

#### UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

AUG 2 9 2018

REPLY TO THE ATTENTION OF

WN-15J

#### MEMORANDUM

SUBJECT: Wisconsin Legal Authority Review - Review and Recommendation of Resolution for Issue 11

FROM: Candice Bauer, Chief

NPDFS Permits Branch Section 2

TO: File

## Issue 11 (Generic Reasonable Potential)

In EPA's July 11, 2011 letter to the Wisconsin Department of Natural Resources (WDNR), Issue 11 stated the following:

The federal rule at 40 C.F.R. § 122.44(d) pertains to the establishment of effluent limitations based on water quality standards, including water quality criteria expressed in either a numeric or narrative fashion. Except for the general statement in Wis. Stat. § 283.31(5) (providing that the Department shall establish more stringent limitations if necessary to meet water quality standards), and the specific provisions in Wis. Admin. Code NR § 106 (pertaining to toxic and organoleptic substances) and Wis. Admin. Code NR § 217, Subchapter III (2010) (pertaining to phosphorus), EPA did not find equivalent State provisions that implement 40 C.F.R. § 122.44(d). The response to this letter must include the State's plan, with a schedule and milestones, to establish rules (in addition to those in NR 106 and 217) that conform to 40 C.F.R. § 122.44(d).

Letter from Susan Hedman, Regional Administrator, U.S. EPA, to Cathy Stepp, Secretary, WDNR (July 11, 2011) (on file with U.S. EPA).

## Comparison between the Federal and State Provisions

To address Issue 11, WDNR created Wis. Admin. Code NR § 205.067 to be the analog of 40 C.F.R. § 122.44(d). Structurally, 40 C.F.R. § 122.44(d) can be divided into a section concerning water quality standards—40 C.F.R. § 122.44(d)(1)—and several sections concerning other water quality considerations—40 C.F.R. §§ 122.44(d)(2)-(9). Table 1 below, compares the federal and Wisconsin provisions for the inclusion of water quality standards in NPDES permits.

Table 1: Federal and Wisconsin Provisions for the Achievement of Water Quality Standards in Permits

Federal Provisions	Wisconsin Provisions	Analysis
(A) 40 C.F.R. § 122.44(d) Establishing limitations, standards, and other permit conditions (applicable to State NPDES programs, see §123.25):	Wis. Admin. Code NR § 205.067 Reasonable potential for water quality based effluent limitations.	Satisfactory
In addition to the conditions established under §122.43(a), each NPDES permit shall include conditions meeting the following requirements when applicable (d) Water quality standards and State requirements: any requirements in addition to or more stringent than promulgated effluent limitations guidelines or standards under sections 301, 304, 306, 307, 318 and 405 of CWA necessary to:		Wisconsin's rules do not include the federal rule's introductory language. However, the introductory language is not required to align the two rule sets.
(B) 40 C.F.R. § 122.44(d)(1)(i):	Wis. Admin. Code NR § 205.067(1)(b):	Satisfactory
(1) Achieve water quality standards established under section 303 of the CWA, including State narrative criteria for water quality.  (i) Limitations must control all pollutants or pollutant parameters (either conventional, nonconventional, or toxic pollutants) which the Director determines are or may be discharged at a level which will cause, have the reasonable potential to cause, or contribute to an excursion above any State water quality standard, including State narrative criteria for water quality.	(b) Limitations shall control all pollutants or pollutant parameters, including conventional, nonconventional, and toxic pollutants, that the department determines are or may be discharged at a level that will cause, have the reasonable potential to cause, or contribute to an excursion above any water quality standard in chs. NR 102 to 104, including narrative criteria for water quality.	Wis. Admin. Code NR § 205.067(1)(b) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(1)(i).
(C) 40 C.F.R. § 122.44(d)(1)(ii):	Wis. Admin. Code NR § 205.067(2):	Satisfactory
(ii) When determining whether a discharge causes, has the reasonable potential to cause, or contributes to an in-stream excursion above a narrative or numeric criteria within a State water quality standard, the permitting authority shall use procedures which account for [a] existing controls on point and [b] nonpoint sources of pollution, [c] the variability of the	(2) FACTORS TO CONSIDER. When determining under sub. (1) or (4) whether a pollutant discharged causes, has the reasonable potential to cause, or contributes to an exceedance of a numeric or narrative water quality standard, the department shall consider all of the following factors:	Wis. Admin. Code NR § 205.067(2) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(1)(ii).

