Proposed Rules:
Exempt Source/Conditionally Insignificant Activities

Public Information Meeting
MPCA St. Paul | Skype
May 10th, 2018
• Welcome and Introductions
• Overview of Rule Process - Public Participation
• Purpose of this Rulemaking
• Proposed Rule
• Next Steps and Rule Schedule
Introductions

• Mike Nelson - Small Business Ombudsman
• Hassan Bouchareb - Air Policy Unit
• Mary H. Lynn - Rule Coordinator
• Meeting participants
Overview of the Rule Process

Timeline Notes: 60 days waiting period after the Request for Comments before publishing Notice of Intent to Adopt Rules
• MPCA sends emails to notify the public at critical points in the rule process

• At minimum, notices are sent when:
  • Rule changes are first being considered (Request for Comments)
  • Rules are proposed for public comment (Intent to Adopt Proposed Rules)
  • New rules become effective (Final Adoption of Rules)

• To receive notices, sign up for GovDelivery email at:
  https://www.pca.state.mn.us/
Rule Process Overview
Opportunities for Public Participation

• Proposed rules - public comment period April 23, 2018, to May 29, 2018

• Public information meeting on proposed rules
  • Provide overview of proposed rules

• Submit written comments on the proposed rules by May 29, 2018, to:
  • Office of Administrative Hearings Rulemaking e-Comments at:
    https://minnesotaoah.granicusideas.com
Rulemaking Purpose
2017 Proposed Concepts

- Conditionally Exempt Sources
  - Interest in expanding types of sources
- Insignificant Activities List
  - Clarify and simplify
- Conditionally Insignificant Activities
  - Improve federal enforceability
- Housekeeping Changes
Proposed Rule
Example Rule Change

3.5 7007.0850 PERMIT APPLICATION NOTICE AND COMMENT.

[For text of subp 1, see M.R.]

3.6

Subp. 2. Public notice and comment.

A. The agency shall must comply with the following procedures before issuing,
reissuing, or making a major amendment to any part 70 permit.

3.10

(1) The agency shall must give notice:

3.11

(a) by publication in a newspaper of general circulation in the area where
the stationary source is located electronically posting the notice for the duration of the
comment period on the agency's Web site for public notices;

[For text of units (b) and (c), see M.R.]

3.15

(d) by other means if necessary to ensure adequate notice to the
affected public.
Proposed Rule
Conditionally Exempt Sources | Minn. R. 7008.0100 – 7008.2600

• Conditionally Exempt Source Overview
  • Designed for a specific business-type
  • Businesses can recognize themselves
  • Operations are easier to define
  • Protective requirements
  • Administratively simple compliance
  • “Permit-by-Rule”
  • Some EPA guidance available
• Two existing categories
  • Gasoline Service Stations
  • Concrete Manufacturing

• Four new categories
  • Auto-Body Refinishing Facility
  • Coating Facility
  • Woodworking Facility
  • Insignificant Facility

• Who can use the categories?
  • New, unpermitted sources
  • Existing, permitted sources
  • Existing, unpermitted sources

• How do you apply?
  • No application necessary
  • Send in a notification
  • Slight difference if currently permitted
Proposed Rule
Conditionally Exempt Sources | Minn. R. 7008.0100 – 7008.2600

- Minn. R. 7008.0100 - Definitions
  - Seven new definitions
    - Necessary to identify the scope of the proposed rules
  - One revised definition
    - “Material Usage” definition changes to be consistent with new definitions
  - One moved definition
    - Applicable to multiple rule chapters, not just chapter 7008

- Minn. R. 7008.0200 - General Requirements
  - Clarified what to do when making changes at a facility that operates under an exemption
• Minn. R. 7008.2100 - Gasoline Service Stations; Technical Standards
  • No significant updates to this category
    • Corrected a reference for general requirements
    • Removed a transition period deadline from the original creation of this category
  • Proposed changes are intended to provide consistency across all conditionally exempt source categories
    • Use the same rule language across categories for similar requirements
• Minn. R. 7008.2200 - Concrete Manufacturing; Technical Standards
  • No significant updates to this category
    • Corrected a reference for general requirements
    • Consolidated recordkeeping requirements (from Minn. R. 7008.2250)
  • Proposed changes are intended to provide consistency across all conditionally exempt source categories
    • Use the same rule language across categories for similar requirements
• Minn. R. 7008.2300 - Auto-Body Refinishing; Technical Standards
  • Similar to the Option B Registration Permit
    • Tailored to auto-body refinishing facilities
  • Purchase/use less than 2,000 gallons per year
  • Other requirements parallel federal standards
Proposed Rule
Conditionally Exempt Sources | Minn. R. 7008.0100 – 7008.2600

