Flexible Permitting In Minnesota
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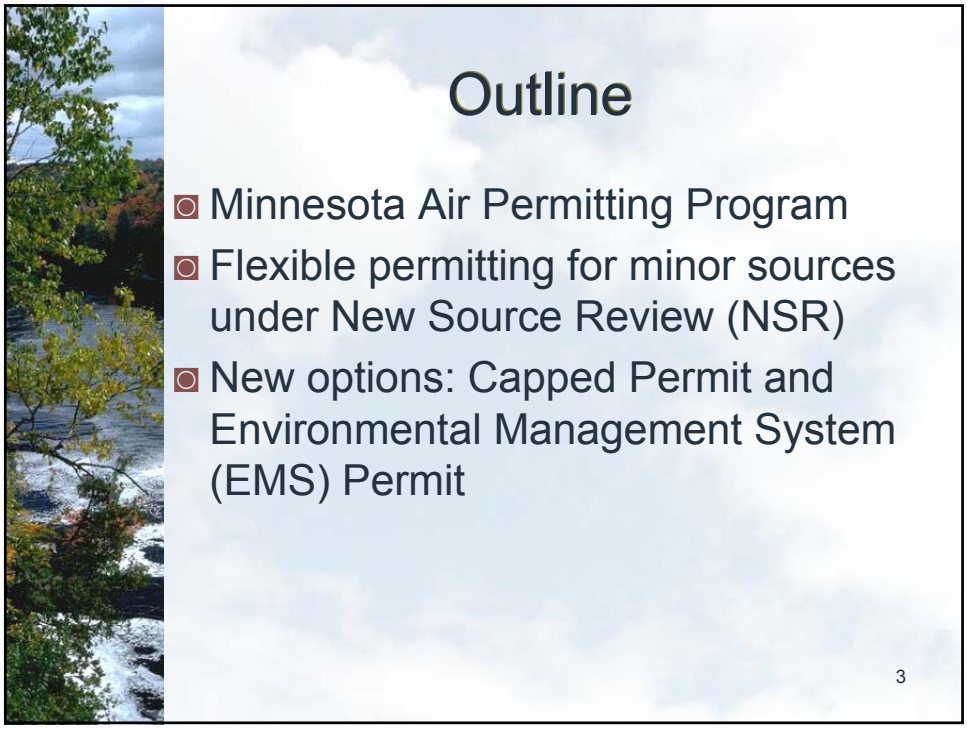
Why are we here?
Minnesota is a leader in flexible permitting
Desire for flexibility has lead to complexity – lots of choices
Hope to explain the different approaches
2


Outline
Minnesota Air Permitting Program
Flexible permitting for minor sources under New Source Review (NSR)
New options: Capped Permit and Environmental Management System (EMS) Permit
3

Minnesota Air Permitting Program
Combined construction and operating permit program – one permit system
Includes federal construction permit program (New Source Review or NSR)
State construction permit program (Minor NSR)
Federal operating permit program (Part 70)
State operating permit program
4

Operating Permitting Thresholds

Pollutant	State	Federal
Volatile organic compounds (VOC)	100 tons per year	100 tons per year
Carbon monoxide (CO)	100 tons per year	100 tons per year
Nitrogen Oxides (NO_X)	100 tons per year	100 tons per year
Sulfur dioxide (SO_2)	50 tons per year	100 tons per year
Fine particulate matter (PM_{10})	25 tons per year	100 tons per year
Hazardous Air Pollutants - single and combined	10 and 25 tons per year	10 and 25 tons per year

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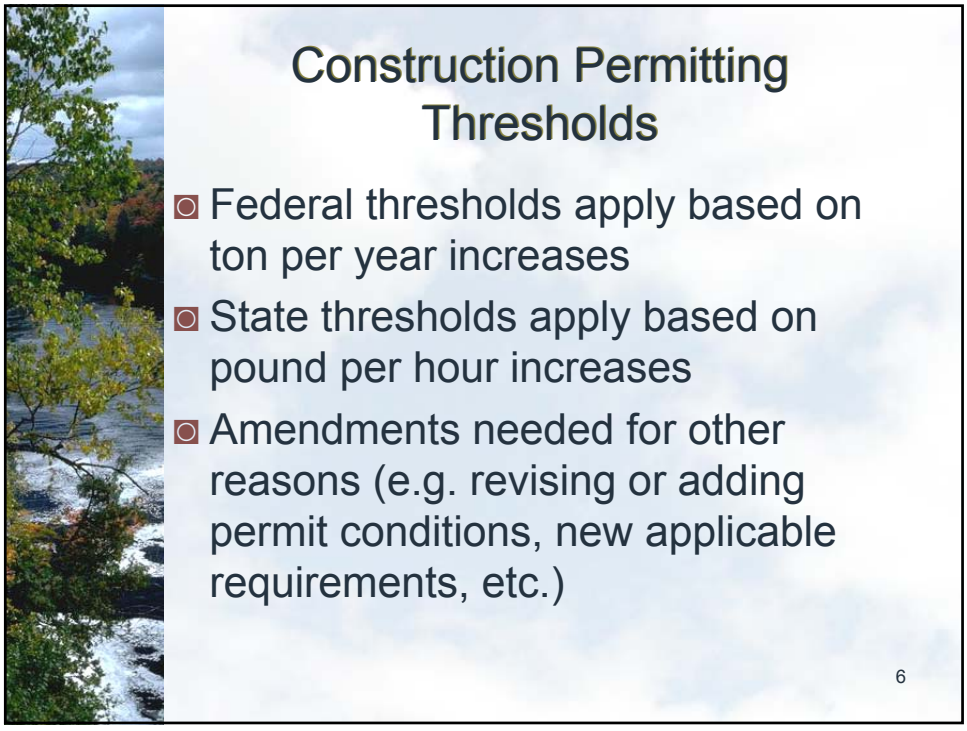

Construction Permitting Thresholds

- Federal thresholds apply based on ton per year increases
- State thresholds apply based on pound per hour increases
- Amendments needed for other reasons (e.g. revising or adding permit conditions, new applicable requirements, etc.)

