the first round program review, Region 10 polled other permitting authorities about holding the workshop in Alaska; many said they would not be able to attend if it was held in Alaska. The workshop is an excellent opportunity for permitting authorities to share best practices and collaborate with their peers. Alaska had very limited participation at the workshop in 2011 and did not send anyone to the workshop in 2014. Alaska explained that budget issues caused a shortage of travel funds, but also noted that out of state travel is strictly limited by upper management. Title V requires permitting authorities to collect enough fees to completely fund the program, including related travel and training. While Region 10 will again poll the other permitting authorities about holding the workshop in Alaska in the future (possibly simultaneously with PNWIS in Juneau in 2016), Alaska must be willing to fully fund their Title V program, including out of state travel to training when appropriate. Region 10 will follow up with Alaska regarding future Title V workshops. See New Concern #2 in Section III of this report regarding a related concern about Alaska's Title V budget.

## **Section I. Document Review (Rules/Forms/Guidance)**

I-1 2006 EPA Concern: Alaska updates their rules periodically to adjust their fee rates and to adjust other program elements. Alaska has recently substantially revised their Title V program, including a new fee rule. All rule changes should be submitted to Region 10 for approval.

2007 Alaska Action Plan: Alaska did not respond to this issue.

Round 2 Evaluation: In response to Region 10's kickoff letter and information request, Alaska shared a list of the rule changes that have happened since 2001 (see Attachment 3), noting that none of the changes have been submitted to Region 10 for approval. During the onsite visit, Region 10 explained why it is necessary to update Alaska's program approval when rules are changed while also pointing out the Part 70 requirements for program revisions in 40 CFR § 70.4(i). Alaska indicated that they would pursue the submittal of their current rules and fees to bring their program approval up to date. Alaska and Region 10 agreed it would be a good idea for Region 10 to review the submittal package before Alaska formally submits it. Alaska inquired whether electronic submittals are acceptable. Region 10 is not aware of any restrictions on electronic submittals. Region 10 will watch for Alaska's program revision and process it accordingly.

I-2 2006 EPA Concern: Alaska does not have Title V application forms. However, 40 CFR 70 requires the state program to provide for a standard application form or forms. Alaska should develop application forms for their Title V program.

2007 Alaska Action Plan: Alaska did not respond to this issue.

Round 2 Evaluation: In addition to the action plan for addressing Region 10's concerns in the first program review, Alaska created a project to create application forms. During the onsite interviews for this review, Alaska reported that they now have application forms for Part 70 operating permits. Region 10 no longer considers this topic a concern.

### III. Additional Review

In addition to reviewing concerns identified in the first review, Region 10 requested an update about program resources and permit issuance progress and reviewed several permits that were issued by Alaska within the last year. The following permits were reviewed by Region 10 as part of this program review:

<u>Permit No.</u>	<u>Company Name (Site)</u>	<u>Date Issued</u>
AQ0191TVP03P	Barrow Utilities & Electric - Power Plant	09/19/2014
AQ1121TVP02P	Doyon Utilities - Fort Wainwright	01/30/2015
AQ0062TVP03P	Hilcorp Alaska - Anna Platform	05/05/2015
AQ0624TVP03P	Municipality of Anchorage - Landfill	05/11/2015

Region 10 also reviewed the following permits for compliance assurance monitoring purposes only:

<u>Permit No.</u>	<u>Company Name (Site)</u>	<u>Date Issued</u>
AQ1190TVP02P	Alaska Electric & Energy - Nikiski	03/19/2015
AQ0244TVP03P	Alaska Interstate Construction - Deadhorse	03/05/2015
AQ0923TVP01P	Eni US Operating - Nakaitchuq	06/03/2014
AQ0232TVP03P	Trident Seafoods - Sand Point	10/20/2014
AQ0238TVP03P	US Army - Fort Greeley Real Estate	10/29/2014

The focus of the permit reviews was generally on previously identified concerns and specifically on compliance assurance monitoring requirements. CAM has been a recent focus for Region 10's oversight work for several reasons. CAM is required to be applied in the initial permit for sources with "large" pollutant-specific emission units and in the first renewal for all other emission units. Most pollutant-specific emission units are not large, so CAM has been primarily implemented during the renewal phase of the Title V program. Region 10 had a rigorous permit oversight program in the early years of Title V. By the time state and local agencies were issuing renewal permits, Region 10 had scaled back its oversight program substantially and, in fact, reviewed very few permits that addressed CAM. Beginning in fiscal year 2013, Region 10 began to review a small percentage of state/local renewal permits to see how CAM was being addressed. A consistent lack of documentation regarding CAM applicability and monitoring decisions in statements of basis was discovered. Logically, Region 10 decided to specifically review how CAM was being addressed in permits as part of second-round program review.

Conclusions regarding past concerns have been documented in Section II of this report, specific to each previously-identified concern. Concerns regarding CAM have been documented in Section II under Concern C-1. Any new concerns identified during the onsite interviews and permit reviews are documented in this section.

#### New Concerns

1. Alaska has a large permit renewal backlog. Alaska reported in a draft TOPS report (see Attachment 4 to this report) that as of June 15, 2015, 21% of Alaska's permits are currently administratively extended (past the original expiration date, but still in effect because the permittee submitted a timely and complete renewal application), or "backlogged." Alaska

was able to reduce the permit renewal backlog by more than 20% from the previous year through, among other things, the use of contractors to help write permits and through improved efficiencies that resulted from the development of internal guidance and their success in retaining a more experienced permit writing staff. During 2014, Alaska discontinued using contractors due to a budget shortfall. See New Concern #2 below regarding Alaska's budget problem. This could lead to a short-term increase in the permit renewal backlog. Alaska plans on increasing fees in the fall of 2015. Alaska hopes to eliminate the backlog of renewal permits within 18 months after their Title V fees are increased. Alaska should plan for the extra workload of eliminating the backlog when resetting their Title V fees.

2. Alaska must increase Title V fees to cover anticipated Title V expenses including particularly permit issuance and staff training. Region 10 reviewed Alaska's Title V fee program looking for fee management and budget issues. This review did not identify any fee management concerns; however, Alaska appears to have a Title V budget issue. Alaska reported to Region 10 that 2014 Title V expenses were 26% higher than Title V revenues (see Attachment 2 to this report), virtually wiping out the budget surplus that existed. This raises serious concerns. Alaska is required to collect enough fees to pay for the successful implementation of their Title V program, including timely issuance of permits and training of staff. Alaska plans to have a new fee structure in place by the fall of 2015.

A large permit backlog can be an indicator of Title V budget issues. At the time of the 2006 program review, Alaska was struggling to hire and retain experienced permit writing staff, which could have contributed to the current permit renewal backlog. In addition to becoming fully staffed, Alaska used contractors to help write permits and reduce the permit renewal backlog. See New Concern #1 above regarding Alaska's renewal permit backlog. Over the past year, Alaska reduced their backlog by over 20%. Because, according to Alaska managers, contractor-written permits cost more than staff-written permits, Alaska stopped using contractors due to Title V budget concerns. These concerns ultimately resulted in Alaska shifting permit writing staff away from the Title V program to the Title I program for a period of time.

Citing, in part, budget constraints, Alaska did not send any staff to the 2014 Title V Workshop that Region 10 cohosts every two to three years, and sent very few staff to the 2011 workshop. See Concern G-2 for more information about staff training concerns. Training that is available only through out-of-state travel, such as the Title V Workshop (to date), and the staff travel time it requires should be factored into Alaska's Title V fees as a normal cost of running a program in Alaska.

Finally, had Alaska caught the budget shortfall sooner, some of these concerns might have been mitigated. Alaska is required by state statute to evaluate their fee programs every four years and adjust fees as necessary. Alaska's 2014 internal evaluation (available on their website) indicated that Alaska needs to adjust their Title V fees to meet the full cost of the Title V program. Alaska should consider performing fee evaluations and adjustments more frequently than currently required by statute, given that existing budget tracking should be able to flag budget concerns much sooner. The internal fee evaluation report itself should also be changed. Currently, the internal evaluation covers both Title V and Title I fees. In several key sections of the report, it is not clear which fee program is being discussed. Given

the importance of keeping Title V and Title I fees separate, Alaska should also consider completely separate sections of the report for each of the fee programs.

3. Annual synthetic minor limits must be enforceable as a practical matter. To be practically enforceable, owner-requested annual emission limits must be accompanied by production limits or the emission factors used to confirm compliance. In a couple of permits reviewed, annual prevention of significant deterioration-avoidance production limits were not accompanied by emission limits. In another, annual hazardous air pollutant emission limits did not include production limits or emission factors and lacked clarity regarding the compliance determination technique. Three permits contained annual limits intended to make an otherwise applicable regulatory program inapplicable, and all three had an issue with practical enforceability. Finally, where monitoring and reporting of hazardous air pollutants was included in the permit, the procedure for confirming compliance was not very clear. Alaska must ensure that synthetic minor limits are practically enforceable.

