



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MA 02109-3912

September 19, 2017

Gary Rose, Director
Engineering and Enforcement
Bureau of Air Management
Department of Energy and Environmental Protection
79 Elm Street
Hartford, CT 06106-5127

Dear Mr. Rose:

Title V of the CAA, as amended in November of 1990, requires each state to develop and implement an operating permits program for stationary sources of air pollutants. As provided for in 40 CFR 70.10 and as a continued part of EPA's obligation to oversee and review title V programs, EPA conducted a program review on July 18, 2017.

Enclosed please find EPA's results from our recent review of Connecticut's title V operating permit program. We appreciate the time and effort in providing the state's responses to our inquiries prior to the evaluation. EPA is pleased with Connecticut's implementation of the program and the continued efforts in making improvements to the permits. The state continues to maintain a small backlog of permit renewals despite the recent staff losses in permitting. We look forward to continue working with you in implementing the title V program. If you have any questions, please call me at (617) 918-1653 or Donald Dahl at (617) 918-1657.

Sincerely,

A handwritten signature in cursive script that reads "Ida E. McDonnell".

Ida E. McDonnell, Manager
Air Permits, Toxics, and Indoor Programs Unit

Enclosures

Enclosure 1

Questionnaire for Connecticut's Title V Program Evaluation

Participating in the program evaluation were:

Gary Rose: CT DEEP

Jaimeson Sinclair: CT DEEP

Donald Dahl: US EPA, Region 1

The red text represents Connecticut's Department of Energy and Environmental Protection (CT DEEP) responses the State provided to EPA questions prior to the program review on July 18, 2017. The blue text represents EPA's findings or commitments made during the program review.

I. Resources & Internal Management Support

1. Has your agency re-organized or made changes to address Title V permit issuance since the last program evaluation? **No**
2. Has your agency made any revisions to their title V regulations since the last program evaluation? **Yes. In December 2016, we made a technical correction to a citation to another Connecticut regulation. A citation to Section 22a-174-22 of the Regulations of Connecticut State Agencies was changed to Section 22a-174-22e of the Regulations of Connecticut State Agencies.**
 - a. If yes, have these revisions been submitted to EPA for approval? **No. We intend to package this minor change with more substantive changes (e.g. removal of vacated aspects of the Tailoring Rule) once those changes have been promulgated.**
 - b. **EPA informed CT DEEP the Agency is currently in the process of reviewing the legal process for title V program revisions and summarizing which changes EPA has made to 40 CFR part 70 since EPA's approval of Connecticut's title V operating permit program in 2002. Once the Agency completes its review, EPA will be able to provide guidance on what regulatory changes, if any, should be taken by the CT DEEP.**
3. Are there any competing resource priorities for your "Title V" staff in issuing Title V permits? **Connecticut does not have permit staff dedicated exclusively to Title V work. Our permit engineers split their time between Title V work and non-Title V work.**

It is common among Region 1 states to have a permit writer responsible for all CAA permitting at a particular source. In this manner, state permit writers have a comprehensive understating of the sources they are permitting.

- a. If yes, please describe. **Staff also issue NSR permits and registrations for synthetic minor sources (GPLPE). Ensuring timely issuance of NSR permits so that businesses can**

construct and operate new sources competes with timely issuance of Title V permits for sources that are already in operation. Our practice is to prioritize applications for new sources seeking to do business in the state.

4. Overall, what is the biggest internal roadblock to permit issuance from the perspective of resources and internal management support? **Our overall NSR caseload and NSR transactions at Title V sources that delay completion of Title V transactions.**
5. How many Title V permit writers does the agency have on staff (number of FTE's)? **7, including a single unit supervisor.**
6. Do the permit writers work full-time on Title V? **No. There are no permit writers assigned to full-time Title V work.**
 - a. If not, describe their other activities and what percentage of their time is spent on Title V permits. **NSR Permit review. Since 2014, the distribution of time has been ~65% NSR/35% Title V based on an uptick in energy projects (e.g. new and modified power plants and gas pipeline compressors stations).**
7. Are you currently fully staffed? **No. We have experienced significant staff reductions in air permitting and bureau wide. In light of the State's current fiscal challenges, it is highly unlikely that there will be any hiring in the near future.**
8. How many title V permits are your permit writers responsible for? **~86 total (76 issued permits, 6 new applications pending resolution of Sewage Sludge Incinerator (SSI) FIP delegation and 4 new applications under review for energy projects that recently completed NSR review).**

Based on the number of staff and sources, it appears that approximately each permit writer is responsible for 15 sources. There is a wide range among the Region I states as to how many sources are assigned to each permit writer. With the reduction in staff, EPA has noticed a slight increase in outstanding permit renewals based on the data Connecticut provides EPA on a semi-annual basis.