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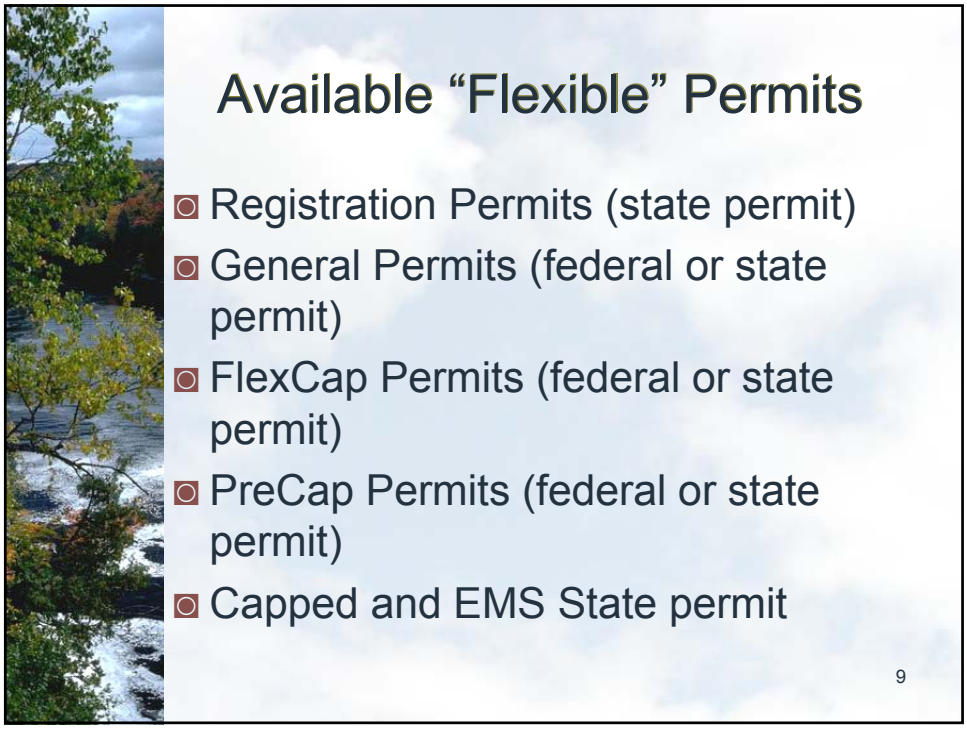
Available "Flexible" Permits
Registration Permits (state permit)
General Permits (federal or state permit)
FlexCap Permits (federal or state permit)
PreCap Permits (federal or state permit)
Capped and EMS State permit
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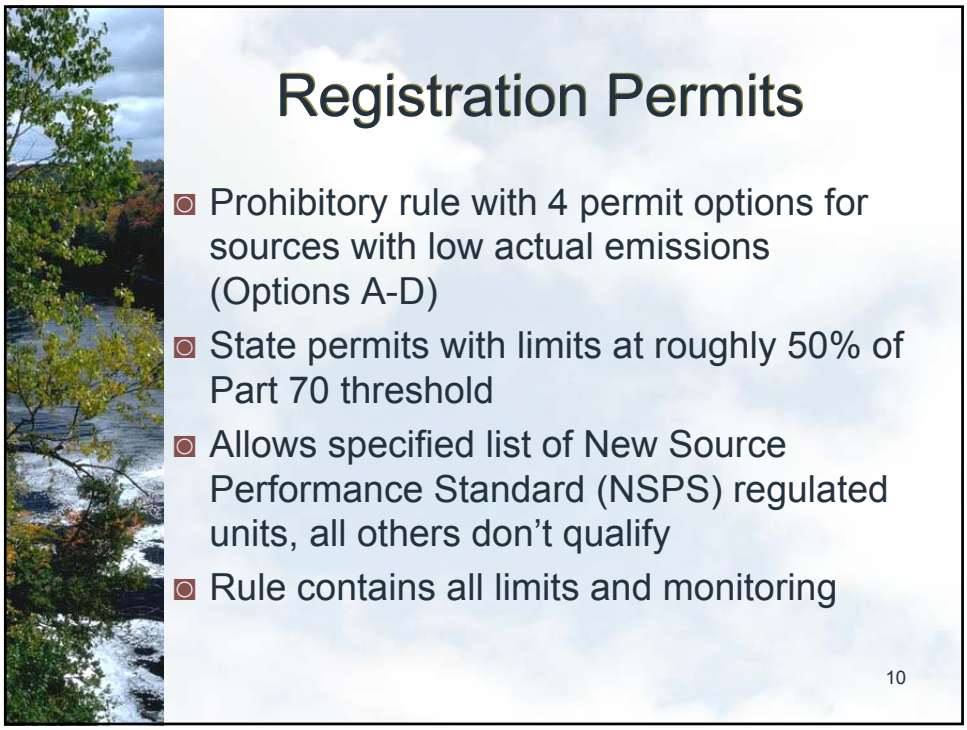
Registration Permits
Prohibitory rule with 4 permit options for sources with low actual emissions (Options A-D)
State permits with limits at roughly 50% of Part 70 threshold
Allows specified list of New Source Performance Standard (NSPS) regulated units, all others don't qualify
Rule contains all limits and monitoring
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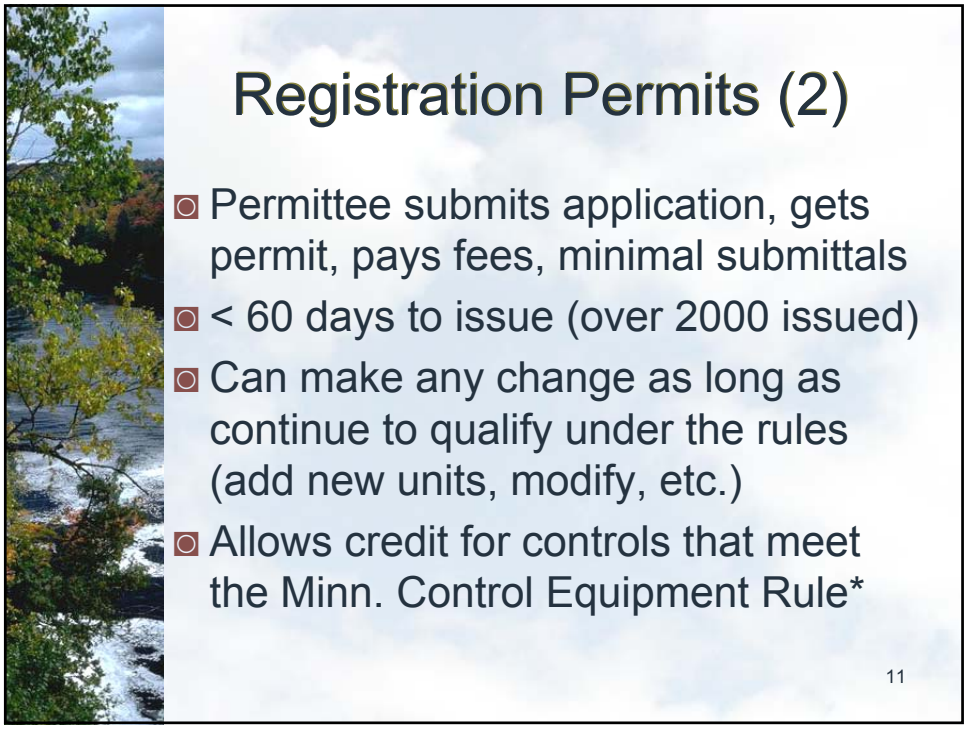
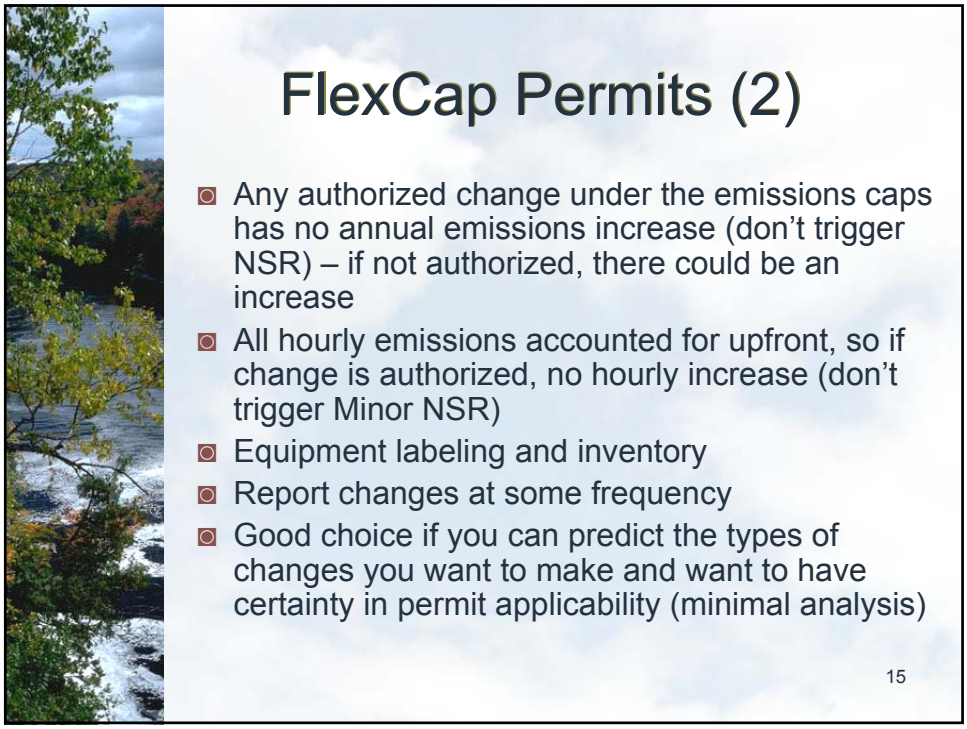