## IV. Summary of Concerns and Recommendations

### Concerns

Most of the concerns identified in the first-round program review have been resolved, but some still need attention. Region 10 is satisfied with Alaska's responses to 18 of the 26 concerns identified in the first program review. While Region 10 thinks Alaska can still improve on five of the remaining eight original concerns, Region is very concerned about three of the original concerns and has identified three new concerns during this program review.

**Alaska has made some improvements to their permits and statements of basis, but more improvements are still needed for five original concerns.** Compliance determination methods have not been consistently specified for all applicable requirements and for gapfilling requirements (A.3 and C.5). Explanations in statements of basis can be improved, particularly concerning compliance assurance monitoring and compliance determination method decisions (A.4). Hazardous air pollutants can be more thoroughly addressed in statements of basis (A.9). Fully funding out-of-state travel will provide more training opportunities for staff (G.2). Alaska's internal guidance should serve as a good tool for resolving most of the areas in which Alaska can still improve. Resolving Alaska's budget problem, discussed below, could help resolve the travel concern.

**Region 10 is particularly concerned about three issues identified in 2006 as well as three new issues.** Alaska incorrectly tried to revise prevention of deterioration limits using the Title V process resulting in a Region 10 objection to a permit in 2014 (A.5). At least 12 permits in the backlog are being held up because Alaska and Region 10 are at an impasse on addressing the permit that Region 10 objected to last year. This issue must get resolved quickly, so Alaska can issue those overdue permits. Compliance assurance monitoring applicability determinations are still being incorrectly made and poorly documented (C.1). There are a number of guidance documents available to help Alaska master compliance assurance monitoring. Alaska has failed to submit any rule revisions as program revisions since their original program approval (I-1). Program revisions are required to be submitted to Region 10 for approval. Alaska's backlog of renewal permits is substantial (New Concern #1) and is tied at least in part to their budget problems (New Concern #2). Alaska has been reducing the resources focused on permit writing (including contracted permit writers) due to budget concerns. Alaska has acknowledged that their fees must be raised. While Alaska has plans to increase their fees and has made some progress on the renewal backlog, in part through the use of contractors, the backlog could grow again by the time Alaska gets the fee increase and additional permit writing resources in place. Alaska's synthetic minor limits are not enforceable as a practical matter (New Concern #3). Synthetic minor limits in Alaska's permits must be written to be practically enforceable. While Alaska's internal guidance should help resolve a couple of these concerns, several will require special attention at the management level of Alaska's agency.

### Recommendations

In general, Alaska should provide to Region 10 a response that explains what they plan to do to resolve the 11 concerns summarized in this section, Section IV, of this report. Most importantly, Alaska must follow through in putting the fee increase into effect as soon as possible while looking for additional resources to help issue backlogged renewal permits. Alaska must also

either resolve the delayed permits with prevention of significant deterioration limits or ask Region 10 to issue those permits. If Alaska prefers to discuss any of the concerns before responding, Region 10 can accommodate that.

## Attachment 1

Program Review Kickoff Letter and Information Request,  
June 2, 2015





**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10**

1200 Sixth Avenue, Suite 900  
Seattle, WA 98101-3140

JUN - 2 2015

OFFICE OF  
AIR, WASTE, AND TOXICS

Ms. Denise Koch  
Director, Division of Air Quality  
Alaska Department of Environmental Conservation  
P.O. Box 111800  
Juneau, AK 99801

Dear Ms. Koch:

Consistent with conversations between our agencies, this letter is to notify you that the U.S. Environmental Protection Agency Region 10 plans to perform a second review of the Alaska Department of Environmental Conservation's Title V operating permit program. This letter kicks off the effort by describing the review process and our proposed schedule. We are also requesting information that will assist us in our program review. Your agency will be the fifth of six second-round program reviews that Region 10 has undertaken.

This program review will focus primarily on the following four areas: (1) follow-up on concerns identified during our 2006 review of your program; (2) permit issuance progress and resources; (3) compliance assurance monitoring; and (4) new applicable requirements and rules. A small selection of recently-issued permits will be reviewed. Note that this program review may require involvement of staff and managers from your permitting, technical, finance, and compliance groups. It would be very helpful if a single person from your agency is assigned to coordinate the participation of each of your offices that are involved with Title V.

Our tentative schedule is as follows:

<b>Task</b>	<b>Date</b>
EPA sends kickoff letter with request	Today
ADEC sends requested information	July 1, 2015
EPA visits ADEC	July 15-16, 2015
EPA sends final report	September 30, 2015

The enclosure describes the information we would like to receive in advance so we can be efficient during the interviews. Please return the information (preferably in electronic form) as early as possible, but no later than the date in the table above, to Doug Hardesty (hardesty.doug@epa.gov) who will be leading the review. We will contact you if we need any additional information that is not available to us.

My staff will come to your office to conduct interviews and will send an agenda in advance of our arrival. During the interviews, we may want to talk to a number of your staff and managers so we hope you will agree to make them available as needed. As described in the schedule, we plan to complete our report by the end of August.

We look forward to working with you and your staff. If you have any questions about the program review, please do not hesitate to call me at 206/553-1271 or Doug, in our Boise office, at 208/378-5759.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K Kelly', is written over the typed name and title.

Kate Kelly, Director  
Office of Air, Waste, and Toxics

Enclosure

cc: Mr. John Kuterbach  
ADEC Air Permit Program Manager

**Title V Program Review – Round 2**  
**Alaska Department of Environmental Conservation**

**Information Request**

Please send the following information in electronic form to Doug Hardesty ([hardesty.doug@epa.gov](mailto:hardesty.doug@epa.gov)) as soon as it is available, but no later than July 1, 2015.

1. A list and description of any rule changes that have been made to the ADEC's Title V regulations (e.g. those that affect applicability, implementation, or fees) since November 2001. If any of the rule changes have been submitted to the EPA for review, note the date of submittal.
2. Financial records (preferably from your last complete fiscal year) reflecting revenues and expenses that document the ADEC's ability to fund the operating permit program with Title V fees and the ADEC's ability to ensure that Title V fees are used only for Title V authorized expenses. Also, financial records showing an itemized breakout of expenses for training and training-related travel for the last 4 complete fiscal years.
3. If the permit issuance backlog has changed substantially since the last semi-annual TOPS report to the EPA, a summary of the current permit backlog at a level of detail consistent with the TOPS report.
4. If any items in the ADEC's final Action Plan, developed in response to the 2006 Title V Program Review, remain unfinished, a narrative describing the ADEC's plan and progress for addressing the item. If the ADEC is approaching any of the concerns identified in the 2006 Title V Program Review differently than previously communicated to Region 10, provide a narrative explaining the different approach.
5. A copy (or online access if possible) of the Quality Management System instructions to Title V permit writers. If a printable copy or online access to the system is not possible, a demonstration of the system during the onsite interviews would be appreciated.
6. Any issues or requests that ADEC would like to raise to the EPA regarding any aspect of the Title V program?



## Attachment 2

Program Review Information Request Response (email)



**From:** [Turner, Thomas F \(DEC\)](#)  
**To:** [Hardesty, Doug](#)  
**Cc:** [Kelly, Kate; denise.koch@alaska.gov; Kuterbach, John F \(DEC\); Ausel, Joey K \(DEC\); Dunn, Patrick F \(DEC\); Turner, Thomas F \(DEC\)](#)  
**Subject:** FW: ADEC Title V Operating Permit Program Review  
**Date:** Tuesday, June 30, 2015 5:57:54 PM  
**Attachments:** [TOPs final Tracking Form JAN-JUNE2015DRAFT.DOCX](#)  
[Director 2009 Status Report 02-10-2009.pdf](#)  
[2015 Title V Audit Regulations 6-30-15.xlsx](#)  
**Importance:** High

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Hello Doug,

I am the Technical Services Manager for Air Permits, and I am coordinating the response to your request to ADEC. Below please find the information requested in EPA's June 2, 2015, letter concerning EPA's review of ADEC's Title V Operating Permit Program. If you have any questions or require additional information in advance of your July visit please contact me directly at [tom.turner@alaska.gov](mailto:tom.turner@alaska.gov) or (907) 269-8123. In addition, ADEC staff will be available when you visit Alaska to assist with your inquiries. We have reserved a conference room for your convenience. Please let me know if you need anything else to assist with your visit to Alaska.

