

# The Dell Group, Inc.

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## Clean Air Act and Amendments of 1990

1. Air Permits-To-Install (PTI) New Sources:

Pursuant to Ohio Administrative Code, Chapter 3745-31 (Cited OAC 3745-31), the general requirement of this regulation states that "no person shall cause, permit or allow the installation of a new source of air pollutants, after January 1, 1974, without first obtaining a PTI from the director (of the OEPA) [OAC 3745-31-02(A.)]

2. Air Permits-To-Operate (PTO):

Pursuant to OAC 3745-35, the general requirement of this regulation states that "no person may cause, permit or allow the operation or other use of any air contaminant source without applying for and obtaining a PTO from the OEPA [OAC 3745-35-02CA].

This requirement applies independently of the date of installation of the equipment.

a. 3745-31-03(A)(1)(a) Permit to Install Exceptions:

A permit to install as required by rule 3745-31-02 of the Administrative Code must be obtained for the installation or modification of a new air contaminant source unless exempted from the requirements, for example:

- Fossil fuel boilers, preheaters, air heaters, water heaters, or heaters used for other heat exchange media, less than ten (10) million British Thermal Units (BTU's) per hour burning only natural gas, distillate oil (with less than 0.5 percent by weight sulfur) or liquid petroleum gas.

b. 3745-15-05(B) "DeMinimis" Air Contaminant Source Exemption

Any air contaminant source is exempt... unless the potential emissions of any one of the following exceeds ten pounds per day:

- Particulate Matter,
- Sulfur Dioxide,
- Nitrogen Oxides,
- Organic Compounds,
- Carbon Monoxide, or
- Lead or any other air contaminant.

c. 3745-15-05(C)(5) "DeMinimis" Air Contaminant Source Exemption

The exemption... shall not apply to a source... (which) emits more than one ton per year of all hazardous air pollutants.

3. Ohio EPA Air Toxic Policy

For any source for which a PTI/PTO is required, emission of any pollutant, for which a Threshold Limit Value (TLV) has been published by the American Conference of Governmental Industrial Hygienists (ACGIH) in excess of one ton per year, will require the performance of an "Air Dispersion Computer Model".

4. Clean Air Act Amendments of 1990 (PL101-549)

The Clean Air Act Amendments were signed into law on November 15, 1990. The contents of the amendments are far-reaching and will regulate industries that have not been regulated before and will impact currently regulated industries in new ways.

The following are some comments on how the amendments may impact you.

Note : This report only contains an overview of the possible impact of the CAAA. The amended act and the regulations to be promulgated incident to it will have to be reviewed as they become published to determine the specific impact to the Company.

a. Title I - Non-attainment Provisions

Some counties in Ohio has been designated ozone non-attainment; Moderate Class. Volatile Organic Compounds (VOC's) are the regulated parameters as the precursors to the ozone problem.

Because of this designation, some industries within the area must, among other things, submit a VOC emissions inventory within two (2) years and be prepared to effect a 15% VOC emissions reduction in six (6) years.

\* For the reasons above, it is prudent for any Company to evaluate the future use of materials which contain VOC's and try to incorporate non-volatile substitutes.

b. Title III Hazardous Air Pollutants

This title identifies 189 Hazardous Air Pollutants (HAPs) that were previously unregulated. Sources that emit 10 tons per year of any pollutant or 25 tons per year of any combination are defined as major sources. Sources determined to be major will have specific requirements which will be defined when the regulations are promulgated. These sources will have to comply with applicable Maximum Achievable Control Technology (MACT) standards. The U. S. Environmental Protection Agency has outlined an interim policy clarifying when a HAP source may limit its potential to emit for purposes of avoiding the application of MACT standards. This is important for industrial sources that want to avoid the MACT standards, as well as other requirements applicable to major sources of HAPs (e.g., Title V operating permits), because sources that fail to limit their potential to emit in a timely manner may be subject to MACT standards and major source requirements permanently. Section 112 of the Clean Air Act requires "major sources" of HAPs to comply with MACT standards.

Under the new proposal, facilities could avoid major source requirements by agreeing to limit their emissions to 50% or less of the major source thresholds (5/12.5 tons per year). Facilities would be required to maintain emissions levels at or below the 50% threshold "for every consecutive 12-month period."

