UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IV
345 COURTLAND STREET
ATLANTA, GEORGIA 30365

4AW-AM

AUG 15 1983

Mr. Harold E. Hodges, P.E., Director
Division of Air Pollution Control
Tennessee Department of Public Health
150 Nineth Avenue North
Nashville, Tennessee 37203

Dear Mr. Hodges:

This is in answer to a request made by Angie Pitcock to Roger Pfaff by telephone on July 21, regarding EPA's policy on accumulation of de minimis increases in emissions at major stationary sources.

As you know, EPA interprets the PSD and nonattainment new source review rules (40CFR 51.24, 40CFR 52.21, 40CFR 51 Appendix S, 40 CFR 51.18 (j), 40CFR 52.24) as allowing an unlimited number of de minimis increases at major stationary sources without subjecting the source to review. This policy is stated in a memorandum from Edward E. Reich to Charles Whitmore, January 22, 1981, and is further confirmed in EPA's June 2, 1983 summary of applicability determinations (PSD-138).

Although the policy outlined in these documents allows a series of de minimis modifications to escape review, it is important that the reviewing agency not allow a source owner to circumvent the regulations by splitting up what would normally be considered a single major modification into two or more de minimis increases. Two or more increases should be considered by the reviewing agency to be part of the same project if they are considered part of the same project in the corporate planning of the source owner or if the emission units being constructed or modified are interdependent. For example, if the company institutes a "debottlenecking" project or a plant-wide energy conservation project involving several independent facilities, the project should be considered to be a single modification. If a company constructs a new boiler to generate steam and also adds new steam-using equipment, such as an evaporator, these units should also be considered part of the same project.

In order to facilitate agency decisions regarding whether two or more increases constitute a single project, EPA Region IV is adopting a policy which allows an initial presumption based upon easily distinguishable criteria, with allowance for rebuttal of the presumption by the applicant. Region IV policy is to consider two or more increases as a single project if the permit application for the last increase is submitted before the first increase is operational. This is a reasonable dividing line because it is easily discernible and because it would prohibit two facilities from being considered separate projects if one could not operate without the other.

For example, suppose a company obtains a permit for a new boiler at a major source in an attainment area on June 1, 1983. The new boiler emits 30 tons per year of SO_2 and escapes PSD review as a de minimis increase. On October 1, 1983, while the first boiler is under construction, the company submits an application for a second, identical, boiler. The agency would initially presume that these two boilers were part of a single project causing a significant increase in SO_2. Both boilers would be subject to PSD, including retroactive BACT for the first boiler. However, if the company could show, through engineering analysis and internal documents, that the two boilers were planned during separate time frames and involve separate, independent facilities (such as separate product lines at a large chemical plant), the agency could allow the boilers to be treated as separate projects. Conversely, if you know that two actions are actually one project, but the source owner is able to build and operate the first one before applying for the second, solely to avoid review, you should use that knowledge to subject the project to review.

The initial presumption criteria are used for the purpose of simplifying your decision process for the more obvious cases. The final criteria should always be whether or not the source owner is circumventing the new source review rules by separating what would normally be considered one project into two or more projects.

Sincerely yours,

James T. Wilburn, Chief
Air Management Branch
Air and Waste Management Division

cc: Ed Reich
Mike Trutna
All state agencies

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET, N.E.
ATLANTA, GEORGIA 30365

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Mr. C. H. Fancy, P.E., Chief
Bureau of Air Regulation
Florida Department of Environmental Regulation
Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

RE: Florida Crushed Stone (PSD-FL-091)

Dear Mr. Fancy:

This is to acknowledge receipt of your letter dated March 15, 1990, transmitting a request by Florida Crushed Stone to amend their prevention of significant deterioration (PSD) permit to allow the burning of tire derived fuel (TDF) in their cement kiln. The current permit for the source limits the fuel of the kiln to coal only. As discussed between Mr. Bruce Mitchell of your staff and Mr. Gregg Worley of my staff on March 30, 1990, we have the following comments.

Under the scenario presented by the source, the switch to the use of TDF in the kiln would not constitute a major modification for the purposes of PSD provided that the increase in pollutants due to the fuel switch did not exceed significant emissions increase levels. It is important to note that the change in emissions must be evaluated from "old actual" to "new allowable" emissions. The old actual emissions must be based on the previous two years of operating data unless some other period is deemed to be more representative of normal operating conditions. The new allowable emissions will be those emissions which are reflected in the amended permit. Also, it was noted that the list of pollutants to be tested did not include benzene. Since benzene is a pollutant regulated under the Clean Air Act for which a significant emissions rate has not been established, any increase of emissions of benzene would subject the source to PSD.

Thank you for the opportunity to review and comment on this package. If you have any further questions or comments, please do not hesitate to contact Mr. Gregg Worley of my staff at 404/347-2864.

Sincerely yours,

Jewell A. Harper, Chief
Air Enforcement Branch
Air, Pesticides and Toxics
Management Division

Florida Department of Environmental Regulation

Twin Towers Office Bldg. ● 2600 Blair Stone Road ● Tallahassee, Florida 32399-2400

Bob Martinez, Governor Dale Twachtmann, Secretary John Shearer, Assistant Secretary

FAX TRANSMITTAL LETTER

DATE: 10/17/90

TO:

NAME: Roger Hagan

AGENCY: EPA

TELEPHONE: (904) 277-5555

OF PAGES (INCLUDE COVER SHEET): 4

FROM:

NAME: Bruce Mitchell

AGENCY: FDER/DARM/BAR

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SENDER'S NAME: Same

COMMENTS: 2 x letters

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