Best regards, Tom

Tom Turner  
Technical Services, Air Permits Program

CC: Kate Kelly, Director, Office of Air, Waste and Toxics  
Denise Koch, Director, Air Quality  
John Kuterbach, Program Manager, Air Permits  
Patrick Dunn, Section Manager, Air Permits  
Joey Ausel, Administrative Operations Manager, Air Quality

1. A list and description of any rule changes that have been made to the ADEC's Title V regulations (e.g. those that affect applicability, implementation, or fees) since November 2001. If any of the rule changes have been submitted to the EPA for review, note the date of submittal.
  - Please find attached an excel spreadsheet outlining ADEC rule changes since November 2001. Please note that none of the changes since the May 24, 1999, submittal have been submitted to EPA for review.
2. Financial records (preferably from your last complete fiscal year) reflecting revenues and expenses that document the ADEC's ability to fund the operating permit program with Title V fees and the ADEC's ability to ensure that Title V fees are used only for Title V authorized expenses. Also, financial records showing an itemized breakout of expenses for training and training-related travel for the last 4 complete fiscal years.
  - a. State Fiscal Year 2014 CAPF Revenue/Receipts and Expenses are as follow:
    - SFY 2014 CAPF Revenue/Receipts:
      - Title V Permit Fees: \$962,596.07
      - Title V Emission Fees: \$1,842,591.50
      - Total: \$2,805,187.57
    - SFY 2014 CAPF Expenses: \$3,547,108.99
  - b. Itemized breakout of expenses for training & training related travel for the last 4 complete fiscal years:
    - The State of Alaska accounting system does not track travel in subcategories other than airfare, per diem, lodging, etc. Costs specific to the object class code for "Books and Educational" and "Education Services" are tracked, but would include only limited information such as the registration fee. Further, labor is not tracked in a manner that can easily be broken out into time associated with training. The tracking systems in place are specific to the needs for billing clients for actual expenses. Since training costs would not be specific to a permittee, those costs are not tracked in this level of detail.
3. If the permit issuance backlog has changed substantially since the last semi-annual TOPS report to the EPA, a summary of the current permit backlog at a level of detail consistent with the TOPS report.

- There is one significant change of a 20% reduction in the backlog of Title V permits. Enclosed please find a draft copy of the January – June 2015 TOPS report as of June 17, 2015. The final January-June 2015 TOPS report will be submitted to EPA on or before July 31, 2015 as required.
4. If any items in the ADEC's final Action Plan, developed in response to the 2006 Title V Program Review, remain unfinished, a narrative describing the ADEC's plan and progress for addressing the item. If the ADEC is approaching any of the concerns identified in the 2006 Title V Program Review differently than previously communicated to Region 10, provide a narrative explaining the different
- There are no outstanding or unfinished items from the 2006 Title V Program Review. ADEC provided a February 9, 2009, status report indicating that all items were addressed but for the standard permit application updates. The updated standard application packet was adopted into 18 AAC 50.035(a)(6) effective September 14 2012. A copy of the 2009 status report is attached for your convenience.
5. If a copy (or online access if possible) of the Quality Management System instructions to Title V permit writers. If a printable copy or online access to the system is not possible, a demonstration of the system during the onsite interviews would be appreciated.
- The QMS instructions for permitting an initial Title V and TV Renewal can be downloaded from the ADEC Air Online Services/AirTools FTP site. Please cut and paste the following address into your web-browser to access the file:

<http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/ViewAttachment/16698101/Uu6XMDrdyGGFs7NdtioUSQ2>

The information will remain available on the FTP site until July 17, 2015. The example documents include work instruction, guidance documents, and reference materials for processing and preparing an initial or renewal Title V Operating Permit. Also included is a copy of the Title V Permits Section of the QMS Procedures Manual, Chapter 7. We will provide a follow up demonstration of the QMS system and the QMS Library interface during your July 15, 2015 on-site visit to help answer your questions about QMS and the documents and instructions available to the Title V Permit writers. There are numerous additional Title V work instructions that will be provided, along with training, when you get to Anchorage.

## Attachment 3

### Alaska Rule Changes Excel Spreadsheet



<b>Part of 2001</b>			
<b>18 AAC 50 Section</b>	<b>Title V Program Approval?</b>	<b>Dates Revised since May 24, 1999, submittal (approved November 30, 2001)</b>	<b>Description of Changes</b>
18 AAC 50.040	Y	7/2/2000; 6/1/2002; 8/15/2002; 10/1/2004; 12/3/2005; 7/25/2008; 12/9/2010; 9/14/2012; 1/4/2013; 10/6/2013; 11/9/2014; 4/17/2015	Updated dates of adoption; adoption of new C.F.R. Subparts
18 AAC 50.200	Y	10/1/2004	Minor word revisions
18 AAC 50.201	Y	10/1/2004	Restructuring of section; minor word revisions
18 AAC 50.205	Y	10/1/2004	Minor word revisions
18 AAC 50.210 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.220	Y	10/1/2004; 9/17/2011; 9/14/2012; 4/17/2015	Minor word revisions
18 AAC 50.225	Y	10/1/2004; 1/29/2005; 7/25/2008; 12/9/2010; 9/14/2012; 10/6/2013	Minor word revisions; new requirements for sources with preexisting limits under section
18 AAC 50.230	Y	10/1/2004; 1/29/2005; 7/1/2010;	Minor word revisions; corrected cross references for fees
18 AAC 50.235	Y	10/1/2004	Minor word revisions
18 AAC 50.240	Y	10/1/2004	Minor word revisions
18 AAC 50.260	N	Eff. 12/30/2007; 7/1/2010; 10/6/2013	New section adopting BART program requirements and revisions; corrected cross references for fees
18 AAC 50.325 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.326	N	Eff. 10/1/2004; 12/1/2004/9/17/2011; 9/14/2012	New section addressing Title V permits
18 AAC 50.330 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.335 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.340 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.341 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.345	Y	5/3/2002; 10/1/2004; 11/9/2008; 9/14/2012	Revisions for construction and operating permits: standard permit conditions; revisions of conditions and language

18 AAC 50.346	N	Eff. 5/3/2002; 10/1/2004; 11/9/2008; 12/9/1020	New section addressing construction and operating permits: other permit conditions; addition of standard permit conditions adopted by reference; revisions to and new standard permit conditions
18 AAC 50.350 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.355 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.360 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.365 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.370 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.375 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.380 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.385 (repealed)	Y	repealed 10/1/2004	Repealed
18 AAC 50.400	Y	10/1/2004; 12/1/2004; 1/29/2005; 12/30/2007; 7/25/2008; 7/1/2010; 9/14/2012	Adoption of new and revised permit administration and compliance fees; adoption of new fee structures
18 AAC 50.403	N	Eff. 1/29/2005; 12/3/2005; 7/1/2010	New section addressing negotiated service agreements; minor language revisions
18 AAC 50.405	N	Eff. 1/29/2005	New section addressing the transition process for permit fees
18 AAC 50.410	Y	5/3/2002; 10/16/2003; 10/1/2004; 1/29/2005; 12/3/2005; 12/14/2006; 6/18/2009; 7/1/2010	Adoption of new and revised emission fees
18 AAC 50.420	Y	10/16/2003; 10/1/2004; 1/29/2005; 7/1/2010	Minor word revisions
18 AAC 50.430	Y	7/11/2002	Revision of repeal process
18 AAC 50.499	N	Eff. 1/29/2005	New section adding definitions

18 AAC 50.502	N	Eff. 10.1.2004; 12/1/2004; 12/3/2005; 7/25/2008; 12/9/2010; 1/4/2013; 11/9/2014	New section addressing minor permits for air quality protection; revisions to section
18 AAC 50.508	N	Eff. 10/1/2004; 7/25/2008; 12/9/2010	New section addressing minor permits requested by the owner or operator; revisions
18 AAC 50.510	N	Eff. 12/9/2010	New section addressing the minor permit - Title V permit interface
18 AAC 50.540	N	Eff. 10/1/2004; 12/1/2004; 12/3/2005; 7/25/2008; 12/9/2010; 9/14/2012; 1/4/2013	New section addressing minor permit application process; revisions
18 AAC 50.542	N	Eff. 10/1/2004; 12/1/2004; 7/25/2008; 12/9/2010; 1/4/2013	New section addressing minor permit review and issuance; revisions
18 AAC 50.544	N	Eff. 10/1/2004; 12/1/2004; 1/29/2005; 7/25/2008; 11/9/2008; 12/9/2010	New section addressing minor permit content; revisions
18 AAC 50.546	N	Eff. 10/1/2004; 7/25/2008	New section addressing minor permit revisions; revisions
18 AAC 50.560	N	Eff. 10/1/2004	New section addressing general minor permits
18 AAC 50.900	Y	10/1/2004	Minor word revisions
18 AAC 50.990	Y	11/4/99; 1/1/2000; 2/2/2002; 5/3/2002; 11/15/2002; 8/8/2003; 10/1/2004; 12/3/2005; 12/30/2007; 7/25/2008; 4/1/2010; 12/9/2010; 9/17/2011; 9/14/2012; 10/6/2013; 11/9/2014; 2/28/2015; 4/17/2015	Revision of definitions

**Statutes/Other Regulations referenced in EPA documents and correspondence between EPA and ADEC**

AS 09.25.110 - .220

AS 09.25.450

AS 09.25.460

AS 09.25.465

AS 09.25.475

AS 09.25.480

AQ 09.25.490

AS 45.50.910 - .945

AS 46.03.020

AS 46.03.760(e)

AS 46.03.790

AS 46.03.860

AS 46.14

AQ 46.14.130

AS 46.14.140(a)(4)(c)

AS 46.14.140(a)(13)

AS 46.14.210

AS 46.14.240

AS 46.14.280

AS 46.14.515

AS 46.14.520

AS 46.14.560

AS 46.14.990(21)

5 AAC 50.335-50.365

## Attachment 4

Draft TOPS Report Covering January thru June 17, 2015



## Semiannual Title V Permit Data Report

This information request is authorized pursuant to the Information Collection Request for Part 70 Operating Permit Regulations, EPA Number 1587.06, OMB Number 2060-0243; April 2004.

