

INDUSTRIAL STAKEHOLDER GROUP

June 7, 2019 MEETING HIGHLIGHTS

Preliminary Matters

Introduction of Attendees

Agenda Items (in order of presentation)

I. RGGI Update: The Department is moving forward with the CO₂ Budget Trading Rules (also referred to as the RGGI mechanics rules) and the Global Warming Solutions Fund Rules. While the Department cannot share an official date for publication, the Department intends to do its best to ensure a smooth transition for regulated entities. To that end, the BPU, in partnership with the Department, is launching an initiative to study leakage. Additionally, the permitting program is working to develop forms that entities can use to request the necessary modification to their permit, once RGGI becomes effective. The Department is working to simplify the process for this particular modification request so that every regulated entity will be able to meet the compliance deadline.

Follow-up: The CO₂ Budget Trading Rules and Global Warming Solutions Fund Rules were published in the June 17, 2019 New Jersey Register. Interested parties can find more information, including the forms referenced at the ISG meeting on the following webpage:

<https://www.state.nj.us/dep/ages/rggi.html>.

II. Update on General Permits and General Operating Permits: The Department provided an update on general permits and general operating permits. The status of specific GPs/GOPs can be found in the full presentation that will be posted on the ISG website. GOP-002A was finalized and has been available since April 15, 2019. Additionally, the Department is working on revisions to several permit categories: (1) GP-005A / GOP-003 and GP-005B / GOP-004, all of which pertain to emergency generators; (2) GP-009B and GOP-009 pertaining to boilers; and (3) GP-019A pertaining to temporary equipment. The Department anticipates that the draft permits in the first category will be available for comment in July 2019 while the second and third category of permits will be available for comment in August 2019.

III. Preconstruction Review for Title V facilities: The Department participated in an EPA audit of New Jersey's Title V permitting program in 2016. As a result of that audit, New Jersey was required to clarify within its rules that the Department will conduct a preconstruction permit review under N.J.A.C. 7:27-8 and operating permit review under N.J.A.C. 7:27-22 for an application for a minor modification or significant modification. N.J.A.C. 7:27-33(e) spells this out and makes clear that the Department will issue the preconstruction approval as part of the operating permit approval. After the Department made this change in the rule (effective October 10, 2017), staff acknowledged that there are some inconsistencies between the preconstruction provisions set forth in Subchapters 8 and 22. Accordingly, the Department intends to correct any inconsistencies through a future rule revision, which will take a phased-in approach to incorporating any necessary revisions to permits. In the meantime, permit-holders are advised that if there is a variation between a requirement in Subchapters 8 and 22, the Department will implement the requirement that is more stringent. Stakeholders expressed interest in

having the Department issue a policy memorandum or a checklist addressing the inconsistencies and explaining the Department's position.

IV. Risk Screening Worksheets: The Department advised that the general Risk Screening Worksheet (RSW) and an accompanying Fact Sheet were posted on May 7, 2019 and the comment period will run through June 10, 2019. The Fact Sheet describes the proposed changes to the existing RSW. These revisions include raising the minimum stack height from 10 to 15 feet and adding three new compounds. The methodology used to calculate the health risks is based upon the Technical Manuals 1002 and 1003, whose latest versions were issued in December, 2018. Several stakeholders requested an extension of time on the comment period for the RSW. Specifically, stakeholders voiced their concerns that the proposed general Risk Screening Worksheet: (1) would result in a greater number of significant health risk determinations, triggering an increased number of refined analyses; (2) would result in a backlog in the permitting process; and (3) that the Technical Manuals failed to provide the level of analysis necessary for comment. In response, the Department indicated that the remainder of its presentation, concerning the development of a Natural Gas Risk Screening Worksheet (NG-RSW), would be informative and outline how the Department is working to further streamline the health risk assessment process. Accordingly, the Department continued its presentation concerning the NG-RSW. The development of the worksheet began by reviewing the Department's current data and permitting information on existing natural gas units. Based on this review, the Department determined that the vast majority of those permits were for boilers. The Department further determined that the majority of NG boilers qualified for proposed GP-009B and GOP-009, and therefore would not be required to undergo a case specific health risk assessment. The Department's presentation went through a similar analysis for other natural gas combustion sources, which demonstrated that an RSW for NG turbines would not result in any significant resource savings and that an RSW for NG engines could significantly make the risk assessment process more efficient. Stakeholders asked questions and provided feedback on this analysis. The Department acknowledged the feedback, some of which had been voiced previously, and reiterated its positions that: 1) the approach in the proposed RSW is consistent with the recently adopted Technical Manuals; 2) the new RSW is more protective of public health; and 3) the Department will continue to develop other screening criteria like the NG-RSW and evaluate feedback from stakeholders. The presentation will be available on the ISG Meeting webpage.

Follow Up: No extension of the comment period was granted, but the Department will address all comments received to date.

V. Rulemaking Updates: The Department advised that there are only two current rulemakings. Both rules were previously discussed - the fumigation / air toxics rules and the Outer Continental Shelf (OCS) rules. The Department anticipates the release of the OCS rules proposal this summer. The development of the fumigation rule continues to progress.

VI. Community Corner Demonstration: The Department provided a demonstration of the Air program's new tool, which is an application that allows a user to find any facility with an air permit registered to the Division of Air Quality by searching a map of New Jersey. Once a user clicks on a facility's location on the map, the program will bring up links to that facility's current air permits, any pending air permits, CO₂ emissions reports, air toxics reports, and criteria pollutants and methane emissions reports. The demonstration included a review of the tools available within the application.

VII. Open Discussion:

(1) Stakeholders raised a concern about the “significant digits” clarification added to air permits. After internal review, the Department has determined that this requirement will be removed from air permits and the Department’s computer system (NJEMS) will have to be upgraded to eliminate the current issue with trailing zeroes.

(2) One stakeholder asked whether the Department had any estimate of the new CPI. The Department indicated that they had no preliminary numbers.

(3) One stakeholder asked about whether the new process for senior staff reviews of permits was affecting the speed at which permits were being issued. The Department indicated that almost no applications were being held up at this time.

(4) One stakeholder inquired about the emissions statement deadline. Specifically, there is a discrepancy between the deadline for emissions statements filed online as set forth in policy and the deadline set forth in the rule. The Department indicated that it would evaluate the policy and revise the rule or policy as necessary.

(5) One stakeholder asked how the Department felt about the lower reporting thresholds for HAPS, given that some insignificant sources were triggering the reporting threshold, even though those same sources did not require a permit. The Department indicated that reporting thresholds and permit thresholds were independent of one another.

(6) One stakeholder asked when the SOTA manual meetings would begin. The Department responded that there was not a current timeline in place, but affirmed that the SOTA manual revisions remain a priority.

All written presentations were posted on the ISG Meeting webpage.
<http://www.state.nj.us/dep/aqpp/isg.html>