Registration Permits (2)
Permittee submits application, gets permit, pays fees, minimal submittals
< 60 days to issue (over 2000 issued)
Can make any change as long as continue to qualify under the rules (add new units, modify, etc.)
Allows credit for controls that meet the Minn. Control Equipment Rule*
11

Minnesota Control Equipment Rule
Facility can get "credit" only for control equipment listed in rule
(Minn. R. 7011.0060)
Control equipment rule specifies control equipment efficiency, monitoring, record keeping, and reporting
12


FlexCap Permits (2)
Any authorized change under the emissions caps has no annual emissions increase (don't trigger NSR) – if not authorized, there could be an increase
All hourly emissions accounted for upfront, so if change is authorized, no hourly increase (don't trigger Minor NSR)
Equipment labeling and inventory
Report changes at some frequency
Good choice if you can predict the types of changes you want to make and want to have certainty in permit applicability (minimal analysis)
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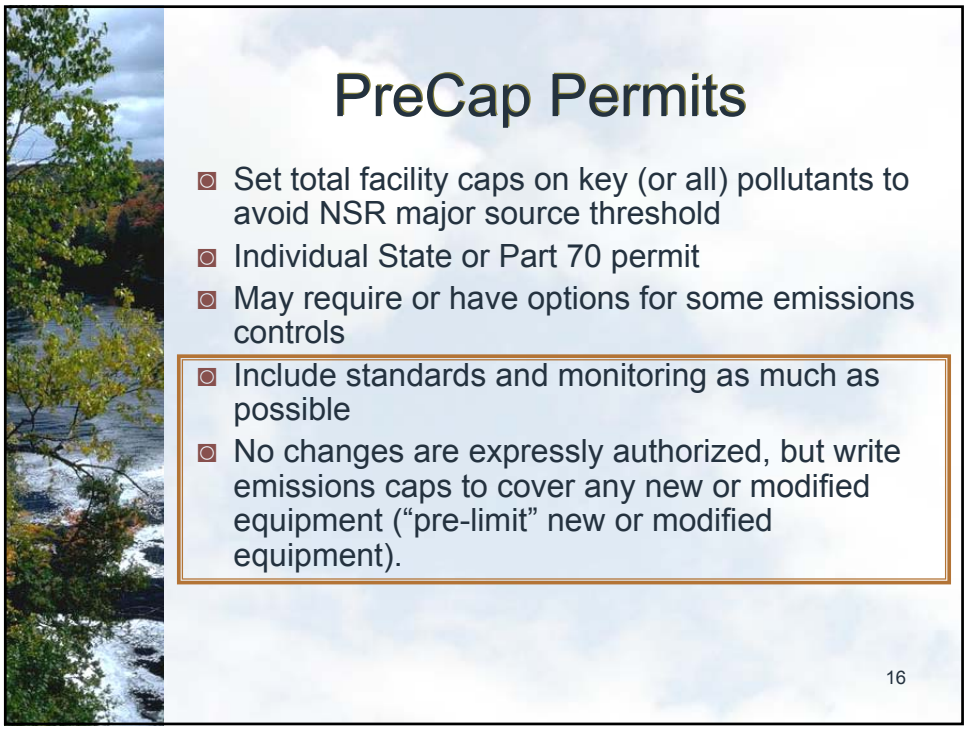
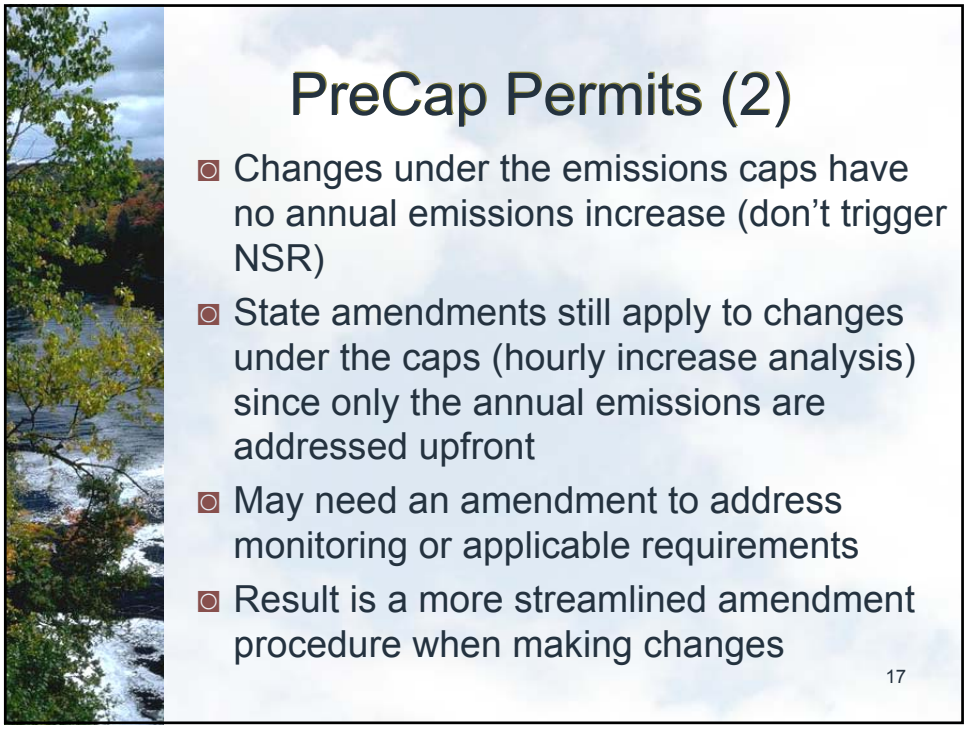
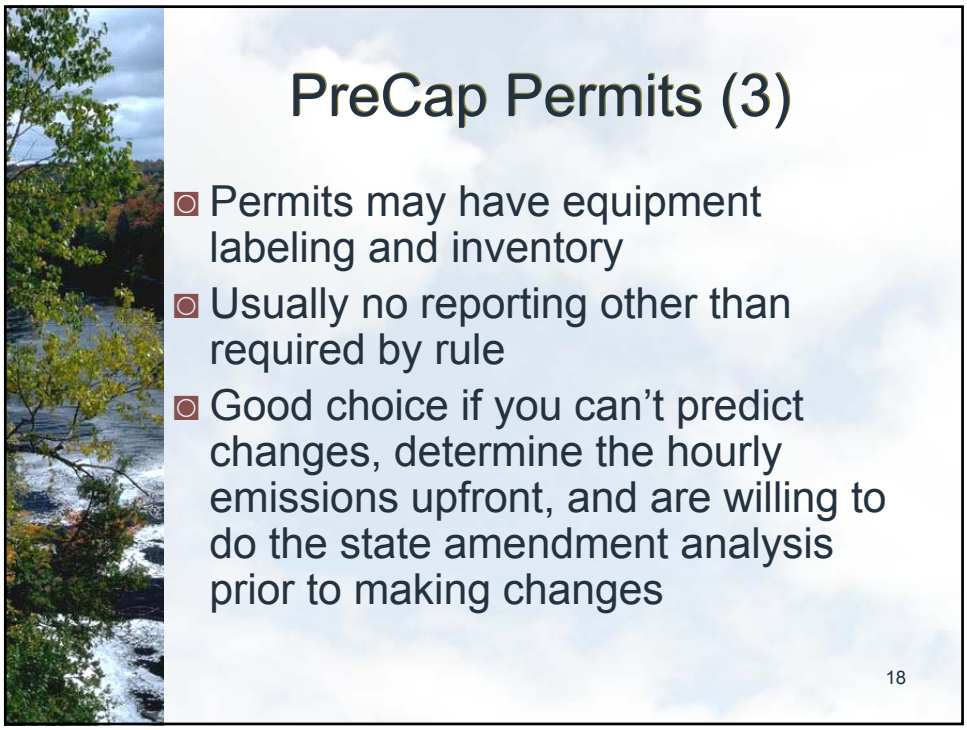
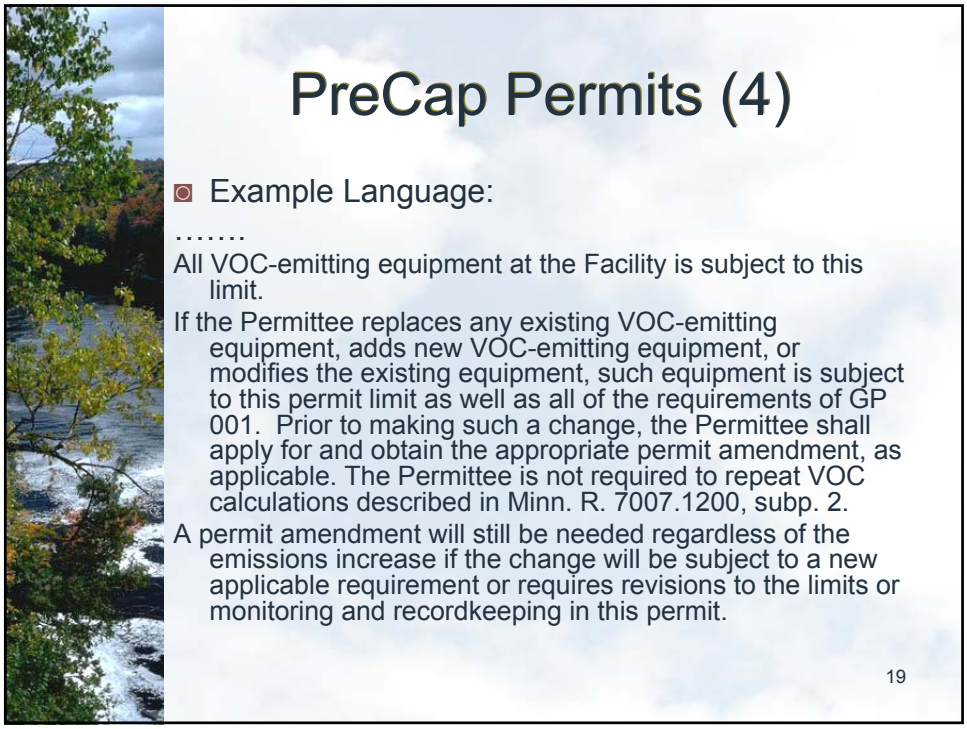
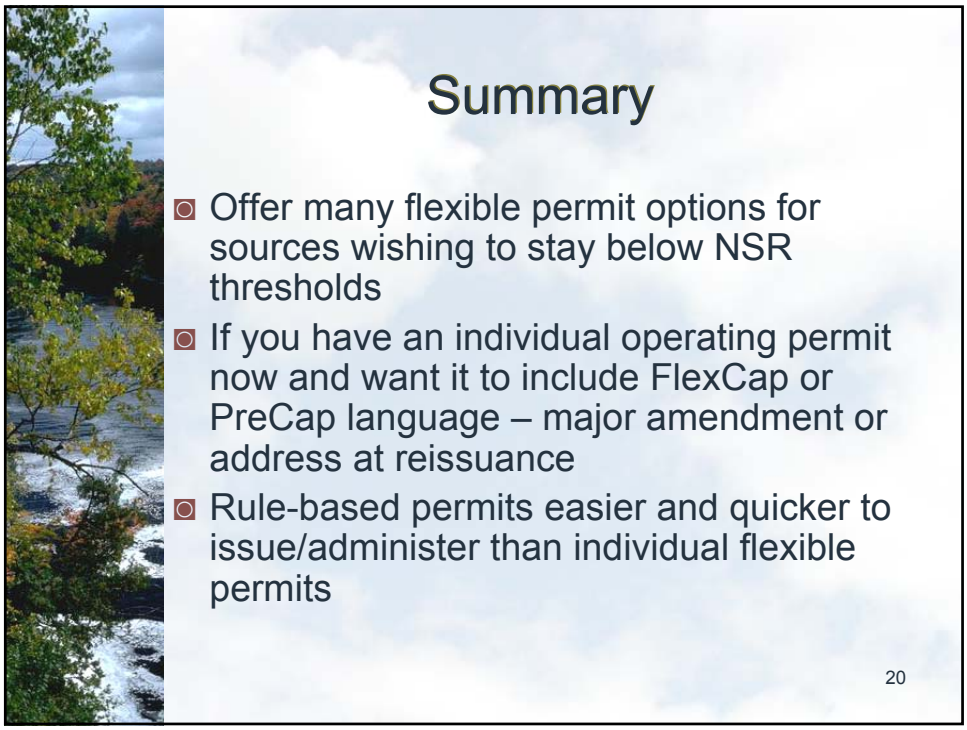
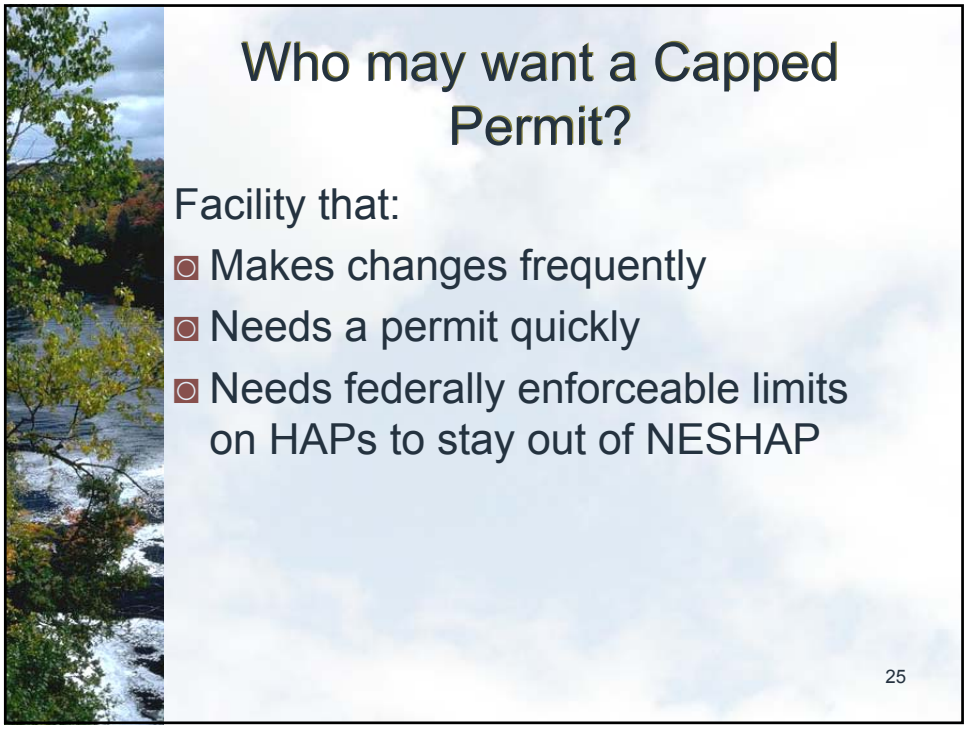

