

## INDUSTRIAL STAKEHOLDER GROUP

### MARCH 11, 2016 MEETING HIGHLIGHTS

1. Over the last 12 month period, several companies have contacted the Department with the intention to construct and operate power generation facilities. Most of these proposed facilities to be located in Northern New Jersey and all will need to obtain emission credits prior to construction. The Creditable Emission Reduction (CER) presentation outlined the emission credits availability and the Department's plans to address the anticipated shortfalls. Essentially, the Department is exploring the following three actions to address the situation:
  - a. Consider a Reciprocity Agreement with New York for unlimited use and trade of emission credits in the Northern New Jersey nonattainment area.
  - b. Revise New Jersey's emission offset rule (N.J.A.C. 7:27-18) to address the use of Reverted Credits.
  - c. Work with New Jersey facilities to evaluate: (1) installing new controls; (2) permanently curtailing production; (3) shutting down existing equipment that is not needed; (4) adopting pollution prevention measures; and (5) implementing transportation control measures.
2. The General Permits (GP) for natural gas emergency generators can now be obtained on-line, and applications submitted in paper form will no longer be accepted. The public comment period for General Operating Permit (GOP) 7 and GP 17A for boilers has been completed and these should be available in a few months. A DEP Workgroup is meeting to expand the types of equipment that can be covered under a Small Emitter General Air Permit (SEGAP). The Department is working toward making GP PDFs downloadable. With the PDFs, the GPs will be searchable. Applicants were notified to call the Department if a Certificate of Conformity could not be found for an emergency generator. The Department would then be able to work with the applicant to address the issue.

It was stated that GPs account for 80% of all Preconstruction Permits issued.

3. The initiatives developed by ISG Subgroup were outlined. These include:
  - a. Revisions to SEGAP
  - b. Possible rulemaking
    1. Resiliency measures for portable and temporary equipment

2. Additional exemptions

3. Air toxics thresholds

c. Public Access

1. Development of a procedure to allow air permits to be accessed in an easier, more straightforward manner.

2. Development of Plain English Guide to Permitting.

3. Expanding enhanced notification.

Department management will be briefed on these initiatives.

4. An update was given on efforts to address the ozone National Ambient Air Quality Standards (NAAQS). A summary of the expected regulatory timeline for the 70 parts per billion (ppb) ozone NAAQS was outlined. States are required to submit designation recommendations to USEPA by October 1, 2016. Final designations are expected to be issued by USEPA in October, 2017. For the 75 ppb ozone NAAQS, the USEPA proposed to extend the attainment date for the Southern New Jersey nonattainment area and to reclassify the Northern New Jersey nonattainment area to a moderate. To date, USEPA has not finalized these actions. The proposed moderate classification includes a requirement to revise the State Implementation Plan to demonstrate how the state will attain the 75 ppb ozone standard by the moderate attainment date of July, 2018. New Jersey is currently working on developing this Attainment Demonstration SIP revision to meet the expected submittal deadline of early 2017.
5. Current data on the Emission Statement Program and CSAPR was shared. 493 2014 Emission statements were submitted. 227 were deemed complete, and 266 needed additional information. The 2015 emission statements are due by 5/15/16, and, if submission is done through the portal, a month extension to 6/15/16 will be granted. There has been a significant decline in actual emissions over the last ten years. However, the last two years actual emissions have been stable. Approximately, 80% of emission statements are submitted through the portal. Portal submission may be made mandatory in the future, with exceptions made on a case-by-case basis.

CSAPR involves large electric generators and the Good Neighbor Provision of Section 110(a) of the Clean Air Act. With the proposed CSAPR, Pennsylvania's set asides will be cut by 60% and Ohio's set asides will be cut by 50%. With these cuts, the USEPA is forcing upwind generators to achieve the NO<sub>x</sub> emission reductions implemented by NJ. Up to now, CSAPR has only partially addressed the impact of upwind sources since the rule does not require the installation of air pollution control devices. A second CSAPR

deficiency is that the rule is cost driven. Facilities can avoid operating their NO<sub>x</sub> devices through the purchase of credits.

The Department stated that electric generating sources in the western US have been required by the USEPA to install selective catalytic reduction to address regional haze. If regional haze justifies this requirement, then a similar requirement is justified for upwind states in the eastern US to address the health impacts of ozone.

6. Technical Manuals (TM) 1002 “Guidance on Preparing an Air Quality Modeling Protocol” and 1003 “Guidance on Preparing a Risk Assessment for Air Contaminant Emissions” are in the process of being revised. TM 1002 will reflect current procedures and incorporate the USEPA’s update of 40 Code of Federal Regulations, Part 51, Appendix W, “Guideline on Air Quality Model” which should be issued by June. TM 1003 is being updated to be more user friendly and streamlined, to make it consistent with current guidelines, and to update all unit risk factors. TM 1002 and 1003 will refer to each other, but will remain separate Manuals. The final drafts of both Manuals should be completed by late summer and will then undergo a stakeholder review process.

The two draft rule proposals being are being developed. The first will incorporate four Control Techniques Guidelines and NO<sub>x</sub> limits for compressors powered by natural gas turbines and engines. This is scheduled to be issued for public comment by June. The second involves the inclusion of PM<sub>2.5</sub> as a criteria pollutant in N.J.A.C. 7:27-8, 18, and 22, and has been written to be consistent with the provisions of 40 CFR Part 51, Appendix S, “Emission Offset Interpretative Ruling.” Although is NJ in attainment for PM<sub>2.5</sub>, the rule proposal is necessary so that the Department has the ability to ensure that no proposed source operation will result in a violation of the PM<sub>2.5</sub> NAAQS.

7. Air Quality, Energy, and Sustainability’s Facebook page was demonstrated. This includes articles on Clean Energy Programs and how to obtain grants and tax exemptions. It was emphasized that the Facebook page would not replace the current mechanisms employed by the Department to disseminate information, which includes Listserv announcements.
8. The EPA is proposing to allow states to electronically post public notices, in lieu of requiring publication in newspapers, as long as one consistent method is used. Currently, the Department posts public notices on its websites as well as in newspapers. It is anticipated that the final rule will be promulgated by the summer. To be able to only post public notices electronically, a rule change to N.J.A.C. 7:27-22 must be made. However, no Title V/Operating Permit program revision is necessary. The Department will follow-up on whether this change will impact the current N.J.A.C. 7:27-22 fee for the public comment process.
9. A summary was provided on the health risk assessment procedures for Operating Permit applications. For modifications, the risk screening worksheet can be used initially and, if the worksheet shows a significant risk, a refined risk assessment will be conducted. For initial Operating Permits and Operating Permit renewals, a facility-wide risk assessment

must be done. This would require the facility to submit a facility-wide risk protocol for the Department's review and approval. In certain cases, the facility-wide risk assessment could be required on a more or less frequent basis, based on the last time it was conducted, any new toxics proposed, and any changes in air quality models, stack parameters, and toxic risk factors. In most cases, an Operating Permit renewal with a significant facility wide health risk would be issued with a requirement to implement a Risk Management Plan (RMP). Any requirement for a RMP will be included in Operating Permit renewal.

Guidance on developing a facility wide risk assessment protocol will be included in the updated TM 1003.