Federal Provisions	Wisconsin Provisions	Analysis
pollutant or pollutant parameter in the	(a) Existing controls on the	
effluent, [d] the sensitivity of the	discharge.	
species to toxicity testing (when	(b) Controls on the pollutant	
evaluating whole effluent toxicity), and	discharged by nonpoint source	
[e] where appropriate, the dilution of	pollution in the watershed.	
the effluent in the receiving water.	(c) The variability of the	
[Brackets highlight analogous	pollutant or parameter in the	
provisions in Wis. Admin. Code NR §	effluent discharged.	
205.067(2)]	(d) Sensitivity of species to	
	toxicity testing when	
	evaluating whole effluent	
	toxicity as defined in s. NR	
	106.03 (14).	
*	(e) Dilution of the effluent in	
	the receiving water.	
(D) 40 C.F.R. § 122.44(d)(1)(iii):	Wis. Admin. Code NR	Satisfactory
j.	§ 205.067(1)(a):	
(iii) When the permitting authority	(a) The department shall	Wis. Admin. Code
determines, using the procedures in	include an effluent limitation	NR § 205.067(1)(a)
paragraph (d)(1)(ii) of this section, that	for a pollutant in a WPDES	satisfactorily fulfills
a discharge causes, has the reasonable	permit when the department	the language of
potential to cause, or contributes to an	determines that the discharge	40 C.F.R.
in-stream excursion above the	of the pollutant causes, has the	§ 122.44(d)(1)(iii).
allowable ambient concentration of a	reasonable potential to cause,	
State numeric criteria within a State	or contributes to an excursion	
water quality standard for an	above the allowable ambient	
individual pollutant, the permit must	concentration of a numeric	
contain effluent limits for that	water quality criterion in chs.	
pollutant.	NR 102 to 104 in the receiving	
	water or a downstream water.	
	Note: Downstream water	
	includes downstream	
	waterbodies in other states or	
99	tribal waters that have EPA	0.00
	approved standards under 40	
	CFR 130.	
(E) 40 C.F.R. § 122.44(d)(1)(iv):	Wis. Admin. Code NR	Satisfactory
75	§ 106.08(1):	
(iv) When the permitting authority	(1) GENERAL. The department	Wis. Admin. Code NF
determines, using the procedures in	shall establish whole effluent	§ 106.08(1)
paragraph (d)(1)(ii) of this section, that	toxicity testing requirements and	satisfactorily fulfills
a discharge causes, has the reasonable	limitations whenever necessary	the language of
potential to cause, or contributes to an	to meet applicable water quality	40 C.F.R.
in-stream excursion above the numeric	standards as specified in chs. NR	§ 122.44(d)(1)(iv).
criterion for whole effluent toxicity,	102 to 105 as measured by	