PreCap Permits
Set total facility caps on key (or all) pollutants to avoid NSR major source threshold
Individual State or Part 70 permit
May require or have options for some emissions controls
Include standards and monitoring as much as possible
No changes are expressly authorized, but write emissions caps to cover any new or modified equipment ("pre-limit" new or modified equipment).
16


PreCap Permits (2)
Changes under the emissions caps have no annual emissions increase (don't trigger NSR)
State amendments still apply to changes under the caps (hourly increase analysis) since only the annual emissions are addressed upfront
May need an amendment to address monitoring or applicable requirements
Result is a more streamlined amendment procedure when making changes
17


PreCap Permits (3)
Permits may have equipment labeling and inventory
Usually no reporting other than required by rule
Good choice if you can't predict changes, determine the hourly emissions upfront, and are willing to do the state amendment analysis prior to making changes
18


PreCap Permits (4)
Example Language:
…….
All VOC-emitting equipment at the Facility is subject to this limit.
If the Permittee replaces any existing VOC-emitting equipment, adds new VOC-emitting equipment, or modifies the existing equipment, such equipment is subject to this permit limit as well as all of the requirements of GP 001. Prior to making such a change, the Permittee shall apply for and obtain the appropriate permit amendment, as applicable. The Permittee is not required to repeat VOC calculations described in Minn. R. 7007.1200, subp. 2.
A permit amendment will still be needed regardless of the emissions increase if the change will be subject to a new applicable requirement or requires revisions to the limits or monitoring and recordkeeping in this permit.
19


Summary
Offer many flexible permit options for sources wishing to stay below NSR thresholds
If you have an individual operating permit now and want it to include FlexCap or PreCap language – major amendment or address at reissuance
Rule-based permits easier and quicker to issue/administer than individual flexible permits
20


Who may want a Capped Permit?
Facility that:
Makes changes frequently
Needs a permit quickly
Needs federally enforceable limits on HAPs to stay out of NESHAP
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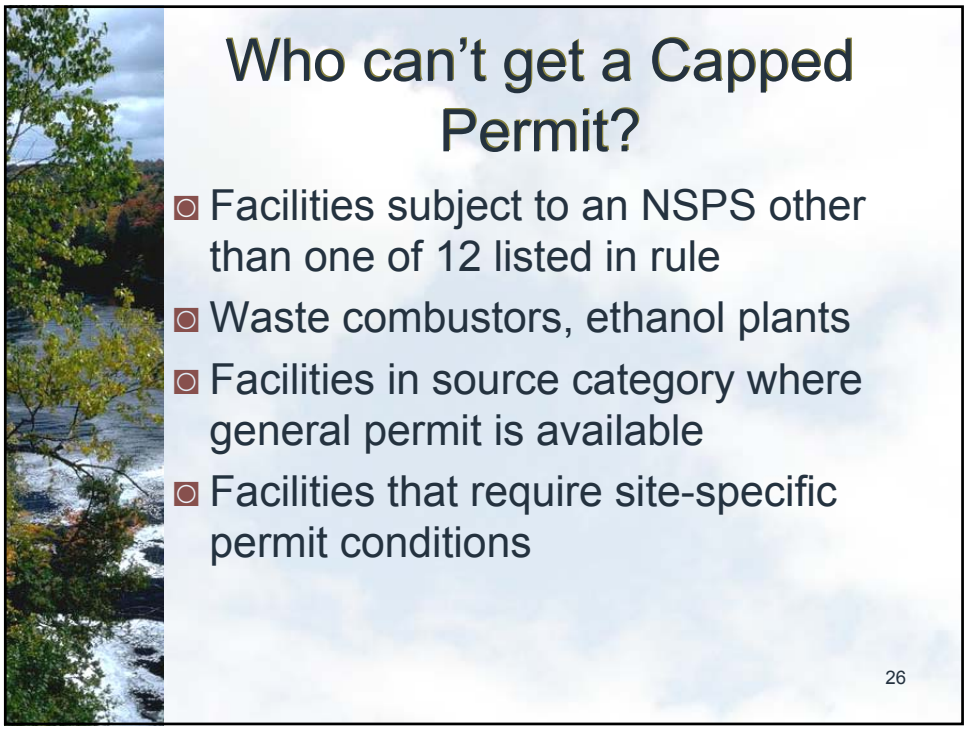
Who can't get a Capped Permit?
Facilities subject to an NSPS other than one of 12 listed in rule
Waste combustors, ethanol plants
Facilities in source category where general permit is available
Facilities that require site-specific permit conditions
26

Capped Permit Compliance

- Limits, recordkeeping, monitoring in rule (one page permit)
- Monthly calculation of actual emissions (all pollutants)
- Keep up-to-date compliance plan on site
- Perform ambient air quality assessment to qualify and before making changes
- Credit for control equipment same as Reg. Permit

29

Ambient Air Quality Assessment

- Use SCREEN3 or an on-line spreadsheet "CAPS"
- Into CAPS enter: hourly PM-10, SO2 emissions, annual NOx emissions, stack heights and distance to property line
- Facility can use default dispersion factors in spreadsheet (easy) or develop their own (harder)
- Predicted concentrations must be < 1-hr, 3-hr, 24-hr SO_2 std.; 24-hr PM-10 std.; and annual NO_2 std.

