

**INDUSTRIAL STAKEHOLDERS GROUP (ISG)
MEETING MINUTES –February 19, 2010**

The following issues were discussed at the 2/19/10 ISG meeting. Follow-up items are **bolded**.

1. The Department announced that the USEPA has issued a new rule for stationary diesel engines which addresses the emission of Hazardous Air Pollutants (HAP), such as formaldehyde and acrolein. The Department will review the contents of this new rule to determine its impact on diesel engines operated in New Jersey.

FOLLOWUP: The Department will give a presentation of the rule's requirements and compliance dates at the next ISG meeting. The Department will also post a link on its website for the new stationary diesel engine rule.

2. An update was provided on the ICI Boiler MACT. The Department has received 30 permit applications filed to comply with this MACT. Roughly half have been filed with use of the presumptive MACT limits the Department established based on the NACAA model rule. The other half has requested case-by-case reviews. The USEPA is in the process of expediting the issuance of the final ICI Boiler MACT standard, with the standard to be issued draft this spring and promulgated by the end of 2010. Due to resource limitations, the Department stated that it did not anticipate making a determination on the 30 permit applications prior to the issuance of the draft USEPA ICI Boiler MACT standard. The Department will consider the USEPA ruling when reviewing the 30 applications.
3. The Department stated that the USEPA released guidance stating that since the New York and Philadelphia regions met the "120 ppb" and "85 ppb" ozone standards, New Jersey did not have to collect Section 185 fees. However, NJ facilities may become subject to these fees in the future should compliant ambient ozone levels not be maintained. USEPA documents concerning its decision can be found on the Department's ISG webpage.
4. The Department stated that it currently had 40 permit writers, 11 of which were consultants. There are insufficient permit fees to fully fund the consultants in FY 2010. The Department applied for and obtained a grant to utilize these consultants to develop compliance plan templates for federal rules, such as MACT and NSPS standards, which had previously been included in Air permits through Incorporation By Reference (IBR). The completion date for this project is June 30, 2010. The project will facilitate issuance of renewals of Operating Permits. In the interim, with fewer staff, permit applications will be prioritized for review. In the long run, however,

the templates will help reduce backlogs by making the review process more efficient.

5. The Department discussed its January 6, 2010 memorandum, "Air Quality Permit Applicability at Construction Sites." A distinction was made between a construction site, which is a temporary operation, and a production site, which has recurring operations. In all cases, "traditional" sources, such as boilers, heaters, and used oil space heaters, would need an Air Permit if they fell under the applicability sections of the regulations.

FOLLOWUP: ISG members were asked to email either John Preczewski or Frank Steitz with any questions or with a request for a clarification. If necessary, a revised procedure will be issued by the next ISG meeting, addressing any issues raised.

6. The use of temporary equipment at Title V facilities was discussed. Temporary equipment must either have an APC control permit issued pursuant to NJAC 7:27-8 or else be included in the Title V permit and undergo review. A placeholder in the Title V facility's Operating Permit would allow the temporary equipment to be brought to the facility, provided it had a preconstruction permit, issued pursuant to N.J.A.C. 7:27-8. Current restrictions on the temporary equipment include: emissions are less than any applicable State-of-the-Art (SOTA) threshold; and duration on-site is less than 90 days.

Several comments were made that the temporary equipment be allowed to stay on-site for up to 365 days. The General Permit for Portable Equipment (GP-019) only allows up to 90 days of operation at one site in any calendar year. It was also stated that temporary equipment used to treat storage tank vapor emissions could be used at many locations at a facility and it could take a long time to completely de-gas and clean a tank.

The Department stated that it is considering changes to N.J.A.C. 7:27-22 that would streamline the permitting of temporary equipment without impacting the environment.

FOLLOWUP: 1) The Department stated that it will continue its outreach to rental facilities which do not have Preconstruction Permits for their equipment, such as engines, which fall under the provisions of N.J.A.C. 7:27-8.2(c). 2) ISG members will supply the Department with information of how temporary equipment is permitted/allowed to operate at Title V facilities in other states. 3) The Department will review N.J.A.C. 7:27-18 with respect to its applicability for temporary equipment. 4) The Department will, by the next ISG meeting, establish a target date for the proposal for the modifications to N.J.A.C. 7:27-22 to address the operation of temporary equipment.

7. An update was provided on the three State-of-the-Art Manuals-SOTA (VOC storage tanks, asphalt production plants, landfill venting equipment) that are being developed by the Department. It is anticipated that all three Manuals will be formally issued for public comment by July, 2010.

FOLLOWUP: The Department will evaluate whether the landfill venting equipment SOTA Manual can be expanded to include other types of equipment which emit biogas, such as digesters at wastewater treatment plants or whether separate manuals are appropriate.

