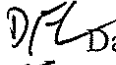






**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION**


MEMORANDUM


May 20, 2009

TO:  Dawson Lasseter, P.E., Chief Engineer
 Phillip Fielder, P.E., Manager, Permitting & Engineering

THROUGH:  Kendal Stegmann, Manager, Compliance & Enforcement

THROUGH:  Richard Kienlen, P.E., Manager, New Source Permit Section
 Lee Warden, P.E., Manager, Engineering Section

THROUGH:  Peer Review

FROM:  L. Brooks Kirlin, P.E., Engineering Section

SUBJECT: General Permit for Area Source NESHAP Facilities and Small NSPS Facilities

SECTION I. INTRODUCTION

This General Permit (GP) has been developed to authorize construction and/or operation of minor facilities that are subject to one or more of the area source NESHAPs (National Emission Standards for Hazardous Air Pollutants) under 40 CFR Part 63 (see Tables I-1, I-2, and I-3 below). The GP has been developed to also authorize construction and/or operation of minor facilities that are subject to one or more of the NSPS (New Source Performance Standards) under 40 CFR Part 60. The permit is for facilities that would otherwise meet the definition of a “permit exempt facility” or a “de minimis facility” under OAC 252:100-7-1.1 (see Appendix A). It is therefore limited to air pollutant emitting sources located at facilities in an attainment area with actual emissions less than 40 tons/year (TPY) of any regulated pollutant, and potential emissions less than major source levels – 100 TPY of any regulated pollutant, less than 10 TPY of any single hazardous air pollutant (HAP), and less than 25 TPY of total HAPs.

Area Source NESHAP Facilities

NESHAPs (40 CFR Part 63) require stationary sources in certain categories to control HAP emissions by applying what represents the maximum achievable control technology (MACT). Under its air toxics strategies, most of the NESHAPs initially issued by EPA apply only to major sources of HAPs. However, several apply to area sources of HAPs (emissions less than the major source threshold of 10 TPY of any single HAP or 25 TPY of total HAPs). EPA identified additional categories of area sources for standards development, and has now completed NESHAPs for the majority of these area source categories (see Table I-1). In developing the

area source standards, EPA must consider MACT, but may also consider “generally available control technologies or management practices” (GACT).

Of the remaining area source categories, NESHAPs for nine categories have been proposed (see Table I-2), and NESHAPs for ten categories are scheduled for promulgation by June 15, 2009 (see Table I-3). In addition, EPA expects to promulgate an area source NESHAP for existing sources under the Reciprocating Stationary Internal Combustion Engines source category at a later date. Part 1, Section III and Part 3, Section V of the permit include provisions for incorporating these additional area source NESHAPs into the permit/NOIs when they are finalized.

Table I-1: Completed Area Source NESHAPs (40 CFR Part 63)			
Subpart	Area Source Category	Subpart	Area Source Category
LLLLLL	Acrylic and Modacrylic Fibers Production	AAAA ¹	Municipal Landfills
NNNNNN	Chemical Manufacturing: Chromium Compounds	HH ²	Oil and Natural Gas Production
N ¹	Chromic Acid Anodizing, Decorative Chromium Electroplating, and Hard Chromium Electroplating	HHHHHH	Paint Stripping, Miscellaneous Surface Coating Operations
RRRRRR	Clay Ceramics Manufacturing	WWWWWW	Plating & Polishing
O ¹	Commercial Sterilization Facilities	DDDDDD	Polyvinyl Chloride and Copolymers Production
M ¹	Dry Cleaning Facilities	VVV ¹	Publicly Owned Treatment Works
YYYYYY	Ferroalloys Production	ZZZZ ²	Reciprocating Stationary Internal Combustion Engines (RICE) – New
OOOOOO	Flexible Polyurethane Foam Fabrication and Production	X ¹	Secondary Lead Smelting
BBBBBB	Gasoline Distribution Bulk Terminal, Bulk Plant and Pipeline Facilities	TTTTTT	Secondary Nonferrous Metals
CCCCCC	Gasoline Distribution, Gasoline Dispensing Facilities	RRR ¹	Secondary Aluminum Production
T ¹	Halogenated Solvent Cleaners/ Degreasing Organic Cleaners	ZZZZZ	Steel and Iron Foundries
WWWWW	Hospital Sterilizers – Ethylene Oxide	QQQQQQ	Wood Preserving
PPPPPP	Lead Acid Battery Manufacturing		
XXXXXX	Metal Fabrication and Finishing – 9 Source Categories: Electrical and Electronic Equipment Finishing Operations Fabricated Metal Products [not elsewhere classified] Fabricated Plate Work (Boiler Shops); Fabricated Structural Metal Manufacturing Heating Equipment, Except Electric Industrial Machinery and Equipment: Finishing Operations Iron and Steel Forging Primary Metal Products Manufacturing Valves and Pipe Fittings		