• Minn. R. 7008.2400 - Coating Facility; Technical Standards
  • We included this as a generic option for coating sources
  • Essentially identical to the Auto-Body Refinishing standards
  • Purchase/use less than 2,000 gallons per year
  • Other requirements parallel federal standards
• Minn. R. 7008.2500 - Woodworking Facility; Technical Standards
  • An opportunity to create an additional category for another business type
  • Covers manufacturing, refinishing, and restoring wood products including curing/drying
  • Establishes control requirements for typical fabrication equipment
  • Accommodates different sizes of businesses based on exhaust airflow rate and the effectiveness of the control equipment
  • Opacity limits and visible emission checks when vented externally
• Minn. R. 7008.2600 - Insignificant Facility; Technical Standards
  • Applies to businesses that only have insignificant or conditionally insignificant activities
    • Ensures that the source remains below permitting emission thresholds
  • Moved requirements from 7007.0300, subp. 1(D) to create this category
  • Provides a simplified method for calculating emissions
  • Two primary differences for these standards compared to other categories
    • Thresholds are at permitting thresholds; no notification required
Proposed Rule
Conditionally Exempt Sources | Minn. R. 7008.0100 – 7008.2600

Insignificant Facility PTE
Facility Potential Emissions Estimate Tool
Emissions Estimate & Results
Version Date: July 3, 2017

Legend
Required Inputs: Enter values into all boxes that are yellow
All Other Cells: Locked & Uneditable

Facility Information
Estimate Date:
Facility Name:
Facility Address:

Step 1: Eligibility information
For each row in the following table, indicate whether or not your facility has emission units that qualify under the identified rule citation. Choose "Yes" from the drop down box if your facility has this type of emission unit. Choose "No" from the drop down box if your facility does not have this type of emission unit. Click on the rule citation link for the full description of the activity.

For each rule citation that you marked "Yes", provide a brief description of the activity taking place at your facility. Provide enough detail in the description so it is clear how the emission unit(s) at your source meet the definition of the insignificant activity. For example, insignificant activity subpart 3(E)(1) corresponds to gasoline storage tanks with a combined total tankage capacity of not more than 10,000 gallons. If you have gasoline storage tanks that meet this definition, list the total capacity of your tanks to show that it is under 10,000 gallons.

<table>
<thead>
<tr>
<th>Select &quot;Yes&quot; or &quot;No&quot;</th>
<th>Rule Citation (Rule Activity Description)</th>
<th>Description of Activities at the Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7007.1300, subo. 3(A) (Space Heaters)</td>
<td></td>
</tr>
</tbody>
</table>
Proposed Rule
Conditionally Exempt Sources | Minn. R. 7008.0100 - 7008.2600
• Subpart 1 - Insignificant activities
  
  • The proposed changes include a lot of rearranging
  
  • Most of the change identified for this subpart is simply being moved from a different location
  
  • **New** rule language to provide emission calculations for certain activities:
    
    • Subpart 3, item F (Individual emissions units with potential emissions less than multiple thresholds)
    
    • Subpart 4 (Individual emissions units with potential or actual emissions less than multiple thresholds)
  
  • Existing requirement to provide emission calculations in certain cases:
    
    • **New** rule language also requiring that the activities be listed in a permit application
• Subpart 2 - Insignificant activities not required to be listed
  • One modified activity:
    • In example, removing an exemption that no longer applies
  • Twelve new activities:
    • UV light curing, UV disinfection processes, hand-held fabrication equipment, etc.
  • Eight activities moved from Subpart 3:
    • Blueprint copiers, open batch tumblers, commercial laundries, etc.
  • Housekeeping changes:
    • Clarifying that total capacity is “total heat input capacity”
• Subpart 3 - Insignificant activities required to be listed
  • Change in when emission calculations are required
    • Note: Proposing to always require calculations from one activity in this subpart
  • One activity changed to conditionally insignificant status:
    • “Equipment venting particulate matter inside a building... not vented through air filters”
  • One activity removed
    • Alkaline/phosphate and associated cleaners
  • Moved eight activities to Subpart 2
  • Similar housekeeping changes
• Subpart 4 - Insignificant activities required to be listed in a Part 70 application
  • Moved the requirements that describe when calculations are required
    • Note: Proposing to always require calculations from activities that use this subpart
  • Removed a redundant statement
    • This subpart only applies to sources that apply for an initial Part 70 permit

• Subpart 5 - Threshold table; hazardous air pollutants
  • Clarified the table in Subpart 5 is only for use with Subpart 4 activities
Questions?
Proposed Rule
Conditionally Insignificant Activities | Minn. R. 7008.4000 - 7008.4110