Federal Provisions	Wisconsin Provisions	Analysis
the permit must contain effluent limits for whole effluent toxicity.	exposure of aquatic organisms to an effluent and specified effluent dilutions	
(F) 40 C.F.R. § 122.44(d)(1)(v):	Wis. Admin. Code NR § 205.067(4)(b):	Satisfactory
(v) Except as provided in this subparagraph, when the permitting authority determines, using the procedures in paragraph (d)(1)(ii) of this section, toxicity testing data, or other information, that a discharge causes, has the reasonable potential to cause, or contributes to an in-stream excursion above a narrative criterion within an applicable State water quality standard, the permit must contain effluent limits for whole effluent toxicity. Limits on whole effluent toxicity are not necessary where the permitting authority demonstrates in the fact sheet or statement of basis of the NPDES permit, using the procedures in paragraph (d)(1)(ii) of this section, that chemical-specific limits for the effluent are sufficient to attain and maintain applicable numeric and narrative State water quality standards.	(4) IN ABSENCE OF NUMERIC WATER QUALITY CRITERIA.  (a) When a chemical pollutant, for which a numeric water quality criterion does not exist, is present in an effluent at a concentration that causes, has the reasonable potential to cause, or contributes to an excursion above a narrative criterion within an applicable water quality standard, effluent limits shall be established using one or more of the following options  (b) If there is reasonable potential under par. (a) to exceed a narrative criterion and if required under s. NR 106.08, a limitation for whole effluent toxicity shall be included in the permit.  Note: Limitations and procedures for whole effluent toxicity are established in subch. II of ch. NR 106.	Wis. Admin. Code NR § 205.067(4)(b) satisfactorily fulfills the language of 40 C.F.R. § 122.44(d)(1)(v).
(G) 40 C.F.R. § 122.44(d)(1)(vi)(A):  (vi) Where a State has not established	Wis. Admin. Code NR § 205.067(4)(a)(1): (4) IN ABSENCE OF NUMERIC	Satisfactory Wis. Admin. Code
a water quality criterion for a specific chemical pollutant that is present in an effluent at a concentration that causes, has the reasonable potential to cause, or contributes to an excursion above a narrative criterion within an applicable State water quality standard, the permitting authority must establish effluent	WATER QUALITY CRITERIA.  (a) When a chemical pollutant, for which a numeric water quality criterion does not exist, is present in an effluent at a concentration that causes, has the reasonable potential to cause, or contributes to an excursion above a narrative	NR § 205.067(4)(a)(1) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(1)(vi)(A).

Federal Provisions	Wisconsin Provisions	Analysis
limits using one or more of the following options:  (A) Establish effluent limits using a calculated numeric water quality criterion for the pollutant which the permitting authority demonstrates will attain and maintain applicable narrative water quality criteria and will fully protect the designated use. Such a criterion may be derived using a proposed State criterion, or an explicit State policy or regulation interpreting its narrative water quality criterion, supplemented with other relevant information which may include: EPA's Water Quality Standards Handbook, October 1983, risk assessment data, exposure data, information about the pollutant from the Food and Drug Administration, and current EPA criteria documents; or	criterion within an applicable water quality standard, effluent limits shall be established using one or more of the following options:  1. Establish effluent limits using a calculated numeric water quality criterion for the pollutant that the department demonstrates will attain and maintain applicable narrative water quality criteria and will fully protect the designated use. Such a criterion may be derived using data for a proposed criterion or other relevant information such as EPA's Water Quality Standards Handbook, risk assessment data, exposure data, information about the pollutant from the Food and Drug Administration, and current EPA criteria documents.  Note: EPA's Water Quality Standards Handbook is available at the following link: https://www.epa.gov/wqs-tech/water-quality-standards-handbook.	Annay 313
(H) 40 C.F.R. § 122.44(d)(1)(vi)(B):	Wis. Admin. Code NR § 205.067(4)(a)(2):	Satisfactory
(B) Establish effluent limits on a case-by-case basis, using EPA's water quality criteria, published under section 304(a) of the CWA, supplemented where necessary by other relevant information; or	2. Establish effluent limits on a case-by-case basis, using EPA's water quality criteria, published under 33 USC 1314(a) [304(a) CWA], supplemented when necessary by other relevant information.	Wis. Admin. Code NR § 205.067(4)(a)(2) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(1)(vi)(B).