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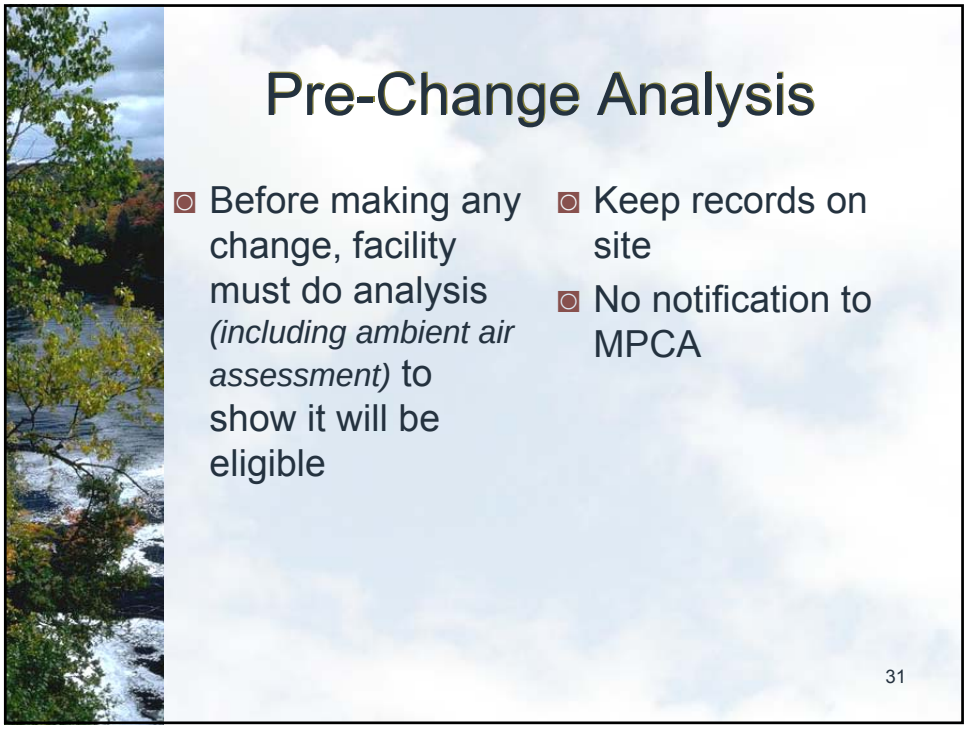
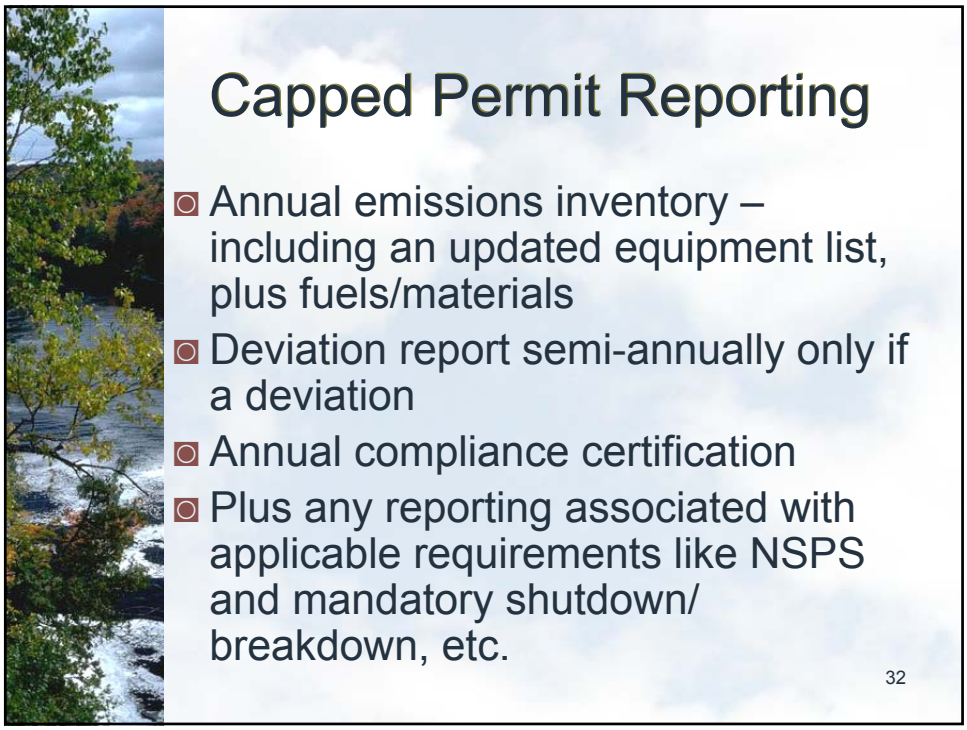