- **Overview of Proposed Changes**
  - Address enforceability issues
  - Different uses for small/large businesses
  - Manageable compliance methods
  - Flexible and environmentally protective
• Minn. R. 7008.4000 - Conditionally Insignificant Activities
  • Proposed changes are similar to the proposed changes for insignificant activities
    • Reorganized similar to the proposed insignificant activity changes
  • Clarifies when emission calculations must be included in permit applications
    • Still requires calculations when requested by the MPCA or in certain cases
    • New rule language require emission calculations when applying for a Part 70 Permit/Amendment
  • Additional housekeeping level revisions
    • Remove a reference to 7007.0300, subp. 1(D) -- Insignificant Facility; Technical Standards
• Minn. R. 7008.4100 - Conditionally Insignificant Activity; Material Usage
  • Increased the VOC emission limit to 10,000 pounds/year (1,000 gallons/year)
    • Also changed the term “VOC usage” to “VOC-containing material usage”
  • Removed the requirement to calculate emissions of PM$_{10}$ and PM$_{2.5}$
  • Now allows the owner or operator to take credit for control equipment in calculating PM emissions if it is operated in compliance with Minn. R. 7011.0060-0080
Proposed Rule
Conditionally Insignificant Activities | Minn. R. 7008.4000 - 7008.4110

• Minn. R. 7008.4110 - Conditionally Insignificant Activity; Finishing Operations
  • Proposed revisions are intended to clarify what activities qualify under this part
  • Removed the requirement to vent through an air cleaning system & inside a building
    • Replaced by the requirements to use control equipment and limit emissions below 10,000 pounds/year.
  • Added a calculation method to show compliance with the emissions limit
    • Based on operating hours, design airflow rate, and the design PM concentration from the exhaust
    • There are default values for concentration if the manufacturer’s design is unknown
  • Additional recordkeeping to keep track of parameters needed in the emission calculation
Proposed Rule
Housekeeping Updates | Minn. R. chs. 7005, 7007, 7008, 7011, & 7019

• Housekeeping Updates
  • Cleanup-style changes
  • Align state and federal rules
  • Address outdated rules
  • Clarity and consistency
  • Where changes are already proposed
• Minn. R. ch. 7005 (Definitions and Abbreviations)
  • Updated definition for “conditionally exempt stationary source”

• Minn. R. ch. 7007 (Permits and Offsets)
  • Reissuance application submittal date (Minn. R. 7007.0400, subp. 2)
  • Public notice procedures (Minn. R. 7007.0850, subp. 2)
  • Citizen’s Board references
  • Cross-references of changed rule references

• Minn. R. ch. 7008 (Conditionally Exempt Sources & Conditionally Insignificant Activities)
  • Intermingled with the previously described changes
• Minn. R. ch. 7011 (Standards for Stationary Sources)
  • Correcting incorrect/changed rule references
    • Mercury reductions from electric generating units (Minn. R. 7011.0561, subp. 4)
    • Refuse-derived fuel definition for waste combustors (Minn. R. 7011.1201, subp. 43)
  • Changes to SO2 requirements regarding modeling for internal combustion engines
    (Minn. R. 7011.2300, subp. 2)

• Minn. R. ch. 7019 (Emission Inventory Requirements)
  • Cross-reference of changed rule references (related to emissions inventory calculations)
• Submit written comments on the proposed rules by **May 29, 2018**, to:
  • Office of Administrative Hearings Rulemaking e-Comments at:
    [https://minnesotaoah.granicusideas.com](https://minnesotaoah.granicusideas.com)

• Rulemaking webpage:
  [https://www.pca.state.mn.us/air/exempt-source-conditionally-insignificant-activities](https://www.pca.state.mn.us/air/exempt-source-conditionally-insignificant-activities)
Next Steps and Rule Schedule

Tentative Rule Schedule

- Public Information Meeting and Public Comment Period
  - Spring 2018
- Staff review comments and consider any rule changes
- Prepare Response to Comments, Order Adopting Rules
  - Spring / Summer 2018
- Governor’s Office review of rules
  - Summer 2018
- Office of Administrative Hearings review of rules
  - Late Summer 2018
- Publish Final Adoption of Rules
  - Late Summer / Early Fall 2018
Next Steps and Rule Schedule

Additional Resources

• Information about this rulemaking
  https://www.pca.state.mn.us/air/exempt-source-conditionally-insignificant-activities

• Questions on technical aspects or content of the rule
  • Hassan Bouchareb | 651-757-2653 | Hassan.Bouchareb@state.mn.us

• Questions on rule process or how to submit comments
  • Mary H. Lynn | 651-757-2439 | Mary.Lynn@state.mn.us