Federal Provisions	Wisconsin Provisions	Analysis
(I) 40 C.F.R. § 122.44(d)(1)(vi)(C):	Wis. Admin. Code NR § 205.067(4)(a)(3):	Satisfactory
(C) Establish effluent limitations on an indicator parameter for the pollutant of concern, provided:  (1) The permit identifies which pollutants are intended to be controlled by the use of the effluent limitation;  (2) The fact sheet required by §124.56 sets forth the basis for the limit, including a finding that compliance with the effluent limit on the indicator parameter will result in controls on the pollutant of concern which are sufficient to attain and maintain applicable water quality standards;  (3) The permit requires all effluent and ambient monitoring necessary to show that during the term of the permit the limit on the indicator parameter continues to attain and maintain applicable water quality standards; and  (4) The permit contains a reopener clause allowing the permitting authority to modify or revoke and reissue the permit if the limits on the indicator parameter no longer attain and maintain applicable water quality standards.	3. Establish effluent limits on an indicator parameter for the pollutant of concern, provided that all of the following are true:  a. The permit identifies which pollutants are intended to be controlled by the use of the effluent limitation.  b. The fact sheet sets forth the basis for the limit, including a finding that compliance with the effluent limit of the indicator parameter will result in controls on the pollutant of concern that are sufficient to attain and maintain applicable water quality standards.  c. The permit requires all effluent and ambient monitoring necessary to show that, during the term of the permit, the limit on the indicator parameter continues to attain and maintain applicable water quality standards.  d. The permit contains a reopener clause allowing the department to modify or revoke and reissue the permit if the limits on the indicator parameter no longer attain and maintain applicable water qualitystandards.	Wis. Admin. Code NR § 205.067(4)(a)(3) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(1)(vi)(C).

Federal Provisions	Wisconsin Provisions	Analysis
(J) 40 C.F.R. § 122.44(d)(1)(vii):	Wis. Admin. Code NR § 205.067(3):	Satisfactory
(vii) When developing water quality-based effluent limits under this paragraph the permitting authority shall ensure that:  (A) The level of water quality to be achieved by limits on point sources established under this paragraph is derived from, and complies with all applicable water quality standards; and  (B) Effluent limits developed to protect a narrative water quality criterion, a numeric water quality criterion, or both, are consistent with the assumptions and requirements of any available wasteload allocation for the discharge prepared by the State and approved by EPA pursuant to 40 CFR 130.7 [Total Maximum Daily Loads].	(3) WATER QUALITY BASED EFFLUENT LIMITATIONS. If the department determines a limitation is necessary under this section, the limitation shall:  (a) Be consistent with a total maximum daily load as defined in s. NR 217.11 (7) if a total maximum daily load has been approved by the EPA for the receiving waterbody.  (b) Ensure achievement of a level of water quality derived from, and in compliance with, the applicable water quality standard.	Wis. Admin. Code NR § 205.067(3) satisfactorily fulfills the language of 40 C.F.R. § 122.44(d)(1)(vii).
(K) Wisconsin Rules without Federal	Wis. Admin. Code NR	Satisfactory
Analogues in 40 C.F.R. § 122.44(d)	§§ 205.067(5) and (6):  (5) LIMIT CONTINUATION. (a) Subject to paragraph (b), if a permit includes a water quality based effluent limitation for a pollutant because the limitation is required under this section or is required under the procedures in another chapter, the water quality based effluent limitation for the pollutant shall be included in a subsequently reissued permit if all of the following apply:  1. Treatment or pollutant control measures were added to comply with the water quality based effluent limitation for the pollutant and the water quality based	Wisconsin's regulation at Wis. Admin. Code NR § 205.067(5) is consistent with the federal antibacksliding provisions. Additionally, the exception at Wis. Admin. Code NR § 205.067(6) is consistent with the federal rules because Wisconsin had previously promulgated reasonable potential procedures for certain toxic substances, certain

<b>Federal Provisions</b>	Wisconsin Provisions	Analysis
Federal Provisions	effluent limitation took effect in a prior permit.  2. The facility has the ability to alter or suspend the treatment or pollutant control measures for the pollutant to the degree that there is continued reasonable potential to exceed the applicable standard.  (b) If the department determines a more stringent limitation is necessary to comply with water quality standards, a more	organoleptic substances, and phosphorus at Wis. Admin. Code chs. NR 106 and 217.
	stringent water quality based effluent limitation shall be included in the permit for the pollutant. Also, the department may include a less stringent limitation provided water quality standards, including antidegradation, as well as antibacksliding requirements in ch. NR 207 are met.	往
	(6) EXCEPTION. Subsections (1) to (4) do not apply to pollutants or limitations that are subject to the procedures in chs. NR 106 or 217.	

As can be seen in Table 1 above, Wisconsin aligned its regulation with the federal regulations related to water quality standards at 40 C.F.R. § 122.44(d)(1). Additionally, Wisconsin's provisions—Wis. Admin. Code NR §§ 205.067(5) and (6)—that do not have 40 C.F.R. §§ 122.44(d)(1) analogues are consistent with federal regulations.