Date	Total Title V Permits	Total Permits Extended or Expired
June 30, 2017	74	11
June 30, 2016	79	4
June 30, 2015	78	5
June 30, 2014	84	12
June 30, 2013	75	1

9. Please describe staff turnover (if applicable). Between 2014 and now, the permit unit lost 42% of its permit writers without replacing any of that capacity. The losses included a supervisor, a senior engineer and 3 working level staff. The Supervisor and senior engineer were each involved with Title V permit writing since the inception of Connecticut's Title V program. The other three staff each had 5 or more years of Title V permit writing experience.
- a. How does this impact permit issuance? The number of available engineers has decreased while the number of pending applications has increased, due in part to promulgation of the SSI rules and recent new power plant projects. With less staff, processing times for applications has begun to trend upward.
10. Is there anything that EPA can do to assist/improve your training? Yes
- a. If yes, please describe. Updated guidance on complex NESHAPS like the HON Rule, MON Rule, and some of the other chemical process NESHAPS could facilitate greater clarity when conditions are incorporated into Title V operating permits.
11. What was your Title V fee (dollars per ton) for FY 2016? \$300.83
12. What is your Title V fee (dollars per ton) for FY 2017? \$305.42
13. How do you track Title V expenses? The majority of Title V expense is staff payroll. Staff code Title V work separately from non-Title V work in the state-wide payroll system. Other expenses (e.g. support functions and materials) are tracked through, the state wide purchasing and acquisition system, which allows for expenses to be flagged as Title V or non-Title V. Fiscal Administrative staff can develop queries and reports from these systems to analyze spending.
14. How do you track Title V fee revenue? Title V fee revenue is tracked within the Department's enterprise system, Site Information Management System (SIMS), which includes financial accounting tools to bill for Title V fees and track payment.
15. Annually what is your projected title V revenue for 2016 and 2017? \$3.2 million and \$2.6 million, respectively.

Decrease in revenue was mainly due to three factors:

1. More sources reducing emissions and falling into the minimum \$5000 fee bin,
2. Reduction in total number of Title V sources that actually pay fees (e.g. Under Connecticut Regulations facilities that are subject to Title V due to "once in always in" policy for NESHAPS but that reduce PTE to below Title V thresholds are not subject to Title V emissions fees), and
3. Use of carried over fees

16. Have you noticed a trend in the amount of title V revenue collected? **Revenue has been essentially flat over the past 5 years but sufficient to cover program expenses.**
17. Does your title V revenue cover all of your title V expenses? **Yes**
18. Are you able to roll over title V funds from one fiscal year to the next? **Yes, our regulatory framework requires that the state maintain a balance of at least two years of Title V Program expenses in the Air Emissions Permit Operating Fee Account.**
19. Do you have title V funds that you currently carry over? **Yes**
 - a. If yes, what is the amount of the carryover funds? **\$9.8 million**

II. Permit Issuance

20. Does your program have a plan in place to reduce and eventually eliminate the title V permit renewal backlog? **Yes. Each calendar quarter the permitting supervisor and frontline manager meet to review backlogged cases and identify and prioritize which backlogged cases to focus on during the coming quarter. Additionally, staff are encouraged to identify challenges with timely applications and actively pursue resolution before the case becomes backlogged. There is also a monthly meeting with the entire permit unit and other engineering staff, which provides an opportunity to identify challenges and opportunities for improvement.**
21. Please describe any additional comments on resources and internal management support or permit issuance. **Staff attrition will continue to be a resource challenge in the immediate future and will affect our ability to meet some timeliness metrics.**

22. On average, how much does it cost to publish a public notice in the newspaper (or state publication)?

\$663 (per publication) for Title V related public notices.

We discussed the flexibility states now have regarding public notices in newspapers. Forty CFR 70.7(h)(1) allows a state to use its electronic noticing capabilities in lieu of publishing the notice in a local newspaper. Public notices in newspapers is required under Connecticut statutes.

23. On an annual basis how much is spent on public notices? **The net expense to the Department is \$0.**

By statute, all public notices for Title V permits are published at the applicant's expense. The Department bills the applicant for this expense and will not issue a permit until the applicant has reimbursed the Department. However, over the past 5 years, an average of \$9,274 per year was spent on Title V related public notices.

24. What information do you post on your website during the public notice period? **The actual public notice and a copy of the draft permit.**

25. Do you reach out to specific communities (e.g., environmental justice communities) beyond the standard public notification processes? **Not on a routine basis. However, Connecticut has an Environmental Justice program that addresses expansions at major stationary sources and a separate public notification process outside of the standard permitting process.**

26. What is your opinion on the most effective avenues for public notice? **The most effective means of public notice appear to be publication on the Department's Internet site and in the "newspaper of general circulation" in the affected area. This is consistent with state statutes that currently require publication in the "newspaper of general circulation" in the affected area. The state also provides the general public with the opportunity to subscribe to e-Alerts on permitting activity.**

27. Do you provide notices in languages besides English? **No**

a. If yes, please list the languages.

IV. Environmental Justice Resources

28. How is the permitting authority considering and addressing EJ issues in permitting actions?

Connecticut's EJ process is activated through our other permit programs for any expansion of a major stationary source if the facility is located within an EJ community. For air permits, this typically means an NSR transaction that expands the facility. These typically precede or are contemporaneous with the associated Title V permit transaction and the EJ process is activated prior to the NSR transaction. For more information regarding the Department's EJ process see: [Environmental Justice Public Participation](#)¹

29. List any specific examples where the permit decision or permit process was substantively altered in order to address EJ concerns. For each example, please specify how the permit decision was altered to address EJ concerns. (Examples might include extending the length of the public comment period, a decision to hold a public hearing, or enhancements to permit terms and conditions.)

