Air Bureau Permit Program Review

May 13, 2010
Executive Order 39-
Permit Task Force

Charge:

• Simplify and streamline
• Repeal as appropriate
• Shorten timeframes
• Maintain public health and orderly conduct of business
• Submit report to the Governor
Task Force Recommendations:

• Timeliness is sufficiency in 60 days and technical review in 180 days
• Complete Air Program Review in May 2010
• Establish DECD permit ombudsman
• Expand GPs
• Change Adjudicatory process
• Expand e-Gov
• Use regs in force at time of application

NOTE: EPA requires permits meet regs in place at time of issuance.
Legislative Activity
ACC Expedited Permitting for Economic Development

DEP permit timeframe review and report by Sept 30, 2010.

New timeframes to identify deficiencies in permit apps and issue TDs.

- All deficiencies in writing to applicant w/in 60 days
- TD w/in 180 days of sufficiency

Identify process improvements, resources and program changes necessary to meet new timeframes.

Annual report on failures to meet new timeframes.

Plan for expedited permitting process pilot for 200+ manufacturing facilities.

Public process procedural review, including procedures for GPs with recommendations for revisions to CGS.

DECD permit ombudsman and interagency MOU for process expediting.

DEP consulting services program w no NOVs or civil penalties for minor violations.
Stationary Source Requirements Mandated by Federal Rules

Permitting programs:
- New source review (PSD in attainment areas and offsets in nonattainment areas)
- CAIR and Acid Rain
- CAA Title V (major sources)

Performance standards
- NSPS, MACT, BACT/LAER, CTGs, NESHAPs

Monitoring, reporting & record keeping
Major Rules Adopted by EPA
Not Addressed Yet in CT

- 2006 PM2.5 NAAQS and associated permitting requirements
- 2010 NO2 1-hr NAAQS and associated permitting requirements
- Annual updates to LEV standards
<table>
<thead>
<tr>
<th>Rule Description</th>
<th>Final Date</th>
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<tr>
<td>2010 1-hr SO2 NAAQS (1-hr) and associated permitting requirements</td>
<td>Final June 2010</td>
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<td>GHG Tailoring Rule</td>
<td>Final May 2010</td>
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<td>2010 Ozone NAAQS and associated Implementation Rule</td>
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<td>MACT for boilers</td>
<td>Final December 2010</td>
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<td>Clean Air Transport Rule</td>
<td>Final spring 2011</td>
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<td>EGU MACT</td>
<td>Final November 2011</td>
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Continuous Improvement

- 5 TPY threshold to 15 TPY and permit by rule
- Single permit processes
- Update modeling guidance, put data on web
- SAS to EMIT
- OTC outreach
- Continued stakeholder involvement
The Products and Processes of CT DEP Air Permitting

Ric Pirolli, Assistant Director, Technical Services
Types of Air Permits

New Source Review (Permit to Construct and Operate)

Federally Required Operating Permits
- Title V – Facility-wide
- Title IV Acid Rain
- Clean Air Interstate Rule (CAIR)

General Permit to Limit Potential to Emit (GPLPE)

Indirect Source
New Source Review (NSR)

- Individual Permit to Construct and Operate
- Major NSR
  - Prevention of Significant Deterioration
  - Non-Attainment NSR
- Minor NSR
- Non-Minor Permit Modification
- Minor Permit Modification
- Permit Revision
- Permit Revocation
- Permit Transfers
Operating Permits

Title V Operating Permit – Facility-wide

- Potential Emissions are at major levels

Title IV Acid Rain Permit

- Electric Generating Units > 25 Mw
- NOx and SO2

CAIR

- Electric Generating Units > 15 Mw
- NOx
Federally Driven Regulatory Timelines for Operating Permits

Title V Permits

- Sufficiency within 60 days or considered sufficient
- 18 months to issue new Title V permit
- 12 months to issue a modified or renewed Title V permit

Title IV Permits

- Sufficiency within 60 days or considered sufficient
- 18 months to issue permit

CAIR Permits

- Reopening procedures per Section 33(s) i.e. incorporate into renewal process with less than 3 years remaining in Title V permit term
GPLPE

State Operating Permit

Developed for facilities with potential emissions greater than major levels but with actual emissions below

5 year permit term

Streamlining approach for Title V

Benefits for NSR and RACT (minor source)

Benefits for MACT (limit HAPs)
Permit Universe

252 GPLPE, 84 Title V, 14 Title IV, 24 CAIR Sources

Averaged 180 applications per year (1995-2009)

134 Active cases

Backlog – 7 Title V (> 18/12 month), 56 NSR (> 6 months)

Sufficiency Review (60 days and over):
• NSR: 7% (126 out of 1882 applications)
• Title V: 30% (67 out of 223 applications)

Technical Review (180 days and over):
• NSR: 11% (243 out of 2168 applications)
• Title V: 33% (75 out of 225 applications)
NSR Sufficiency Timeline