<b>Permitting Authority:</b>	State of Alaska Department of Environmental Conservation	
<b>Report Date:</b>	July 31, 2014	
<b>Reporting Period:</b>	<input checked="" type="checkbox"/> January 01 – June 30, 1/1 thru 6/15/15 for EPA Audit 2015  *Report due July 31*	<input type="checkbox"/> July 01 – December 31,  *Report due January 31*

Data Element	Reported Value	Information
<b>1. Outstanding Permit Issuance</b>	a) Number of final actions: N/A	<ul style="list-style-type: none"> <li>• Total final actions on Permitting Authority-specific permit issuance commitments (i.e., agreements by the Permitting Authority to complete action on initial permits within a specified time-frame, such as agreements related to the 2001 citizen comments).</li> <li>• If the Permitting Authority does not have a commitment, enter "not applicable" in 1(a) and 1(b).</li> </ul>
	b) Total commitment universe: N/A	
	c) Date commitment completed (if applicable):	
<b>2. Total Current Part 70 Source Universe and Permit Universe</b>	<p>a) Number of active part 70 <u>sources</u> that have obtained part 70 permits, plus the number of active part 70 <u>sources</u> that have not yet obtained part 70 permits:</p> <p style="margin-left: 20px;">148 (137 active or pending Title 5 permits) plus 11 active or pending general permits)</p> <p style="margin-left: 20px;">(Operated Regulated sources: Permit type = TVP, Permit status = Active and Pending (137); t; Permit Type = like %GP%, Permit status= active or pending (11);</p>	<ul style="list-style-type: none"> <li>• The total current part 70 <u>source</u> universe includes all sources subject to the Permitting Authority's part 70 program applicability requirements (i.e., provisions comparable to §70.3).</li> <li>• In 2.a), count all active sources that either have obtained or will obtain a part 70 permit. EPA expects that this data will be primarily based on the Permitting Authority's application and permit tracking information. If, however, the Permitting Authority is aware of part 70 sources that are not yet captured by application or permit information, count those sources as well.</li> <li>• Do <u>not</u> count sources that are no longer subject to part 70, such as sources that have shut down, or become natural minors or synthetic minors, and do not have an active part 70 permit.</li> <li>• Do <u>not</u> double count sources included in 2.b).</li> </ul>

<p><b>Total Current Part 70 Source Universe and Permit Universe</b></p> <p><b>(Continued)</b></p>	<p>b) Number of part 70 <u>sources</u> that have applied to obtain a synthetic minor restriction in lieu of a part 70 permit, and the part 70 program's permit application due dates for those sources have passed:</p> <p>0</p>	<ul style="list-style-type: none"> <li>• Element 2.b) is intended to capture the universe of part 70 sources that are seeking synthetic minor restrictions in lieu of part 70 permits, but haven't received those restrictions before becoming subject to the part 70 program's permit application requirements. If the part 70 applications don't readily identify sources seeking such restrictions, the Permitting Authority may include those sources in 2.a), and need not break them out here. However, EPA expects Permitting Authorities to consider pending synthetic minor requests <u>not</u> addressed in part 70 applications to calculate this portion of the part 70 source universe.</li> <li>• Count sources that currently meet the part 70 program's applicability requirements, their part 70 application due dates have passed, and they have requested but not yet received synthetic minor restrictions in lieu of a part 70 permit (or permit renewal).</li> <li>• Also count active sources whose synthetic minor restrictions have expired (i.e., no synthetic minor restrictions are currently in place, even though they may be eligible for such restrictions) and are past their part 70 program's application due date.</li> <li>• Do <u>not</u> count sources that have active synthetic minor restrictions and are no longer subject to part 70.</li> <li>• Do <u>not</u> double count sources included in 2(a).</li> </ul>
	<p>c) Total number of current part 70 <u>sources</u> (a+b):</p> <p>148</p>	

	<p>d) <i>For permitting authorities that issue multiple part 70 permits to a single source:</i> total number of active part 70 <u>permits</u> issued, plus part 70 <u>permits</u> applied for:</p> <p>185</p> <p>Operated Regulated sources: Permit type = TVP, Permit status = Active (113); PLUS All Permit report:Permit type = TVP,Permit status = App. Received, Revision Type = blank (52); PLUS Permit Type = like %GP%, Permit status= active (10); PLUS Permit Type = like %GP%,Permit status= app. pending ( 10)</p>	<ul style="list-style-type: none"> <li>For Permitting Authorities that issue multiple part 70 permits to a single source, and these permits are issued and tracked separately, report the total permit universe, including # of active part 70 permits issued (element 3 below), plus permits applied for (based on pending applications). This information is for correlating data when the Permitting Authority's part 70 <u>permit</u> universe may be greater than the part 70 <u>source</u> universe.</li> <li>For Permitting Authorities that do not issue multiple permits to a single source, or for those that issue and track multiple permits issued to a source on a source-wide basis, enter "not applicable" in 2.d).</li> </ul>
<p><b>3. Total Active Part 70 Permits</b></p>	<p>Total number of active part 70 permits:</p> <p>185 (Operated Regulated sources: Permit type = TVP, Permit status = Active (113); PLUS All Permit report:Permit type = TVP, Permit status = App. Received, Project = like %renewal%,Revision = 0 (52); PLUS Permit Type = like %GP%, Permit status= active (10); PLUS Permit Type = like %GP%,Permit status= app. pending ( 10) ; count of regulated sources with active permits as of 6/15/2015</p>	<ul style="list-style-type: none"> <li>This element includes all <u>active</u> initial and renewal part 70 permits issued by the permitting authority. Do <u>not</u> count inactive permits, i.e., permits that are no longer in effect due to source shutdown, synthetic minor restrictions, etc. Note: the procedures for rendering part 70 permits no longer effective may vary, depending on the part 70 program.</li> <li>Do <u>not</u> count both initial and renewal permits (or prior renewal and current renewal permits) issued to the same source; i.e., do not double count.</li> <li>Count permits that have been extended (see 6.b. below), but do <u>not</u> count permits that have expired, or have been voided, revoked, etc.</li> <li>Count each source covered by a general permit separately for this data element. If a single source has several general permits and/or source specific permits, refer to the information for permitting authorities that issue multiple part 70 permits to a single source.</li> <li>For permitting authorities that issue multiple part 70 permits to a single source and included information in element 2(d), count each permitted portion of the source separately for this element. This distinction is for correlating this data element with the permit universe information in element #2(d).</li> </ul>

<p><b>4. Timeliness of Initial Permits (PART element)</b></p>	<p>a) Total number of initial part 70 permits issued during 6 month reporting period:</p> <p>1</p> <p>AQ0353TVP01 Kaktovik Power Plant</p> <p>All Permits ad hoc query permit list; filtered by permit type = TVP or = GPA or = GP1 ; revision = 0; project name not like %renewal%; permit id like %01p% ; and issue date between 1/1/2015 and 06/15/2015; and discounting the "TVP02" permits</p> <p>- saved layout = Tops Report Question #4</p>	<ul style="list-style-type: none"> <li>• This data element tracks the initial part 70 permits issued as final (e.g., not draft or proposed) during the 6 month reporting period covered by this report, and whether they were issued within 18 months of receipt of an administratively complete application.</li> <li>• For TOPS purposes, initial permits are permits that are issued to any source that has become subject to part 70 for the first time, or any source that comes back into the part 70 program after a period of not being subject.</li> <li>• If no initial permits were issued during the 6 month reporting period, report "zero" in 4(b), and "not applicable" in 4(a).</li> <li>• Start the 18-month clock on the submittal date of an administratively complete application. For purposes of this data element, do not stop or restart the 18 month clock for additional information submitted after the application is deemed administratively complete.</li> <li>• For permitting authorities that issue multiple part 70 permits to a single source and included information in 2(d), count each permitted portion of the source separately for this element. This distinction is for determining individual permit timeliness.</li> </ul>
	<p>b) Number of initial part 70 permits finalized during 6 month reporting period that were issued within 18 months:</p> <p>1</p> <p>same report as above with add'l filter of elapsed days &lt;540)</p>	

