July 31, 1981

REF: 4AH-AF

Dear State/Local Director:

On March 11, 1981, I sent you a summary of PSD policy determinations made by Region IV. Enclosed is an update which should be added to the first summary. Any questions concerning these determinations should be sent to Roger Pfaff (404/381-9236).

Thomas W. Devine
Director
Air & Hazardous Materials Division

Enclosure

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Policy Determinations Regarding PSD Questions

1. 2/5/81

**Question:** A boiler at a major stationary source has been shut down for 11 years. At the time of the shutdown extensive efforts were made to keep the boiler from deteriorating. During the shutdown period this maintenance has continued. A recent inspection by the manufacturer shows that very little effort would be required to return the boiler to service. The operating permit has been allowed to expire. The owner maintains that the boiler was always intended to be used at some time in the future. Is the returning to service of the boiler subject to PSD?

**Answer:** No. Normally, a shutdown of greater than 2 years is considered permanent. If however, the owner demonstrates that the shutdown was not intended to be permanent, the shutdown may be considered temporary. If the shutdown is considered temporary, a startup would not be subject to PSD. The "acid test" is whether the shutdown is permanent. In any case, the increase would be considered an increase in actual emissions for any future net increase calculation and for increment consumption purposes.

**Reference:** Memo from Edward Reich, "Summary of PSD Determinations," PSD 117.

2. 2/6/81

**Question:** In the July 22, 1980 Federal Register, EPA declared 7 additional compounds (in addition to methyl chloroform and methylene chloride) to be of negligible photochemical reactivity. Does this expand the list of compounds which are not considered VOC's for purposes of PSD?

**Answer:** Yes. The complete list of organic compounds not considered photochemically reactive for purposes of PSD is now:

1. 1,1,1-trichloroethane
2. methylene chloride
3. methane
4. ethane
5. trichlorofluoromethane
6. dichlorodifluoromethane
7. chlorodifluoromethane
8. trifluoromethane
9. trichlorotrifluoroethane
10. dichlorotetrafluoroethane
11. chloropentafluoroethane

Some of these compounds are proposed for regulation under NSPS. When the NSPS is promulgated, each of these compounds will be considered a separate pollutant for PSD purposes, but will still not be considered a VOC.

Reference: 45 FR 48541

3. 2/10/81

Question: A major source proposes to build in a nonattainment area, but the area is projected to be attainment (based on the approved Part D SIP) before startup of the source. Is the source subject to PSD?

Answer: No. It is not subject to PSD, and the state is not required to subject it to Part D requirements. This is a loophole in the regulations. EPA has proposed a revision to eliminate the loophole.

Reference: 45 FR 9124, January 28, 1981

4. 2/18/81

Question: The PSD baseline air quality is based on actual emissions from existing sources. Actual emissions are defined as the average emissions rate in tons per year. How does Region IV interpret this in establishing short-term (24-hour, 3-hour) baseline air quality levels when air quality modelling is used?

Answer: Baselines for 3-hour and 24-hour averages should be set using the maximum 3-hour average or 24-hour average emission rate of the existing source, respectively, which occurred during the period over which the annual emission rate was determined. For example, if a source's annual emission rate is determined to be 430 per year by averaging 400 tons per year in 1978 and 460 tons per year in 1979, the 3-hour baseline emission rate would be the maximum 3-hour average emission rate which occurred during the period of 1978 and 1979.
5. 3/20/81

Question: An ambient monitor was operated for 1 year (or shorter time, if representative of highest values) and then shut down. A proposed source wishes to use the data for its PSD application. Except for the time lapse, the data is representative of current air quality at the proposed site, is of good quality, and was gathered entirely in a time period less than 3 years before the source submits its application. Can the data be used, even though the monitor has been shut down?

Answer: As long as all the data needed in application are collected sequentially, and all the data are collected some time in the previous three years, the timing requirement is satisfied. For example, suppose a state agency operated an ozone monitor throughout a particular ozone season, which the agency determines to be April through September of 1978. The monitor is then shut down. This data could be used in a PSD application submitted any time before April 1, 1981, provided the data are still representative of current conditions, and all other requirements are met, such as quality assurance and monitor location.

Reference: 40 CFR 52.21 (m), 45 FR 52724

6. 5/5/81

Question: A minor source locates in a PSD area where the baseline has been triggered. In another nearby PSD area, the baseline is still untriggered after the minor source begins operation. The source's emissions impact this neighboring area. Do these emissions consume increment?

Answer: No. The baseline air quality is that which actually exists in the baseline area on the baseline date, minus contributions from new major sources. Therefore, at some future baseline date for the neighboring area, the baseline air quality must include the actual contribution from the minor source. Since the emissions are in the baseline for the area, they do not consume increment. If the situation is reversed (minor source locates in untriggered area, impacts triggered area), emissions would consume increment in the neighboring area, but not in the area where the source locates.

Reference: 40 CFR 52.21 (b) (13)
7. 5/6/81

Question: A minor source which adds emissions of a pollutant in a major amount is subject to PSD as a new major source, rather than as a modification. The netting concept is used only in the definition of major modification, and not in the definition of major stationary source. This seems to indicate that a minor source adding a major emission point could not escape PSD by considering previous decreases which cause the net increase to be less than the major source threshold. Is this the case?

Answer: Yes. For example, suppose a minor source emitting 200 tpy had a decrease in actual emissions in 1978 of 50 tpy, leaving 150 tpy. In 1981, 260 tpy is proposed to be added. If the 50 tpy reduction could be used to offset the 260 tpy increase, the increase would be only 210 tpy and the source would escape review. The 50 tpy decrease cannot be used, however, so the 260 tpy increase is subject to review as a new major stationary source.

References: 40 CFR 52.21 (b) (1)

8. 6/5/81

Question: An existing source is major only because its SO2 emissions are 120 tons per year. The source proposes to add 60 tons per year of particulate emissions. At the same time, the source is willing to accept a new, federally enforceable limitation which lowers its SO2 emissions to 90 tons per year. Is the proposed addition of 60 tons per year of particulate subject to PSD?

Answer: No. Since the source will not be major after the change, the action is not subject to PSD.

Reference: 40 CFR 52.21 (b) (2) (i)

9. 6/15/81

Question: An existing major source proposes to increase emissions by 45 tons per year of SO2 and 55 tons per year of NOx. Can the 50 ton exemption under 40 CFR 52.21 (i) (7) be used to exempt SO2 from ambient analysis, even though
NOx increase is greater than 50 tons per year? In other words, must each pollutant increase be less than 50 tons per year for any pollutant to qualify?

Answer: The exemption would not apply. Each pollutant increase must be less than 50 tons per year before the exemption applies for any pollutant.

Reference: 40 CFR 52.21 (i) (7)

10. 7/15/81

Question: The PSD preamble gives the air quality de minimis level for NO2 as 14 ug/m3 24-hour average. The regulations give it as 14 ug/m3 annual average. Which is correct?

Answer: When the regulation was published, it was meant to say 24-hour average. Headquarters has recently decided to change it to an annual average, along with some other changes to the table. Since the published version of the regulation already says annual, and since the value is now intended to be annual, Region IV will now allow the annual number to be used. The other changes to the table will not be official until published.

Reference: 40 CFR 52.21 (i) (8) (i); 45 FR 52709