

INDUSTRIAL STAKEHOLDER GROUP

June 10, 2016 MEETING HIGHLIGHTS

1. An update was given on Department's efforts to address a possible shortfall of emission credits in Northern New Jersey. The Department is considering several strategies to address the shortfall, including a new reciprocity agreement with New York for the availability of 1,000 TPY each of volatile organic compounds (VOC) and nitrogen oxides (NO_x), for an 8-year period. The draft agreement has been submitted to New York State Department of Environmental Conservation for review and comment. The second strategy involves determining whether reverted emission credits, generated when equipment was shut down but never used ten years after they were banked, could be made available for economic development. The third part of the strategy involves working with facilities on an on-going basis to bank emission credits generated due to equipment shutdown, by installing new air pollution controls, developing transportation controls, and implementing pollution prevention measures.

Additionally, a new Guidance Document on Banking and Securing Emission Credits is now available on the Department's website at

<http://www.nj.gov/dep/aqpp/permitguide/CERGuidance.pdf>

2. The Department is working with the USEPA to eliminate the potential for Section 185 penalties, which would apply to certain northern New Jersey major facilities. These penalties are related to the 2007 attainment date for the 1-hour 120 ppb ozone National Ambient Air Quality Standard. The USEPA eliminated the Section 185 fees for major facilities in the Dallas/Fort Worth area through an action similar to a redesignation. The Department is reviewing how this was implemented and will work with USEPA for the same result in NJ.
3. The Department plans to accept delegation of 40 CFR Part 62, Subpart LLL, "Federal Plan Requirements for Sewage Sludge Incineration Units Constructed on or Before October 14, 2010." Of the ten New Jersey facilities subject to the rule, four plan to cease operation and six will be meeting the applicable requirements. A public hearing will be scheduled on the proposed delegation and final delegation should be accepted by the end of 2016.
4. The rule proposal for incorporation of the four Control Techniques Guidelines (Paper, Film, and Foil Coatings; Fiberglass Boat Materials Manufacturing; Industrial Cleaning Solvents; Miscellaneous Metal and Plastic Parts Coatings) and NO_x limits for natural gas compressor engines and turbines is currently under review by the Governor's office and should be issued for public comment by November. The rule proposal to include PM_{2.5} as a criteria pollutant and eliminate a start-up, shutdown, and malfunction provision from N.J.A.C. 7:27-7 is under final legal review and should be issued for public comment by the end of 2016.
5. As outlined in the 3/10/16 ISG meeting, 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 EPA’s update of 40 Code of Federal Regulations, Part 51, Appendix W, “Guideline on Air Quality Models.” Issuance of the final version of Appendix W will not occur until October, 2016 at the earliest since the document is undergoing a second public comment period. 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 autumn and will then undergo a stakeholder review process before being issued for public comment.

6. A USEPA audit raised the issue whether the Operating Permit Program met the requirements for pre-construction reviews. The Department will be developing a State Implementation Plan revision which will address these concerns. This will have no impact on the active APC permits or the current review procedures of APC permit applications.
7. The Department outlined a draft rule proposal being developed to eliminate the N.J.A.C. 7:27-16 requirement for Stage II equipment at gasoline pumps and to repeal N.J.A.C. 7:27-34 TBAC (tertiary butyl acetate) Emissions Reporting. A stakeholder meeting was held to discuss and obtain feedback on these proposed deletions.
8. A recommendation generated during the transformation process involves updating hazardous air pollutant/air toxic reporting thresholds based on current unit risk factors and reference concentrations. The Air Quality Permitting Program is working with the Office of Science in finalizing the data and background information which will be input to air quality dispersion models to determine the updated thresholds.
9. The draft General Permits (GP) 18 and GP 18A are under review by the USEPA and should be issued for public comment by autumn. A workgroup has been formed to expand the applicability of GP16 Small Emitter General Air Permit (SEGAP). Modifications to be examined include determining potential emission rates based on the efficiency of any APC devices installed, allowing multiple stacks, and not aggregating the air contaminant emission rates of multiple source operations. Stakeholders will be asked for their input on the proposed SEGAP revisions.