<p><b>5. Total Outstanding Initial Part 70 Applications</b></p>	<p>The number of active initial part 70 applications older than 18 months:</p> <p>1</p> <p>All Permits sorted by permit type; reviewed for Title V permits with elapsed &gt;540; revision = 0; and permit id not like "02A" AQ1160TVP01A</p>	<ul style="list-style-type: none"> <li>• This element tracks <u>all</u> active, administratively complete <u>initial</u> part 70 permit applications that the permitting authority has not taken final action on within 18 months of receipt of the administratively complete application. Do not stop or restart the 18 month clock for additional information submitted after the application is deemed administratively complete.</li> <li>• For TOPS purposes, initial part 70 applications are applications for sources that are subject to title V for the first time, or for any source that comes back into the title V program after a period of not being subject. Do <u>not</u> include renewal applications.</li> <li>• Include all current outstanding initial applications, including those that may also be tracked in data element #1.</li> <li>• Do <u>not</u> count initial applications the Permitting Authority has taken final action on.</li> </ul>
<p><b>6. Outstanding Renewal Permit Actions</b></p>	<p>a) Total number of expired permits for active part 70 sources:</p> <p>3</p> <p>AQ0182TVP01P AQ0268TVP01P AQ0273TVP01P</p> <p>Ad hoc query - Permit List by Facility sorted by permit ID # exported to excel to review for expired permits vs app. pending.</p>	<ul style="list-style-type: none"> <li>• This data element tracks the total number of expired permits for active part 70 sources. Part 70 permits expire after 5 years if the sources do not submit timely and complete renewal applications, or if they have lost their application shield by not timely responding to additional requests for information.</li> <li>• Include expired permits that have been addressed through consent orders or other enforcement mechanisms. Expired permits can be further addressed in the "Additional Information" element.</li> <li>• Do <u>not</u> include permits that have expired because the source is no longer subject to Title V; i.e., they have shutdown or have received synthetic minor restrictions.</li> </ul> <p>For permitting authorities that issue multiple part 70 permits to a single source and included information in 2(d), count each expired permit separately.</p>

<p><b>Outstanding Renewal Permit Actions</b></p> <p><b>(Continued)</b></p>	<p>b) Total number of active permits with terms extended past 5 years:</p> <p>40</p> <p>All Permits sorted by permit id; filtered by Permit Type= TVP or = GP1 or = GPA; expire date &lt; 6/15/2015; permit status = expired (under shield); permit ID does not end %01A</p>	<ul style="list-style-type: none"> <li>• This data element tracks the total number of active permits that have been extended past the original 5 year permit term. Part 70 permits or permit conditions are extended beyond the original 5 year term when sources submit a timely and complete renewal application (and any timely and complete additional information requested by the permitting authority), but the permitting authority has not yet issued a renewal permit.</li> <li>• Count all extended permits, including extended permits for sources that submitted timely and complete renewal applications within the last 18 months. Pending applications that are less than 18 months old can be further addressed in the "Additional Information" element.</li> <li>• Do <u>not</u> include inactive extended permits, i.e., when a subsequent permit renewal has been issued or a source is no longer subject to part 70.</li> <li>• Do <u>not</u> include "expired part 70 permits" that have been addressed through consent orders or other enforcement mechanisms. Count expired permits in 6(a).</li> <li>• For permitting authorities that issue multiple part 70 permits to a single source and included information in 2(d), count each extended permit separately.</li> </ul>
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<p><b>7. Timeliness of Significant Modifications (PART element - a and b only)</b></p>	<p>a) Total number of significant modifications issued during 6 month reporting period:</p> <p>2</p> <p>(All Permits T5 permits issued between 1/1/2015 to 6/15/2015 and revision type = significant modification)</p>	<ul style="list-style-type: none"> <li>• This data element tracks the number of significant modifications issued as final (e.g., not draft or proposed) during the 6 month reporting period. It also tracks the number of those modifications that were issued within 18 months of receipt of an administratively complete significant modification application, and also the number that were issued within 9 months. Note that 7(c) is a subset of 7(b).</li> <li>• If no significant modifications were issued during the 6 month reporting period, report “zero” in 7(a) and “not applicable” in 7(b) and 7(c).</li> <li>• Start the application clock on the submittal date of an administratively complete significant modification application. Do not restart the clock for additional information submissions.</li> </ul>
	<p>b) Number of significant modifications finalized during 6 month reporting period that were issued within 18 months:</p> <p>2</p> <p>same query as above with add'l filter elapsed days &lt;540</p>	
	<p>c) Number of significant modifications finalized during 6 month reporting period that were issued within 9 months:</p> <p>2</p> <p>same query as above with elapsed days &lt;270</p>	

<p><b>8. Outstanding Significant Permit Modifications</b></p>	<p>Total number of active significant modification applications older than 18 months:</p> <p>1</p> <p>All Permits; Issue Date='blank' ; revision type=Significant Modification; elapsed &gt; 540 AQ0274TVP02</p>	<ul style="list-style-type: none"> <li>• This element tracks all active, administratively complete significant permit modification applications that the permitting authority has not taken final action on within 18 months of receipt of the administratively complete application.</li> <li>• Do not stop or restart the 18 month clock for additional information submitted after the application is deemed administratively complete.</li> <li>• Do <u>not</u> count significant modification applications the Permitting Authority has taken final action on.</li> </ul>
<p><b>9. Comments and Additional Information</b></p>		<p>Permitting authorities may provide any additional information in this section. For example, a permitting authority may address data changes, data management issues, general permits, multiple permits issued to single stationary sources, synthetic minor information, additional relevant data, etc.</p>

## Attachment 5

### Alaska's 2009 Action Plan Status Report



# STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF AIR QUALITY  
AIR PERMITS PROGRAM**

**SARAH PALIN, GOVERNOR**

410 Willoughby Ave., Ste 303  
PO Box 111800  
Juneau, AK 99811-1800  
PHONE: (907) 465-5100  
FAX: (907) 465-5129  
TDD/TTY: (907) 465-5040  
<http://www.dec.state.ak.us>

**CERTIFIED MAIL: 7003 1680 0004 2909 3112  
Return Receipt Requested**

February 10, 2009

Richard Albright, Director  
Office of Air, Waste and Toxics  
U. S. EPA Region 10  
1200 Sixth Avenue  
Seattle, Washington 98101

**Subject: Status report- July 2007 Program Review Action Plan and Permit Format Project Plan**

Dear Mr. Albright:

Enclosed is a status report regarding ADEC's July 2007 Action Plan to improve the Alaska Operating Permit Program. I do appreciate EPA's support as the Department progresses through the identified tasks. In particular, I thank EPA for providing in-state training last spring to our permit writers using the California Air Resources Board courses. This continues our mutual efforts to improve upon Alaska's state air quality control operating permit program.

I trust our implementation meets Region 10's expectations. If you have any further questions or concerns regarding this status report, please call me.

Sincerely,



Alice Edwards  
Acting Director, Division of Air Quality

cc: John Kuterbach, ADEC/APP, Juneau  
Jim Baumgartner, ADEC/APP, Juneau  
Jeff Kenknight, EPA 10 Seattle  
Dan Meyer, EPA 10 Seattle  
Doug Hardesty, EPA 10 Idaho  
John Pavitt, EPA AOO Anchorage

*Clean Air*

## **PERMIT FORMAT PROJECT REPORT**

During EPA's review of Alaska's Title V Air Permit Program, a concern was raised that ADEC's current Title V permits are laid out in a format that groups permit conditions by applicable requirement/regulation rather than by emission unit. EPA contends that, due to this format, the reader is consequently forced to scan the entire permit document to determine what actions are required for a particulate emission unit. EPA also believed that this format leads to potential overlap or redundancy of permit conditions.

ADEC was encouraged to consider a new permit format, and ADEC therefore agreed to survey the regulated community's preference whether to have the permit conditions written by emission unit type, grouped by applicable requirement/regulation, or formatted in some other formatting structure.

A second concern from EPA was that ADEC does not have a compliance certification form for stationary sources to use in certifying compliance annually. As a result, Title V permit holders use their own format for reporting annual compliance. Although a form is not a requirement of the Title V program nor an element of 40 CFR 71.6(c), ADEC agreed to survey permit holders regarding their desire for ADEC to develop compliance certification forms unique to each Title V permit.

ADEC developed a survey questionnaire in conjunction with Hellenthal and Associates, a private market analysis firm.

- On July 9, 2008, ADEC surveyed 95 current Title V permit holders and their consultants. Several owners are multiple permit holders.
- Twenty-one percent of the survey population replied to the survey.
- Analysis of the results indicates that there is no overwhelming evidence to change the current permit structure.
- Some of the comments received indicate strong support for keeping the current permit format as many Permittees have invested significant time and money into developing reporting and certification mechanisms designed to meet the current permit structure.