With respect to air permitting, the EJ process described above is more often activated by NSR transactions that expand existing major stationary sources than by the Title V permit transaction. Outcomes from the EJ process that are incorporated into the NSR permit are eventually incorporated into the Title V permit. For example, a facility in New Haven expanded its power generating capacity. As a result of public participation in the EJ process, conditions were added to the NSR permits to obtain offsetting emission reductions for the expansion (the expansion did not otherwise trigger Non-Attainment review where offsets would have been mandatory). The conditions in the NSR permit that implement the offsetting emissions reductions are also in the Title V permit.

There have been 2 instances where the Department held public informational hearings for Title V permits for facilities located in EJ communities that were not undergoing an expansion. Neither resulted in substantive changes to the permit decision or document because the comments and concerns raised were outside of the scope of existing requirements applicable to the facilities.

It is important to note that the Department is compelled by regulation to offer a public informational hearing, if requested by just 1 person, regardless of whether or not the facility is located in an EJ community. Thus, while many Title V transactions don't activate the EJ process, there is ample opportunity for the affected community to engage in the process.

V. Incorporation of MACT Requirements into Permits

30. How does the permitting authority incorporate MACT requirements into the permit?
 - a. Describe the permitting authority's MACT permit content structure and approach for both major and area source standards. **The Title V permit incorporates the specific**

¹ See http://www.ct.gov/deep/cwp/view.asp?a=2688&q=322378&deepNav_GID=1511

emissions limitations, emissions control technology, applicable work practice standards monitoring, record keeping and reporting requirement applicable to each affected unit based on the compliance option specified by the applicant. Each term is followed by a citation to the applicable MACT standard from which term derives.

- b. How does the permitting authority make clear which compliance option the source is using? Each term is followed by a citation to the applicable MACT standard from which the term derives.
- c. What process does the permitting authority have for incorporating new or revised MACT requirements into permits?

The incorporation of new MACT standards would typically be performed in accordance with the minor modification provisions of [Section 22a-174-2a of the Regulations of Connecticut State Agencies](#). These provisions allow for the source to submit an application for inclusion of the applicable requirements. Twenty-one days after submission of the application, the source may operate in accordance with the proposed conditions that address the applicable MACT standard. Given the time that it takes to issue most Title V transactions, if a new standard becomes applicable while there is less than 18 months in the life of the permit, applicants have typically addressed the new standards in the renewal application and the renewal permit would include the new applicable requirements of that standard.

VI. State Feedback

Opportunity for the permitting authority to raise any issues and concerns

- 31. What concerns does the permitting authority have with the national program that are not addressed in the questions above? How is the TOPs report used nationally and what are the perceived benefits of the exercise, now that the Title V program is mature?

The data assists EPA in meeting commitment made to the Inspector General and its triannual Information Collection Requests requirements for part 70.

- 32. What issues, if any, are affecting the Title V program in your state right now that you consider particularly important? Staff attrition in the permitting unit is leading to increased processing times. Turnover in the environmental consultant community is beginning to affect the quality of applications, due to inexperience of new entrants in the field.
- 33. What recommendations does the permitting authority have for EPA regarding the implementation or oversight of the national Title V program? Continue to exercise patience, practicality in response to TOPs reports that show backlogged applications. Connecticut is dealing with significant fiscal challenges and at least from our perspective, Title V sources appear to have high compliance rates relative to the total number of applicable requirements

to which the facilities are subject, independent of issued or renewal status of the Title V permit.

34. What are the permitting authority's Title V program priorities?

- a. Timely permit issuance
- b. Clearly written and organized permit conditions that facilitate compliance and compliance assurance.

35. What can EPA do to help foster a successful Title V program in your state? We believe the CT program is successful due to cooperation and meaningful feedback from EPA Region 1. Continued open, honest communication and pragmatism will ensure the program remains successful.

Several years ago, EPA worked with the CT DEEP to develop a list of state regulations that were different from the state regulations that were incorporated by reference into the state implementation plan (SIP). This list helped permit writers in using the streamlining concept within a specific title V permit.

The difference between the SIP and state rules currently in effect was mainly due to the SIP backlog at EPA. Since the development of this list EPA has addressed the SIP backlog. EPA commits to working with the CT DEEP to revise the list since most of the State's rules currently in effect have been approved into the SIP.

Enclosure 2

EPA Review of Title Permits during FY'17

During the 2017 federal fiscal year, EPA reviewed two title V renewal permits issued by the CT DEEP. We have been assisting the State in identifying the applicability of 40 CFR part 63, subpart DDDDD as it applies to gas-fired boilers at major sources of hazardous air pollutants. It should be noted that we are working with several of our other states on the same issue.

EPA has decreased its review of title V permits in Connecticut as the state is on the third or fourth cycle of renewal permits for each facility. We have found in the past that the majority of MACT and other new federal requirements have already been properly addressed in the State's title V permits.