

Office Memorandum

DATE: July 16, 2008

TO: Affected Air Permit Applicants

FROM: James L. Warner, P.E.
Division Director
Industrial Division

PHONE: 651-296-7333

SUBJECT: Completion of a Greenhouse Gas Emissions Evaluation**PURPOSE**

Increasing policy and legal activity relating to climate change, including new legislation at both the state and national level, signal that we are moving toward greater regulation of greenhouse gas emissions (GHG). In Minnesota, there are new expectations among citizens and lawmakers for *maximization* of energy efficiency and *minimization* of GHG emissions. Therefore, in an effort to proactively address these issues, the Minnesota Pollution Control Agency (MPCA) has developed an air permitting and environmental review initiative related to climate change pollutants. As part of this effort, the MPCA has begun to collect GHG data with certain air emission permit applications and environmental review submittals. This process requests that project proposers conduct and submit with their air permit application, a GHG emissions inventory for their proposed project. In addition, an evaluation to consider alternatives (fuel, energy efficiency, up/down stream operations) that may decrease overall GHG emissions may be requested on certain projects.

This guidance document provides assistance for developing your GHG emissions evaluation. A thorough evaluation may allow your permit to move forward in a more timely manner.

Please note that the MPCA is in the early stages of gathering and evaluating this type of data. You should therefore be prepared for MPCA's approach and data focus to evolve. Because of that evolution, MPCA will be flexible and adaptive with project proposers. The MPCA will accept input on this memorandum at any time.

APPLICABILITY

If your proposed project increases the potential to emit of any regulated air pollutant in excess of 100 tons per year or meets one of the other criteria for an Air Emission Risk Analysis (AERA) (guidance for the AERA process can be found at: <http://www.pca.state.mn.us/air/aera.html>), you should complete and submit a GHG Emissions Evaluation with your air permitting application.

If your proposed project requires a federal Part 70 air permit to operate and has the potential to emit any regulated air pollutant in excess of 250 tons per year, you are required to complete environmental review (ER) (guidance for the ER process can be found at: http://www.pca.state.mn.us/programs/envr_p.html). If you are required to complete environmental review AND your project meets the criteria for an AERA, you should complete and submit a GHG Emissions Evaluation with your air permitting application.

Note: if you are required to complete environmental review but do NOT meet the criteria for an AERA, please discontinue using this guidance and instead use the Environmental Review Guidance found at: <http://www.pca.state.mn.us/publications/p-ear1-07.pdf>.

GHG EMISSIONS EVALUATION

Your GHG Emissions Evaluation should include the following items:

- 1) A GHG emissions inventory for the proposed project using the [MPCA's General Guidance for Carbon Footprint Development in Environmental Review](#). The analysis should include direct emissions from the facility as well as emissions resulting from energy use from the facility. If you are proposing to modify an existing facility, please provide the net change in emissions. Include supporting calculations for the following:
 - A) Direct Facility Emissions in CO₂-equivalent tons
 - B) Energy Use Emissions in CO₂-equivalent tons
 - C) For modifications, provide the Net Change in Emissions of A and B from your project
- 2) If your proposed project involves fuel combustion, a description of other fuel choices that were evaluated in the development of the project and their affect on GHG emissions.

To the extent possible provide the net change in GHG emissions compared to the emission inventory under Item #1.

- 3) A description of other options such as up/downstream factors that were considered in the development of the project and their affect on GHG emissions. This may include but is not limited to alternative equipment, raw material choices, transportation, consumption choices, process improvements, and other energy efficiency efforts¹.

To the extent possible provide the net change in GHG emissions compared to the emission inventory under Item #1.

- 4) If the proposed project is not the lowest GHG emitting option, describe why the proposed project was selected and what other factors weighed into the decision. To the extent possible, provide data to support your decision.

SUBMIT

Your completed GHG Emissions Evaluation should be labeled and submitted with your air permit application forms to:

Air Permit Document Coordinator
Industrial Division
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

¹ While the focus of this data submittal is primarily on greenhouse gases related to fuels directly or indirectly consumed, MPCA also wants to work cooperatively with project proposers to understand the extent of their programs, investments, and future potential for energy efficiency improvements. Therefore, a representative of our Prevention and Assistance Division may contact you to discuss your energy efficiency efforts. This information will be used as indicated above and to help guide the development of energy efficiency assistance and incentives in both the public and private sectors.

We also encourage you to contact your energy provider(s) to discuss their demand reduction program.

Questions may be directed to:

- The Minnesota Technical Assistance Program (MnTAP) (612-624-1300)
- The Air Policy Unit of MPCA's Environmental Analysis and Outcomes Division can provide technical assistance on completing your submittal. (Barbara Conti, 651-296-6703)

Additional Resources:

- <http://www.theclimateregistry.org/downloads/GRP.pdf>.

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