As discussed above, 40 C.F.R. § 122.44(d) also includes a series of other conditions—40 C.F.R. §§ 122.44(d)(2)-(9)—based on water quality considerations other than water quality standards. Table 2 below, compares the federal and Wisconsin provisions for the inclusion of requirements based on such water quality considerations.

Table 2: Federal and Wisconsin Provisions Based on Additional Water Quality Considerations

Federal Provisions	Wisconsin Provisions	Analysis
(A) 40 C.F.R. § 122.44(d)(2):	Wis. Stat. § 283.13(5):	Satisfactory
(2) Attain or maintain a specified water quality through water quality related effluent limits established under section 302 of CWA;	(5) More stringent limitations. The department shall establish more stringent effluent limitations than required under subs. (2) and (4) and shall require compliance with such water quality based effluent limitations in any permit issued, reissued or modified if these limitations are necessary to meet applicable water quality standards, treatment standards, schedules of compliance or any other state or federal law, rule or regulation.	Wis. Stat. § 283.13(5) satisfactorily fulfills the language of 40 C.F.R. § 122.44(d)(2).
(B) 40 C.F.R. § 122.44(d)(3):	Not Applicable to Wisconsin:	Satisfactory
(3) Conform to the conditions to a State certification under section 401 of the CWA that meets the requirements of §124.53 when EPA is the permitting authority	40 C.F.R. § 122.44(d)(3) applies to situations where U.S. EPA is the permitting authority and thus does not require adoption by Wisconsin.	40 C.F.R. § 122.44(d)(3) applies to situations where U.S. EPA is the permitting authority, and thus adoption by Wisconsin is not required.
(C) 40 C.F.R. § 122.44(d)(4):	Not Applicable to Wisconsin	Satisfactory
(4) Conform to applicable water quality requirements under section 401(a)(2) of CWA when the discharge affects a State other than the certifying State;		40 C.F.R. § 122.44(d)(4) does not apply to Wisconsin because the State is not an authority that grants federal permits under section 401 of the CWA.
(D) 40 C.F.R. § 122.44(d)(5):	Wis. Stat. § 283.13(5):	Satisfactory
(5) Incorporate any more stringent limitations, treatment standards, or schedule of compliance requirements established under Federal or State law or regulations in accordance with section 301(b)(1)(C) of CWA;	(5) More stringent limitations. The department shall establish more stringent effluent limitations than required under subs. (2) and (4) and shall require compliance with such water quality based effluent limitations	Wis. Stat. § 283.13(5) satisfactorily fulfills the language of

Federal Provisions	Wisconsin Provisions	Analysis
	in any permit issued, reissued or	40 C.F.R.
	modified if these limitations are	§ 122.44(d)(5).
	necessary to meet applicable water	
	quality standards, treatment standards,	
	schedules of compliance or any other	
	state or federal law, rule or regulation.	
	The department shall require	
	compliance with these water quality	
	based effluent limitations by no later	
	than July 1, 1977, or by a later date as	
	specified in the water quality standard,	ĺ
	treatment standard, schedule of	
	compliance or other state or federal	
	law, rule or regulation.	
(E) 40 C.F.R. § 122.44(d)(6):	Wis. Stat. § 283.31(3)(d)(3) and (e):	Satisfactory
(6) Ensure consistency with the	The department may issue a permit	Wis. Stat.
requirements of a Water Quality	under this section for the discharge of	§ 283.31(3)(d)(3)
Management plan approved by EPA	any pollutant, or combination of	and (e)
under section 208(b) [Areawide waste	pollutants, other than those prohibited	satisfactorily fulfill
treatment management] of CWA;	under sub. (2), upon condition that	the language of
treatment management; or CVVA,	such discharges will meet all the	40 C.F.R.
	following, whenever applicable	§ 122.44(d)(6).
		9 122.44(u)(b).
	(d) Any more stringent limitations,	
	including those	
	3. Necessary to avoid exceeding	
	total maximum daily loads	
	established pursuant to a	
	continuing planning process	
	developed under s. 283.83.	
	(e) Any more stringent legally	
	applicable requirements necessary to	
	comply with an approved areawide	1
	waste treatment management plan.	
(F) 40 C.F.R. § 122.44(d)(7):	Not Applicable to Wisconsin:	Satisfactory
(7) Incorporate section 403(c) criteria		There are no
under part 125, subpart M, for ocean		ocean discharges
discharges;		originating in
		Wisconsin.
		Therefore,
		Wisconsin's
	1	adoption of
		40 C.F.R.
		§ 122.44(d)(7) is
		not required.