¹The NESHAP program has been delegated to DEQ under 40 CFR § 63.99(a)(36) for the indicated Standards, as amended in the Federal Register through September 1, 2004.

²The **Area Source portions** of the indicated NESHAPs were promulgated after September 1, 2004, and therefore **have not yet been delegated to DEQ** under 40 CFR § 63.99(a)(36).

Table I-2: Proposed Area Source NESHAPs (as of 5/20/2009)		
Subpart	Proposal Date*	Area Source Category
VVVVVV	10/06/08	Chemical Manufacturing Industry – 9 Source Categories: Agricultural Chemicals & Pesticides Manufacturing Cyclic Crude & Intermediate Production Industrial Inorganic Chemical Manufacturing Industrial Organic Chemical Manufacturing Inorganic Pigments Manufacturing Miscellaneous Organic Chemical Manufacturing (MON) Pharmaceutical Production Plastic Materials and Resins Manufacturing Synthetic Rubber Manufacturing
ZZZZZZ	02/09/09	Aluminum, Copper, and Other Nonferrous Foundries
ZZZZ	03/05/09	Reciprocating Internal Combustion Engines – Existing
*Federal Register Notice Publication Date		

Table I-3: Area Source NESHAPs Scheduled for Promulgation			
Promulgation Deadline	Area Source Category	Promulgation Deadline	Area Source Category
June 15, 2009	Asphalt Processing & Asphalt Roofing Manufacturing	June 15, 2009	Paints & Allied Products Manufacturing,
June 15, 2009	Brick & Structural Clay	June 15, 2009	Prepared Feeds Manufacturing
June 15, 2009	Chemical Preparations	June 15, 2009	Sewage Sludge Incineration
July 15, 2010	Institutional/Commercial/ Industrial Boilers		

Sources subject to one or more of the area source NESHAPs are eligible for this general permit, provided that the facility would otherwise qualify as permit exempt or de minimis under AQD's rules (see definitions in Section II and Appendix A of this memo).

Under OAC 252:100-7-15(b), facilities with the same or substantially similar operations and activities, which emit the same types of regulated air pollutants, and which are subject to the same or similar standards, limitations, operating requirements, and monitoring requirements can be covered by a general permit. Permits issued to these facilities must address all air emissions from all sources at these facilities. Thus, this permit is designed to include those emission units that are subject to one or more of the MACT/GACT standards listed previously.

It should be noted that a number of facilities have primary operations that fall in a source category that is covered by another General Permit issued by AQD. Facilities may choose to be covered by a GP that is written specifically for that source category.

Facilities that are required to obtain a Part 70 permit are not eligible for this general permit. Therefore, those area source facilities in source categories that are specifically required to obtain a Part 70 permit under the applicable Federal Standard (see Table I-4) are excluded from this general permit. These facilities would be required to obtain individual major source construction and operating permits, unless they are eligible for a major source GP that has been issued specifically for that source category.