A source that exceeds the 50% threshold, without complying with major source requirements of the act (or without otherwise limiting its potential to emit) could be subject to enforcement action. EPA would require sources to maintain records on site that demonstrate compliance with the limitations. Sources would also have to obtain a permit that establishes the 50% threshold and limits the source's potential to emit.

Larger sources with emissions above the 50% threshold can treat restrictions contained in state permits as acceptable limits on their

potential to emit if they meet the following criteria:

- The state permit must be "enforceable as a practical matter;"
- The source owner must submit a written certification to EPA assuring the agency that it will comply with the limit; and
- The source owner must accept the limits contained in the state permit as enforceable by EPA or by citizens.

c. Title V - Permits

This title initiates a National Permit-To-Operate system for industries in the United States.

Ohio has had a functioning PTI/PTO program for over two decades years but will have to participate in this National program. Of significant importance to Ohio industry is the fact that the Title V program may include sources or air pollutants that, heretofore, did not require permits. This would include sources identified as major sources in Titles I and III.

USEPA has approved OEPA's proposed Title V permitting scheme, and the deadline for Title V permit applications was late 1995 through early 1996, based on the location of the facility has to be filed.

The USEPA has proposed a new enhanced monitoring program which will significantly affect the type and degree of monitoring Title V permeates will be required to perform in order to maintain compliance with 1990 CAAA. The program will apply to the owners and operators of both major stationary sources of non-hazardous air pollutants and to sources subject to existing NESHAPs. The regulations will be designed to work in concert with individual state's Title V operating permits program as a means of reducing overall emissions through increased compliance requirements.

- The enhanced monitoring requirements will apply to the emission of hazardous air pollutants already subject to limitations under 40 CFR 61 (NESHAP), and non-hazardous regulated air pollutants from major stationary sources. In some cases, the potential emissions from several emissions units will be considered as a group to determine whether enhanced monitoring will be required.

- The new enhanced monitoring requirements will force facilities to lower their overall emissions by limiting the time period and range in which emissions levels may fluctuate without being monitored. These requirements, in conjunction with the Title V compliance certification requirements, will demand more strict compliance by facilities in order to avoid civil and criminal liability.

Synthetic Minor status is achieved when Potential Emissions are reduced to below the "Major Source Trigger Values" by restricting operations (as permit terms and conditions) or by adding control devices in a manner that is "Federally Enforceable". This can be accomplished by:

- Operating Conditions — Reduction of "Potential Emissions" by Restriction on Operating Time. However, these restrictions could interfere with increased production schedules for future expansion.
- Control Devices — Reduction of "Potential Emissions" by the addition of Control Devices. These additions would require a capital expenditure.
- Enhanced Monitoring — Some method of Enhanced Monitoring will be required to ensure that the limiting conditions are being met.

The method preferred by the OEPA to attain the Synthetic Minor is for the Company to add pollution control devices to reduce the actual emissions.

- New Permitted Sources — Application for the OEPA Permit-to-Install (PTI) will be prepared as usual, keeping in mind to keep the "permitted emissions" below Major Source levels, and submitted to the OEPA District Office (or Contract Agent).
- Existing Permitted Sources — Pursuant to my conversation with Mr. Malcolm, facilities which currently have a valid Permit-to-Operate (PTO) can apply for a Revised Terms & Conditions (within that PTO) that would enable the facility to stay below the "Major Source" definition and thereby obtain the "Synthetic Minor" status.

The facility must submit the following documents:

- Applications for the Permit-to-Operate;
- Appropriate Appendix; and
- A letter defining the Revised Terms & Conditions and the Method that the facility proposes to use to demonstrate compliance.

Creative Solutions can help you:

- Learn the Title V regulations and requirements;
- Complete an Emission Inventory for all sources or air emissions;
- Make an applicability assessment;
- Determine corporate direction - Title V Permit vs. Synthetic Minor;  
√ Form a Permit Team - Senior Management, Marketing, Engineering and Legal;
- √ Consider impact on future products, raw materials and growth.
- Determine applicable requirements,
- Determine compliance status;
- Prepare the application.

Creative Solutions can help you complete an air emission Installation and Operating Permit:

- Identify each source of emissions;
- Determine emissions;
- Determine major source status;
- Determine federally applicable requirements;
- Determine compliance;
- Propose compliance schedule;
- Propose measurement/recordkeeping and reporting methods;
- Combine sources;
- Select flexible operating scenarios;
- Prepare draft operating permit; and
- Sign, certify and file application.