Federal Provisions	Wisconsin Provisions	Analysis
(G) 40 C.F.R. § 122.44(d)(8):	Proposed Wis. Admin. Code NR § 220.32(3):	Satisfactory
(8) Incorporate alternative effluent limitations or standards where warranted by "fundamentally different factors," under 40 CFR part 125, subpart D;	(3) MORE STRINGENT FDFV [Fundamentally Different Factor Variance] LIMITATIONS. A request for an alternative limitation that is more stringent than required by effluent limitation guidelines shall be approved only if all of the following apply	Wis. Admin. Code NR § 220.32(3) satisfactorily incorporates the language of 40 C.F.R. § 122.44(d)(8).
(H) 40 C.F.R. § 122.44(d)(9):	Not Applicable to Wisconsin:	Satisfactory
(9) Incorporate any other appropriate requirements, conditions, or limitations (other than effluent limitations) into a new source permit to the extent allowed by the National Environmental Policy Act, 42 U.S.C. 4321 et seq. and section 511 of the CWA, when EPA is the permit issuing authority. (See §122.29(c)).	40 C.F.R. § 122.44(d)(9) applies to situations where U.S. EPA is the permitting authority and thus does not require adoption by Wisconsin.	40 C.F.R. § 122.44(d)(9) applies to situations where U.S. EPA is the permitting authority, and thus adoption by Wisconsin is not required.

As set forth in Table 2, Wisconsin's has created the necessary state rule analogues to implement the federal provisions set forth at 40 C.F.R. §§ 122.44(d)(2)-(9). The rule changes outlined in Tables 1 and 2 have aligned the State's reasonable potential rules to implement the federal regulations at 40 C.F.R. § 122.44(d).

#### Rule Package 5, Public Notice, Hearing, and Comment

WDNR published a public hearing notice on proposed revisions to Wis. Admin. Code chapters NR 106, 200, 205, 207, 210, 220, 221, 225, 228, 231, 236, 239, 240, 245, 247, 250, 258, 261, 268, 269, 275, 276, 277, 280, 281, 284, 286, 290, 294, 295, and 296 on January 9, 2017 in the Wisconsin Administrative Register. 733A2 Wis. Admin. Reg. CR 17-002 (January 9, 2017). The public comment period was open through March 1, 2017, and public hearings were held in Green Bay, Wisconsin on February 6, 2017 and Madison, Wisconsin on February 7, 2017. Wis. Nat. Res. Bd., Agenda Item No. 2.A.1, July 10, 2017, Correspondence/Memorandum Attachment to Order WT-12-12. At the Green Bay hearing no one appeared in person. *Id.* Two members of the public attended the Madison hearing without providing oral comments. *Id.* Four entities, other than the Wisconsin Legislative Council Rules Clearing House, provided written comments: US EPA, Wisconsin Manufacturers & Commerce, WE Energies, and Midwest Environmental Advocates. Wis. Nat. Res. Bd., Agenda Item No. 2.A.1, July 10, 2017, Response to Comments on Rule Package 5, Attachment to Order WT-12-12. WDNR responded to the written comments in a written response summary, which adequately explained why certain rule changes were made in response to the comments received, and why other comments did not warrant changes. *Id.* 

After Wisconsin completed rulemaking, the revised regulations were published in the Wisconsin Administrative Register on April 30, 2018. 748B Wis. Admin. Reg. CR 17-002 (April 30, 2018).

# Conclusion

Based on EPA's review of Wisconsin's provisions above, EPA concludes that Issue 11 is resolved.