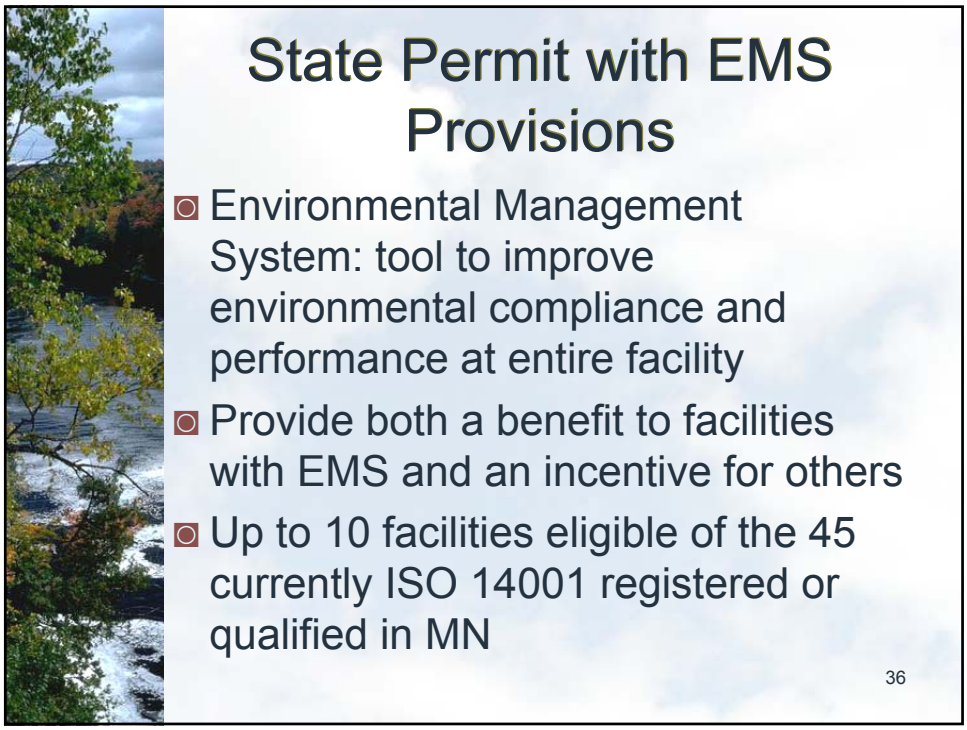
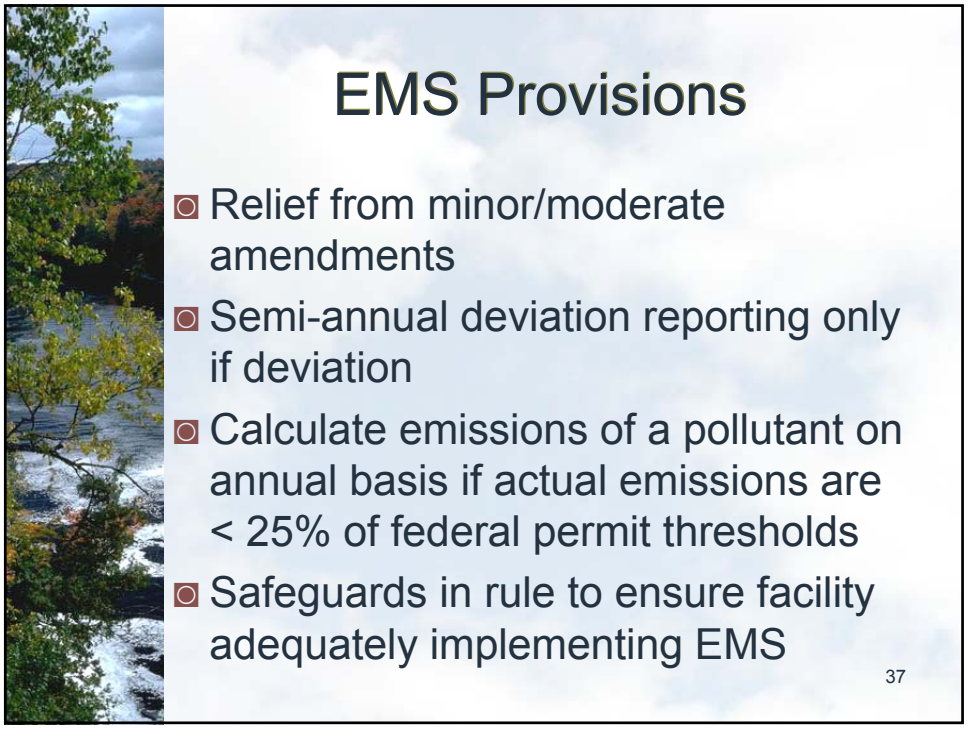
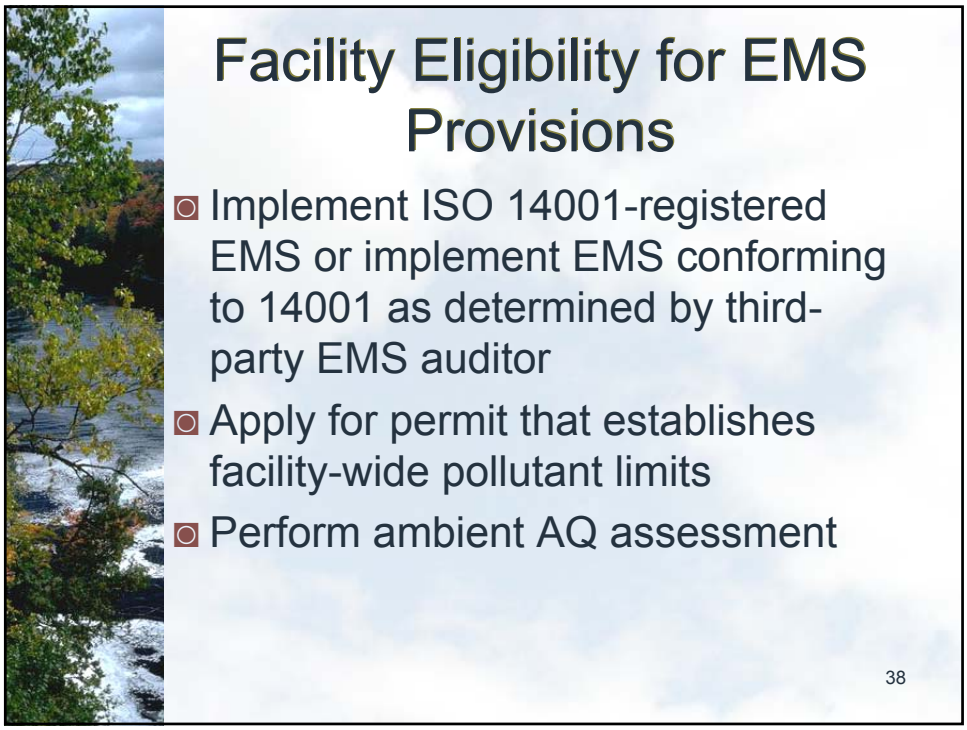