1995 - 2009 Sufficiency Review - Average Days
NSR Technical Review Timeline


DAYS

Title V Sufficiency Timeline

1996 - 2009 Title V Sufficiency Review - Average Days

DAYS

GPLPE Timeline

1997 – 2009 GPLPE Processing Time – Average Days

DAYS

Re-Engineer Modeling Review Process

Historical Process Ending August 2008:
• Typical Review Times Averaged 154 Days

Transition Period One Year:
• Updated and Clarified Guidance
• Developed and Provided Necessary Data Bases via Web access
• Eliminated Unnecessary Requirements
• Simplified Internal Administrative Process

Current Process as of April 2010:
• Typical Review Times Currently Averaging 64 Days
Efficiency Improvements in Air Permitting

Internal Processing Efficiencies

- Interactive Electronic Engineering Evaluations
- Permit Templates created for 14 source sectors
- Checklists developed to ensure applications and permit transmittals complete
- Publishing and Invoicing of Public Notices
- “LEANed” NSR Modeling Process
- Signature Authority for modifications and reissuance delegated to Bureau Level
Efficiency Improvements in Air Permitting, Continued

Efficiency Improvements that directly affect Industry

- Use of Equipment Specific General Permits (1996 to 2002)
- Permit-by-Rule (2002 to present)
- Permit Templates
- Integration of Title V, Title IV, and CAIR into single permit and renewal process
- Electronic Reporting
- Engineer-of-the-Day Help Line
- Pre-application Meetings
- Application materials continuously updated
Regulatory Amendments

- Combined Permit to Construct and Permit to Operate
- Permit Applicability Thresholds (5 TPY to 15 TPY)
- Permit Exemptions
  - Temporary replacements, addition of APCE, inert gases, Part 89 Engines, small acid rain utility units
- Permit Revisions – can make change after submission to DEP, do not have to wait for revision to be issued
- Minor Permit Modifications – can make change 21 days after submission to DEP, do not have to wait for modification to be issued
Permit-by-Rules

R.C.S.A. 22a-174-3b

- 5 Source Categories
- Boilers, emergency engines, autobody shops, surface coating, and rock crushers

R.C.S.A. 22a-174-42

- distributed generators

R.C.S.A. 22a-174-3c

- Limitation on Potential to Emit
Federal Challenges for Permitting Ahead

Greenhouse Gas Regulation

• Tailoring rule for NSR and Title V

New and Amended Air Quality Standards

• Implementation rules from EPA

Federal NSR Reforms (2002)

• Remands, Vacatur, pending lawsuits
Anticipated Ramifications of New Statute

Added Technical Sufficiency Review

- Air Bureau currently performs only an administrative sufficiency review and works with source to obtain additional information informally
- Created an additional required step in the air permit process

Mandates Immediate Written Notification of Insufficiency

- Stop-the-clock for both Sufficiency and Technical Reviews
- Puts sources on-the-clock to respond
- No longer use an informal process to obtain additional information
- Reject, reapply, assess fees again-- not LEAN

Timeline May Necessitate Elimination of Courtesy Review of Draft Permit Prior to Tentative Determination

- May limit source’s review time to only the 30-day public comment period
The Products and Processes of Indirect Sources Permits

Tracy Babbidge, Director, Air Planning
Indirect Source Permit
Program Overview

Original Purpose:

• To ensure the construction of major highway projects met the goals in the State Implementation Plan (SIP)

Background

• Required by 1970 CAA and adopted in 1974
• EPA dropped requirement and rescinded from CT SIP in 1979
Applicability

Applies only to DOT or applicants filing on behalf of DOT

A new highway on a new location

- Exception: bridge replacements or
- railroad crossing hazards

A new expressway interchange service added, or

A new lane more than one mile

- connecting signalized intersections or
- expressway interchanges
**1983-2006 Process Overview**

- Pre 1983 two permit process
- 1983-2006 three stage permit
- Process took six to nine months
- No requirement to reduce emissions

<table>
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<th>ISP Overview</th>
<th>Stage I</th>
<th>Stage II</th>
<th>Stage III</th>
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<td><strong>Total Days for Issuance</strong></td>
<td><strong>45</strong></td>
<td><strong>110</strong></td>
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2006 Lean Process

- 2006 regulatory amendment streamlined the process
- Stages combined into one permit
- Alternate Compliance Mechanism (ACM) added
- Developed Standardized forms
- Achieved environmental benefit of reducing diesel emissions in EJ communities
2006 Post-Lean Outcome

ConnDOT reports quarterly

2 DOT projects utilized the ACM
  • 72 of pieces of diesel equipment retrofitted

DOT expects to have 1 or 2 NEW projects
  • CEPA/NEPA review process required
  • Public Notice requirement of ACM selection
Developing Recommendations