The low return of the survey and lack of interest by the permit holders indicates that the Permittees are satisfied with the current permit format.

Based on the results of our review, ADEC will not be changing the current permit format.

## **Final Action Plan Status Report**

**Task 1--Audit survey.** This task was completed October 2008. ADEC decided no formatting change of the Alaska TV template.

**Task 2—TV permit application revisions.** This task is not completed.

ADEC budgeted \$26,000 contractual funds to develop updated applications.

Under the project task, ADEC developed procedures to review federal requirements during permit processing and to confirm hazardous air pollutant (HAP) emissions. ADEC updated the completeness review steps in accord with the action plan. Using contractor support ADEC drafted complete Quality Management System (QMS) work instructions currently awaiting final management approval.

For the action plan, I've summarized the progress on the concerns we agreed to take action.

### **CONCERN A:**

For concern A, Item 4--Statement of Basis (SOB) improvements, ADEC implemented the long term plan through the QMS permit processing work instructions and 2008 updates to the TV SOB template.

Concern 6, 7, and 9--Compliance history and permit history in SOB has been handled through updates to the TV SOB June 2008.

Concern 8: TV added the administration fee permit term to the TV template in 2007 and promulgated a standard permit condition through regulation effective November 2008.

**CONCERN B:** No action plan.

**CONCERN C. 1—Compliance Assurance Monitoring elements and C.5—periodic monitoring methods should be specified within TV permits.** ADEC incorporated the discussion points and expectations within the QMS permit processing work instructions.

**Concerns D and E:** No action plan.

**Concern F.2—Standard ACC form.** This concern is included as part of the project plan task 1. Respondents rejected the concept of a standard ACC form. Instead, respondents preferred the flexibility to develop and use certificates tailor made for their specific permit.

**Concern G:** No action plan.

**All other concerns—** No action plan.



## Attachment 6

Alaska Final Action Plan, July 15, 2007



# STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION  
DIVISION OF AIR QUALITY  
DIRECTORS OFFICE

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Anchorage, AK 99501  
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July 15, 2007

Richard Albright  
Director, Office of Air, Waste and Toxics  
U. S. EPA Region 10  
1200 Sixth Avenue  
Seattle, Washington 98101

Subject: September 2006 Title V Program Review--ADEC July 15, 2007 Final Complete Action Plan

Dear Mr. Albright:

Regarding EPA's program review report of Alaska's Title V Air Permit Program submitted September 25, 2006, Pat Nair of your review team held two conference calls with our Air Permits Staff to clarify EPA's findings and recommendations. In conclusion, ADEC encloses a final and complete action plan in response to these discussions. I appreciate EPA's patience and support for our action plan. This review process, list of findings, and revised action plan continues our mutual efforts to maintain a well-run state permit program.

Our final and complete plan refines planned actions and identifies additional actions to improve and maintain an effective Title V permit presence. We also have enclosed a description of our project plan for: 1) developing a standard TV application form and 2) reviewing and improving our permit format consistent with suggestions from the regulated community in Alaska.

I trust our plans meet Region X's expectations. If you have any further questions or concerns regarding our plans, please call me.

Sincerely,



Tom Chapple  
Director, Division of Air Quality

Enclosure: Action Plan  
Project Plan

cc: John Kuterbach, ADEC/APP, Juneau  
Jim Baumgartner, ADEC/APP, Juneau  
Jeff Kenknight, EPA X Seattle  
Pat Nair, EPA X Idaho  
Doug Hardesty, EPA X Idaho  
John Pavitt, EPA AOO Anchorage

*Clean Air*

**Permit Template Update and Development of Standard TV Permit  
Application  
Project Plan  
Air Permits Program September 2007 – June 2009**

**Issue Statement:** In response to an EPA TV audit, ADEC has agreed to determine if the regulated community would prefer a different permit format and if so update the permit in addition to creating a standard TV permit application.

**Project Scope:** To determine if the regulated community would prefer a different permit format the department is going to survey them and based upon their responses make a decision. Based upon their responses ADEC will determine best management practices, create a new permit template, train staff, and send the results out to the regulated community. The standard application form will take the requirements the department has listed as the information required for the permittee to submit and put that into a standard format, add the need for the permittee to address Hazardous Air Pollutants (HAPs) status, applicable requirements, and the department will update the application checklist document to reflect these changes.

**Project Cost Estimate:**

Permit Template Update:	\$16,200
Application Creation:	\$19,100
<b>Total:</b>	<b>\$35,300</b>

**Projected Completion Dates:**

Permit Template Update:	January 30, 2009
Application Creation:	June 30, 2009

**Detailed Plan**

**A. Permit Template Update:**

**Project Scope Refinement.**

Resources:

Technical staff:	164 hours
Office Supervisor:	21 hours
Section Manger:	12 hours
Program Manager:	4 hours

**Project Team:**

Cynthia Espinoza: Project Manager  
Jim Baumgartner: Quality Control

John Kuterbach: Quality Assurance  
Ann Mason: Project Lead  
Chris Kent: Project Support  
Tom Turner: Project Support  
Rebecca Smith: Project Support  
Alan Pefley: Project Support

Develop survey for permittees and mail out.  
Retrieve and analyze their responses.  
Determine best management practices from survey results.  
Inform permittees of the majority decision.  
Create new permit template.  
Train staff on the new template.  
Quality management review.  
Distribute new permit template.

#### **Develop Survey:**

Technical staff obtained permits from the five other states in EPA Region X to create a survey to determine the client's preference on how the permit is presented. The survey will ask if the permittees would prefer the permit format to be by regulatory requirement, by emission unit, or some other format suggested by the permittee. The survey will be mailed and possibly put on the department's website for easier use.

#### **Resources:**

Technical Staff:	15 hours
Office Supervisor:	5 hours
Section Manager:	2 hours
Admin:	1 hour

#### **Survey Analysis:**

Receive and analyze the results of the survey. Identify best management practices, propose adjustments to the permit template, and brief the Program Manager of results.

#### **Resources:**

Technical Staff:	35 hours
Office Supervisor:	6 hours
Section Manager:	2 hours
Program Manager	1 hour

#### **Create New Permit Template:**

Based upon the results of the result of the survey, technical staff will develop a new permit template reflecting the needs of the regulated community.

Resources:

Technical Staff: 40 hours  
Office Supervisor: 6 hours  
Section Manager: 6 hours  
Program Manager: 1 hour

**Quality Management Review:**

QMS will do QA/QC and make sure that the document is stored in the appropriate location.

Resources:

Technical Staff: 20 hours

**Distribution of New Permit Template:**

As permits are renewed, they will be updated to the new permit template.

Resources:

Technical Staff: Moving – Constant changes to the permit template will occur and the permits will continually be updated during the renewal process.

**Training:**

TV staff in Anchorage, Juneau, and Fairbanks will be trained on the new permit template format.

Resources:

Trainer (Includes Travel): 32 hours  
Technical Staff: 30 hours  
Office Supervisor: 4 hours  
Section Manager: 2 hours  
Program Manager: 2 hours

**B: Develop Standard Title V Application.**

**Project Scope Refinement.**

Resources:

Technical Staff: 278 hours  
Office Supervisor: 36.5 hours  
Section Manager: 18.5 hours  
Program Manager: 9 hours

**Project Team:**

Cynthia Espinoza: Project Manager  
Jim Baumgartner: Quality Control  
John Kuterbach: Quality Assurance  
Ann Mason: Project Lead  
Chris Kent: Project Support  
Tim Knapp: Project Support  
Jill Gaylard: Project Support  
Tracy Spade: Project Support  
Tom Turner: Project Support  
Alan Pefley: Project Support

Identify current requirements for an application required by 40 CFR 71.6.

Develop a standard application form.

Include HAPs status section on the application form.

Include applicable requirements section on the application form.

Creation of HAPs spreadsheets (for internal use only).

Update the application checklist document to reflect these changes.

Draft guidance documents to assist permittees using the new application and QMS.

**Identification of federal requirements and creation of standard application form**

The federal requirements for a TV application have been identified and are currently requested from the permittee to be submitted to the department in a format of their choice. ADEC will take these requirements and create a standard permit application with sections for the permittee to discuss HAPs status and any applicable requirements for the stationary source.

Resources:

Technical Staff: 71 hours

**Creation of HAPs spreadsheets:**

For sources that are clearly not HAPs major, the department is creating internal HAPs spreadsheets to verify this to accurately address HAPs status for the stationary source in the SoB.

Resources:

Technical Staff: 20 hours

### **Update Application Completeness Form and Guidance**

ADEC will update the application checklist form to reflect these changes and it may need to provide guidance to the permittees to use the updated application.