Pre-Change Analysis
Before making any change, facility must do analysis *(including ambient air assessment)* to show it will be eligible
Keep records on site
No notification to MPCA
31


Capped Permit Reporting
Annual emissions inventory – including an updated equipment list, plus fuels/materials
Deviation report semi-annually only if a deviation
Annual compliance certification
Plus any reporting associated with applicable requirements like NSPS and mandatory shutdown/ breakdown, etc.
32

Response to Capped Permit
Expect about a dozen applications in 2005
Timing for facilities is important - waiting until reissuance, amendment needed, etc.
35


State Permit with EMS Provisions
Environmental Management System: tool to improve environmental compliance and performance at entire facility
Provide both a benefit to facilities with EMS and an incentive for others
Up to 10 facilities eligible of the 45 currently ISO 14001 registered or qualified in MN
36


EMS Provisions
Relief from minor/moderate amendments
Semi-annual deviation reporting only if deviation
Calculate emissions of a pollutant on annual basis if actual emissions are < 25% of federal permit thresholds
Safeguards in rule to ensure facility adequately implementing EMS
37


Facility Eligibility for EMS Provisions
Implement ISO 14001-registered EMS or implement EMS conforming to 14001 as determined by third-party EMS auditor
Apply for permit that establishes facility-wide pollutant limits
Perform ambient AQ assessment
38