Anne Gobin, Chief, Bureau of Air Management
Process Improvement Goals

- Ensure environmental outcome and adding value
- Satisfy full scope of federal obligations, not just permitting
- Focus on eliminating waste
Menu for Review

- Different Source Categories and Types Permits Merit Different LOE
- Reprioritize w/in Federal Obligations
- Further LEAN Commitment
- Cut Programs
- E-Gov
Scope of Federal Obligations

Ambient Monitoring

Regs and SIPS

Permitting

Compliance Assurance
Frequent Flier Focus Group

Doing Right
- Sections 3b & 3c in lieu of NSR permits
- GPLPE in lieu of T5 permits
- Pre-app meetings
- Modeling LEAN
- Technical guidance
- Permit
- Modifications/Revisions

Concerns
- Offset requirements
- Complexity T5 renewals
- Complexity T5 compliance reports
- Inconsistent permit formats
- Transparency expectations
What Others States Do

Websites Enhancements

• FAQs and submit questions on-line
• Guidance, permits, regs, apps and subject matter contacts all in one place
• Search permit status, anticipated completion date and e-updates on status change
• Virtual file cabinets with all related permit docs on-line
• Permit wizards
What Other States Do

Assistance Initiatives

- Workgroups with consultants and regulated community to work on continuous improvement
- Certified permit professionals prepare applications
- One stop permit assistance and coordination
- Small business permit amnesty
What Other States Do Do

Expediting

- Permit by rule for engines and boilers
- Pay more for faster service
- Multiple pre-app meetings and early public involvement
- Guidance on expediting with standardized evaluations for common equipment
- Control Technology Clearinghouse
- Refund if state doesn’t adhere to timeline
Once EMIT Phase 2 is complete, establish public login on a computer in the file room for DIY radius searches.

Re-Engineer Title V and GP compliance reporting with EPA and stakeholder participation and create e-Gov reporting.

Evaluate opportunities to streamline Title V renewals.

Evaluate opportunities to improve Title V permit template.

Expedite acquisition of offsets and level the playing field by having DECD purchase offsets to use for high priority economic development projects.
Proposed Recommendations to Improve Transparency and Certainty

Website Enhancement

- Put average timeframes on air permit website.
- Put NSR permits/engineering evaluations and Connecticut specific BACT/RACT/LAER determinations on-line so control expectations are clear.
- Redesign air permits webpage so the importance of pre-app meetings and nonattainment driven requirements in CT are clear.
- Have OIM assess the cost and resources needed to develop public face so data can be available on the website.
- Have OIM assess the cost and resources needed for permit wizard tools so questions lead people to the forms needed.
Proposed Elimination of Non-CORE and Low Value Added Work

- Consider repeal indirect source program
- Eliminate state role in noise control
- Explore alternative compliance mechanism for section 29
Proposed New Initiatives

- Shift primary complaint response to locals for wood smoke and dust
- Increase emphasis on applicant community outreach before DEP app to decrease likelihood of hearing
- Increase contractor support for ambient monitoring work effort
- Establish standing SIPRAC Permitting Subcommittee
- Stakeholder outreach on new requirements
Resources available are decreasing so schedules will slip or scope of what we do must be reduced.

More mandates are anticipated so staff will be required to do more which in turn will result in longer timelines.
Resources Needed to Maintain Permit Timeliness

Access to Critical Information

- Staff
- Legal
- Training
- Reg Maintenance
Critical Information Needs

User friendly infrastructure to maintain electronic document management so records are readily retrievable w/o extensive file searches.

Ongoing timely technical support and permit reviews by EPA on request.

Timely EPA implementation tools to execute new air quality standards.
Obtain and Maintain Adequate Staffing

- Support Staff
- Permit Engineers
- Reg Writers
- Technical Support Services
Legal Support Need

- Expedite external legal review of air regs
- Provide legal advice in hearings as needed
- Timely legal interpretations of regs to address staff/app disagreements
- CROMERR documentation
Continuous Training Need

- New Staff
- New Rules and Tools
- EPA Requirements
- New Science and Technology
New Legislative Demands

- Increased Coordination with DECD and DEP Permit Ombudsmen
- Consulting Services Program
- Increased Time Tracking
- Identification of All Deficiencies
- Web Enhancement
Today

New Air Demands:
Federal Mandates

Resources

Demands

Permits
Monitoring
SIP Challenges
Uncertainty in Planning

- 24% Air staff currently eligible to retire
- Air attrition averages 3 people per year
- New mandates
- Budget challenge
Air Bureau Review: Public Input

- What are reasonable expectations?
- Thoughts on our recommendations?
- Other recommendations should we consider?

The Customers: Business and Citizens in CT
Next Steps

- Share proposed recommendations at SIPRAC May 13, 2010 and hear feedback
- Finalize Air Bureau recommendations
- Determine resources needed to implement recommendations
- Provide draft Air Bureau report to Commissioner