#### Resources:

Technical Staff: 48 hours

#### **Training:**

TV staff in Anchorage, Juneau, and Fairbanks will be trained on the new permit application and procedures for determining completeness of applications.

#### Resources:

Trainer (Including Travel): 40 hours  
Technical Staff: 60 hours  
Office Supervisor: 8 hours  
Section Manager: 4 hours  
Program Manager: 4 hours

#### **Management Review of all Documents:**

QMS Staff: 24 hours  
Office Supervisor: 12.5 hours  
Section Manager: 12.5 hours  
Program Manager: 8 hours

**Title V Program Audit  
ADEC Action Plan Final**

**July 15, 2007**

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### **I. Discussion.**

The following detailed discussion summarizes ADEC's action plan to correct items identified in EPA's September 25, 2006 Title V Program Review Final Report. ADEC structured the format to match the areas of concern in EPA's report, with a short statement of EPA's concern, ADEC's response and justification, action plan, or discussion.

EPA and ADEC met and discussed the items of concern. This revised action plan reflects mutual agreements between EPA and ADEC.

## **A. Title V Permit Preparation and Content**

1. EPA states that ADEC should either include Federal standards or cite to the level necessary to identify applicable requirement including monitoring, record keeping and reporting

*Addressed to EPA's satisfaction, in 2004, ADEC adopted the referenced EPA's May 20, 1999 letter and guidance to Hodanbosi et.al. of STAPPA ALAPCO guidance. ADEC trained all Title V staff regarding its interpretation and use in April 2005. Staff hired after April of 2005 will attend a follow-up training.*

- *Short-term Plan: Title V staff will obtain training documents used in the April 2005 training and provide this information to new staff.*
  - *Resources: Title V staff, office supervisor*
  - *Estimated time: 15 hours*
  - *Estimated Timeline: The training will be complete by December 31, 2007.*

2. EPA identified that ADEC permits are in a format that groups permit conditions by applicable requirement or regulation rather than by emission unit. This adds complexity to determine the applicable requirements of a single unit.

*Each permit format has its benefits and weaknesses. However, ADEC agrees to survey the regulated community's preference whether to have the permit conditions written by emission unit type or to have permit conditions written by applicable requirement or regulation or other possible formatting structures.*

- *Short-term Plan: Technical Services Section in conjunction with Title V Section will develop a survey sent in bulk to all of ADEC's regulated Title V source operators. The survey will include a deadline to respond by January 11, 2008.*
  - *Resources: Technical Services staff, Administrative staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 20 hours to prepare the survey form and mail-out.*
  - *Estimated Timeline: October 31, 2007*
  - *Budget: \$362.00*
- *Long-term Plan: Technical Services Section staff in conjunction with Title V Section will conduct, analyze, and determine the percent of respondents, their preference and recommendations for other format*

*options. TV staff will analyze the responses and determine which suggestion would provide the best permit. When evaluating the suggestions staff will consider the following: ease of use of document, makes the process more efficient and less confusing, and creates a logical flow. While a two-year timeframe is not ideal; due to staff turnover, QMS program still under development, and other internal situations; a project time of completion of 2009 is realistic.*

- *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
- *Estimated time: 270 hours*
- *Estimated Timeline to analyze survey results: May 2008*
- *Estimated timeline to change the TV template format January 2009*
- *Budget: \$16,200*

3. EPA states that ADEC does not link emission limits to specific test methods in their permits.

*EPA based this concern on SIP standards for fuel burning emission units that burn natural gas. ADEC clarified to EPA staff that ADEC does not require any particulate matter testing or visible emission readings for gas-fuel burning equipment. Instead, ADEC only requires maintaining records showing that equipment burns gas fuel. There is no test method necessary to maintain such records for continuous compliance.. ADEC has no documented concern for these SIP standards with units that burn gas fuel nor does ADEC require testing.*

4. EPA states that for many cases, explanations of decisions made in the permitting process are either cursory or entirely missing.

*ADEC agrees to improve documentation in future SoBs regarding applicability determinations, monitoring requirements, gap filling, and use of the permit shield.*

- *Short-term Plan: During the renewal process, Title V staff will document in the SoB if a standard not previously identified is now applicable, the information on why and how applicability was determined.*
  - *Resources: Title V staff, office supervisor, section manager*
  - *Estimated time: an average of 16 hours per permit*
  - *Estimated Timeline: DEC will implement this change immediately. ADEC will complete this change by 2015, when DEC completes the third round of permit renewals for all regulated Title V sources in the State.*

- *Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System (QMS) will develop an applicability determination procedure to review federal standards (MACT, NESHAPs and NSPS) for all permits. During the renewal process, Title V staff will use this to determine applicability. The procedure will include a road map to aid Title V staff with future applicability determinations. Since federal standards are constantly undergoing changes, this process must have extreme flexibility to allow for these changes in the road map.*
  - *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 60 hours*
  - *Estimated Timeline: October 2008*

5. EPA states that it appears ADEC revises construction permits through issuance of Title V permits.

*Addressed to EPA's satisfaction, ADEC previously corrected this concern in October 2004 through changes in its Title I permitting program. ADEC is willing to discuss its plan to take no further action on this concern since ADEC established regulations in 2004 to revise construction permit terms only through a Title I process. See 18 AAC 50 Article 5.*

6. EPA states that ADEC's Title V statement of basis (SoB) should contain a discussion of the facility's compliance history.

*ADEC agrees to improve the SoB by discussing pertinent compliance history in the permit.*

- *Short-term Plan: A College intern or Title V staff will re-create recent compliance history and present this to the Title V staff to determine which information is pertinent for the proposed TV permit action. The Title V staff will then include the information in the permit renewal.*
  - *Resources: college intern, Title V staff, office supervisor, section manager*
  - *Estimated time: 10 hours per permit to document pertinent compliance history*
  - *Estimated Timeline: DEC will implement this change immediately. DEC will complete this change by 2015, when DEC completes the third round of permit renewals for all regulated Title V sources in the State.*
- *Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System (QMS) will develop TV permit writing work instructions. During the renewal*

*process, Title V staff will use these instructions to draft permits. The procedure will include guidance to document each Title V source's pertinent compliance history.*

- *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
- *Estimated time: 140 hours*
- *Estimated Timeline: May 2009*

7. EPA states that ADEC's SoB should contain a discussion of the Title V source's permitting history.

*ADEC documents relevant permitting history in the SOB including contemporaneous Title I permit actions, TV permit amendments and permit modifications issued from this point forward. ADEC did not find federal requirement, but agrees to improve permitting history.*

- *Short-term Plan: Title V staff will include all relevant permit history in the SoB. The Title V staff will include the information in the permit during renewal.*
  - *Resources: Title V staff, office supervisor, section manager*
  - *Estimated time: 10 hours per permit to document pertinent permitting history*
  - *Estimated Timeline: ADEC will implement this change immediately. ADEC will complete the implementation by 2015, when ADEC completes the third round of permit renewals for all regulated Title V sources in the State.*

8. EPA states the Title V permits do not have a term to require the permittee to pay for administration fees.

*ADEC implemented this change and added administration fees requirement in the current permit template. ADEC anticipates all TV permits will have this term by 2015, when ADEC completes the third round of permit renewals for regulated Title V sources in the State.*

9. EPA states that ADEC's Statement of Basis should include a discussion regarding whether a facility is a major source of hazardous air pollutants.

*ADEC agrees from this point forward to discuss in the SoB the source's characterization as a HAPs major or minor source.*

- *Short-term Plan: Immediately implement changes to the TV SoB format to include HAP major classification and discussion for permit renewals. The*

*implementation will be complete by 2015, when ADEC completes the third round of permit renewals for all regulated Title V sources in the State.*

- *Long-term Plan: Update the Title V application forms. ADEC is currently developing and implementing a Quality Management System (QMS). We anticipate the QMS will be complete in six to nine months. ADEC prefers not to create forms that will then require edits to meet QMS requirements. Therefore, ADEC intends to develop Title V forms after QMS roll-out. Included in the application form, will be requirement for the permittee to provide HAPs information consistent with 40 CFR 71 and 18 AAC 50.326. Title V staff will include in the SoB a discussion of the source HAPs status, emission estimates and methodologies for the estimates. This process will also include placing the application onto the state's website, updating the application checklist form, and possible guidance documents, if necessary, to assist the regulated community to fill out the application. For detailed information see attached project plan for developing an updated Title V application. While a two-year timeframe is not ideal; due to staff turnover, QMS program still under development, and other internal situations; a project time of completion of 2009 is realistic.*
  - *Resources: Technical services staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 355 hours*
  - *Estimated timeline: June 2009*
  - *Budget: \$19,100*

## **B. General Permits**

1. EPA states that not all general permits have a statement of basis.

*ADEC provided a copy of the general permit SoB in question to the review team in its September 15, 2006 response to EPA regarding this concern in its draft report.*

- *Short-term plan: ADEC will post on the website the available statement of basis for general permits.*
  - *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 10 hours*
  - *Estimated timeline: December 2007*
- *Long-term plan: ADEC will develop missing statement of basis. The implementation will be complete when ADEC completes permit renewals for all general permits.*

### C. Monitoring

1. EPA states that CAM applies to emission units with a potential pre-control device emissions of at least the major source threshold for the pollutant of concern.