8. The Department stated that the Greenhouse Gas (GHG) Reporting rule was not promulgated within a year after proposal and, therefore, will not be promulgated unless the rule is repropose.
9. Many boilers with a gross heat input of greater than or equal 25 million British Thermal Units per hour (MMBTU/hr) and less than 50 MMBTU/hr will now have to be stack tested as a result of the latest revisions to N.J.A.C. 7:27-19.7. The Department described its procedure concerning the use of existing stack emissions testing results to verify compliance with new regulatory requirements. The following three scenarios were outlined: 1) If the rule states that a prior stack test can be used to demonstrate compliance, determine if the prior stack test complies with the rule language. If not, another stack test must be conducted; 2) If the rule states that a prior stack test cannot be used to demonstrate compliance, the test must be conducted by the date specified in the rule and/or permit; and 3) If the rule is silent, a prior stack test can be used. Any test used to demonstrate compliance must have been performed with Department oversight, conducted within the last five years, and the equipment not modified since the test in any manner which would cause a change in emissions.
10. Exceedance of the current Level 1 risk screening assessment for combustion sources, particularly engines, is causing delay and uncertainty among facilities that need to install and operate engines. A request was made that the Department make available the results of all Level 2 risk analyses for engines so that facilities could be aware of the parameters that resulted in negligible or approved risk levels.

FOLLOWUP: The Department will examine the issue raised and include an agenda item for the next ISG meeting to discuss its findings.

11. The Department stated that its inspection checklist follows the provisions of the compliance plan. A sample inspection checklist was distributed.
12. A request was made to post all guidance memoranda which are used by permit writers and enforcement personnel. An example given was the procedure to

be used when determining if a subslab depressurization system needs an APC Permit. The Department stated that its recent guidance documents are posted and made available to the regulated community, but conceded that occasionally an older procedure is followed which may never have been posted on the Air Quality Permitting Program's web site.

FOLLOWUP: The Department will advise its enforcement personnel and permit writers to make management aware of any older procedures being followed which have not been posted on the Department's web site.

13. The Department stated that at present it will not be proposing any rule changes for "7:27-16.18 Leak detection and repair."
14. Several ISG members stated that inspectors from County Environmental Health Agencies (CEHA) were misinterpreting requirements in APC Permit compliance plans and were issuing warnings and violations based on these misinterpretations. The Department stated that it gives training to CEHA inspectors and regularly updates them on the current air rules and policies. Facilities were advised to contact their regional Air Enforcement Office to discuss any unresolved issues with CEHA inspectors. Each regional office has its own CEHA coordinator.
15. The Department stated that it was still drafting changes to Technical Manual (TM) 1005 and within the next few months the periodic monitoring procedures for carbon monoxide, oxygen, and nitrogen oxides should be finalized. A comment offered was that some periodic monitoring requirements were too burdensome and costly. The Department responded that, with the assistance interested parties, it is trying to make the periodic monitoring requirements more reasonable and advised facilities to begin using the draft CTM-034 method until such time as TM-1005 is finalized. It was stated that some permit writers were requiring the use of the CTM-034 method in compliance plans, instead of referring to TM1005.

FOLLOWUP: The Department stated that it will advise permit writers to refer to the TM 1005 when drafting periodic emission measurement requirements and to begin to remove direct references to specific test methods when reviewing permit modifications and renewals.

16. An issue was raised concerning the placement of NSPS conditions in compliance plan. Often NSPS regulations offer three options to meet a particular requirement. Permit writers ask facilities which of the three options the facility would prefer to have and then this option is included in the compliance plan. Facilities requested an expedited procedure could be developed which would allow them to change to another option.

FOLLOWUP: The Department will examine if it could allow NSPS options to be changed in a compliance plan through a straightforward mechanism, similar to a seven day notice or an amendment.

17. A request was made for the Department to consider granting relief from certain monitoring requirements. The concern raised was the high cost associated with frequent monitoring. An example provided was a facility which had been testing its equipment monthly for years and never had a violation. A suggestion made was to decrease the frequency over time (monthly to quarterly to annually) if no violations have occurred.

FOLLOWUP: The Department will evaluate decreasing testing frequency over time if compliance is regularly demonstrated.

18. Department representatives discussed the USEPA's greenhouse gas (GHG) policies. New Jersey has developed a statewide GHG inventory and the USEPA has mandatory GHG reporting, which will be used to measure the progress in reducing GHG.

The USEPA mandatory reporting rule involves 25 source categories. The current threshold is 25,000 metric tons per year of equivalent GHG. There are 333 New Jersey facilities that will be reporting and approximately 100 are subject to the Federal rule. These facilities needed to begin monitoring their GHG by 1/1/2010, and the first report of the 2010 GHG emissions must be submitted by 3/31/2011.

19. A statement was made that renewed Operating Permits had requirements in locations that were inconsistent with the most recent modification. A request was made to advise permit writers not to change templates for a source operation that was not being modified and to notify facilities of any changes made to the compliance plan during the renewal process.

FOLLOWUP: The Department stated that it would advise permit writers to notify facilities of all the changes made to the compliance plan during the renewal process.

20. The Department stated that it was still developing the standard permit conditions for engines. This would include an outline for the frequency of air contaminant emission testing.

FOLLOWUP: A draft document for the presumptive norm for engines is scheduled to be complete in near future.

21. The Department stated that the testing of boilers solely to demonstrate compliance with NJAC. 7:27-19.8 can be done using the general protocol in Technical Manual 1004, since it is concentration based.