*ADEC agrees that this concern requires an action plan to immediately update ADEC's procedures consistent with 40 CFR 71 provisions now incorporated by reference in 18 AAC 50.040.*

- *Short-term Plan: During permit renewals, Title V staff will review Compliance Assurance Monitoring (CAM) rules and guidance, determine emission unit applicability, and include the appropriate information in the SoB whether an emission unit at the source requires a CAM plan and each applicable permit term associated with the permittee's plan.*
  - *Resources: Title V staff, office supervisor, section manager*
  - *Estimated time: 30 hours per permit*
  - *Estimated Timeline: ADEC will implement this change immediately. ADEC will complete implementation by 2015, when ADEC completes the third round of permit renewals for all regulated Title V sources in the State.*
- *Long-term Plan: The Technical Services Section in conjunction with Title V Section, as part of the Quality Management System (QMS) will update permit writing procedures. During the renewal process, Title V staff will use this to draft permits and permit renewals. The procedure will include guidance to document Title V sources pertinent compliance history.*
  - *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 140 hours, already accounted for in item A6.*
  - *Estimated Timeline: May 2009*

2. EPA states that the permit must specify the alternative test methods that a source can use or authorize a method through a permit modification.

*ADEC will remove from permits the authority to approve alternative test methods outside a permit action for federal standards. ADEC will include specific methods upon permit renewal.*

- *Estimated time: ADEC will implement this change immediately. The implementation will be complete by 2015, when ADEC*

*completes the third round of permit renewals for all regulated Title V sources in the State.*

3. EPA states that ADEC allows a source to test only one of identical emission units subject to federal NSPS.

*ADEC agrees that only EPA has the authority to waive source testing required by the federal regulation, such as the source test initial demonstration.*

*However, EPA has not promulgated federal regulations that require on-going source test demonstrations the gas turbine NSPS Subpart GG. ADEC proposes to continue with current practice allowing a source to test only one of identical turbines subject to NSPS Subpart GG. This practice is the result of a joint effort between ADEC and the regulated community to develop and implement gap-fill MR&R that is lacking in NSPS Subpart GG. EPA may, on a case by case basis, review each permit and evaluate if gap-filling monitoring, recordkeeping and reporting (MR&R) is fitting and appropriate.*

*While 40 CFR 60.8(a) state that every affected unit must be tested, 40 CFR 60.8(c) states that "[p]erformance tests shall be conducted under such conditions as the Administrator shall specify to the plant operator based on representative performance of the affected facility." If the permittee can demonstrate that the use of an emission unit is representative of a group of emissions units, then they should be allowed to take this option.*

4. EPA states that the frequency of source testing and monitoring should generally depend on how close actual emissions are to the standard.

*ADEC agrees with the general statement and sets up periodic monitoring based on this rule of thumb.*

5. EPA states that whenever ADEC requires specific monitoring of emission units or effluent streams, the permit should specify the monitoring or test methods to be used for monitoring.

*ADEC agrees and proposes from this point forward to compare Title I monitoring, record keeping, and reporting with Part 71 periodic MR&R requirements, testing, and monitoring procedures when incorporating the Title I terms into a permit renewal, administrative amendment or modification. This will occur with each Title I permit that is incorporated into a TV permit and during permit renewals.*

- *Short-term Plan: Title V staff will determine the appropriate MR&R requirements for Part 71 and update the permit during permit renewals or at the time that the construction permit is incorporated into the TV permit.*
  - *Resources: Title V staff, office supervisor, section manager*
  - *Estimated time: 15 hours per permit to determine applicable requirements*
  - *Estimated Timeline: ADEC will implement this change immediately. ADEC will complete the implementation by 2015, when ADEC completes the third round of permit renewals for all regulated Title V sources in the State.*
  
- *Long-term Plan: As part of the Quality Management System (QMS) ADEC will develop a permit writing procedure to incorporate the new step into the Title V permit process and instruct Title I and Title V permit staff how to develop Part 71 MR&R.*

#### **D. Public Participation and Affected State Review**

1. EPA states that ADEC's web site is not user friendly.

*ADEC believes the website is user friendly and has received compliments in regards to its website. EPA clarified that members of the public would benefit from website flexibility to allow requesters to select notices regarding specific sources or specific locales when opting to join one of ADEC's permit program mailing list. Currently the website only allows people to select notices for air permit topics in general, such as proposed permitting projects or stationary source air quality. This would reduce spam regarding permit projects for which the requester is not interested.*

*ADEC commits to make our website more useable for the general public. We will take EPA's recommendations under advisement as resources allow.*

2. EPA lists as a concern that ADEC provides the permittee with a pre-draft permit for review and comment before the draft goes out for public comment.

*ADEC appreciates and shares this stated concern. However, absent further discussion regarding EPA's basis for concern, ADEC does not propose expended resources to alter current process. For the review team's consideration, ADEC finds the benefits of providing the permittee a pre-draft permit far outweigh the perception of a closed process. This process reduces mistakes and misunderstandings that could lead to unnecessary permit appeals, delays in permit processing and harmful rapport between the permittee and regulatory staff. ADEC follows pre-draft collaboration with an open public comment period, during which the public has the opportunity to review ADEC's decisions.*

### ***E. Permit Issuance/Revision/Renewal***

1. EPA states that due to workload conflicts ADEC has been unable to issue some permit revisions within Title V timeframes.

*ADEC's goal is to have the Title V Section fully staffed by the first quarter of 2008. This will allow ADEC to meet regulatory deadlines.*

2. EPA identified thirty-three (33) renewal applications were found to be timely and complete, 5 were not and therefore operating without a shield.

*ADEC appreciates the gravity of this situation and is working to the best ability of the staff within manpower constraints. This topic would be an appropriate discussion at the bimonthly enforcement teleconferences EPA compliance staff hold with their ADEC counterparts.*

## **F. Compliance**

1. EPA states that ADEC should review all submitted reports on a timely basis.

*ADEC is working to the best ability of the staff within manpower constraints to review and investigate permit deviation reports and take timely action.*

2. EPA finds that ADEC does not have a compliance certification form for facilities to use in certifying compliance annually.

*ADEC acknowledges that it has not developed a certification form in all Title V permits and terms. The form is not a permit content element of the Department's approved operating permit program or an element of 40 CFR 71.6(c). However, the practice has its merits. ADEC agrees to include it in the survey referenced under Concern Number A.2's plan to determine if the regulated community prefers ADEC to develop compliance certification forms within the Title V permit.*

- *Short-term Plan: Technical Services Section in conjunction with Title V Section will develop a survey for the regulated community. The survey, sent in bulk to all TV permittees, will include a survey deadline to respond by January 11, 2008.*
  - *Resources: Technical Services staff, Administrative staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 20 hours to prepare the survey form and mail-out.*
  - *Estimated Timeline: October 31, 2007*
- *Long-term Plan: Technical Services Section staff in conjunction with Title V Section will conduct, analyze, and determine the percentage of permittees that responded and their preference. If the regulated community prefers a standard compliance certification form then Title V staff will create a form.*
  - *Resources: Technical Services staff, Title V staff, office supervisor, section manager*
  - *Estimated time: 100 hours*
  - *Estimated Timeline to analyze survey results: May 2009*

3. EPA states that ADEC should clarify when a deviation occurs - when the unit is outside the range or corrective action is not taken - such that the appropriate records are created and reported.

*After further discussion with EPA staff, it became clear that in some older permits the excess emissions and permit deviation notice condition might have been poorly written.*

*ADEC proposes to review and verify that the current excess emissions and permit deviation reports standard condition is understandable and make it clear when a permittee must submit a notice to ADEC.*

### **G. Resources and Internal Management Support**

1. EPA recognizes that ADEC has experienced appreciable staff turnover over the years.

*ADEC appreciates and shares this concern, which is being handled through a Department-wide initiative to improve employee retention through an intern program, career track flexibly staffed positions, and training. For more information, contact Ms. Katherine Heumann, Program Coordinator, of ADEC's Commissioner's Office at 907-465-5296.*

2. EPA states that ADEC's Title V permit writers have limited access to Title V training.

*ADEC agrees with this concern. ADEC encourages EPA to hold more Title V-specific classes in Alaska. Over the past five years, ADEC has brought to Alaska classes such as permit writing, combustion source evaluation, New Source Review, advanced negotiating skills to better improve the skills of ADEC's permit writing team. ADEC encourages EPA to provide additional opportunities.*