Table I-4: Title V Permit Required	
Part 63 Subpart	Source Category
MMMMMM	Carbon Black Production
EEE	Hazardous Waste Incineration
IIII	Mercury Cell Chlor-Alkali Plants
SSSSSS	Pressed & Blown Glass & Glassware Manufacturing
LLL	Portland Cement Manufacturing
EEEEEE	Primary Copper Smelting
GGGGGG	Primary Nonferrous Metals – Zinc, Cadmium, and Beryllium
FFFFFF	Secondary Copper Smelting
YYYYY	Stainless & Non-stainless Steel Manufacturing: Electric Arc Furnaces (EAF)
NSPS CCCC & 62. III*	Commercial Industrial Solid Waste Incinerators – CISWI
NSPS Ec & 62. HHH*	Medical Waste Incinerators – HMIWI
NSPS EEEE*	Other Solid Waste Incineration Units – OSWI
NSPS AAAA & 62. JJJ	Small Municipal Waste Combustors
* These source categories are subject to the indicated subparts under 40 CFR Parts 60 (NSPS) and 62 (Approval and Promulgation of State Plans for Designated Facilities and Pollutants).	

Small NSPS Facilities

NSPS (40 CFR Part 60) require stationary sources in certain categories to control air pollutant emissions (e.g., “criteria pollutants”) by applying what represents the best system of emission reduction that has been adequately demonstrated for that source category (see Section IX, Subsection B of this memo for a direct statutory quote). Many, but not all, of the NSPS apply only to major sources of air pollutants. Other than the applicable NSPS and the resulting requirement to obtain an AQD permit, relatively few air requirements apply to the smaller NSPS facilities that would otherwise be either a “de minimis facility” or a “permit exempt facility” (actual emissions less than 40 tons/year (TPY) of any regulated pollutant, and potential emissions less than major source levels). Therefore, this GP allows these small NSPS facilities to obtain coverage under this permit, whether or not an area source NESHAP applies to the facility. The GP includes appropriate requirements to incorporate the NSPS requirements.

SECTION II. DEFINITIONS

The following definitions apply to this memorandum and general permit.

“**GACT**” are “generally available control technologies or management practices,” which EPA uses to develop the NESHAPs for area sources.

“**MACT Standard**” is a term commonly used to refer to NESHAPs developed to require facilities to use the “Maximum Achievable Control Technology.”

“**NESHAP**” means the National Emission Standards for Hazardous Air Pollutants issued by EPA under 40 CFR Part 61 or 63. This general permit deals only with NESHAPs under Part 63.

“**Notice of Modification**” means a written notice informing AQD of any modification or change of operations at the facility that would add an affected emission unit, equipment or process that is subject to NESHAP or NSPS, or that would modify an affected emission unit, equipment or process such that it becomes subject to NESHAP or NSPS. The notice must state specifically

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which NESHAP and/or NSPS the affected emission unit, equipment or process would be subject to after the modification; the actual startup date of the change; and any additional information specified for the notifications required under the applicable NESHAP and 40 CFR §63.9(b)(5), or the applicable NSPS and 40 CFR §60.7(a)(1)-(4). The Notice of Modification also must include a statement that the facility continues to meet the permit's eligibility requirements following the modification. Any modification or change of operations that would change its facility-wide emissions above the "permit exempt facility" levels (see definition at OAC 252:100-7-1.1) would require an application for an individual construction permit.

"NSPS" means the New Source Performance Standards issued by EPA under 40 CFR Part 60.

Several pertinent definitions from DEQ rules are provided in Appendix A for informational purposes only. Contact DEQ for current, official copies.

SECTION III. DESCRIPTION

Each NESHAP/NSPS specifies the emission units that are subject to its requirements. Additional emission sources commonly used at such facilities include storage tanks, combustion equipment (e.g., heaters and boilers), fugitive emission sources, and de minimis facilities as listed in OAC 252:100, Appendix H (copy included in Appendix A of this memo).

1. Storage Tanks

Many commercial and industrial facilities store fuels and other materials in liquid storage tanks. Refined petroleum liquids stored at these facilities may include gasoline, diesel, fuel oil, jet fuel, kerosene, naphtha and other organic liquids stored as raw materials and/or products. These liquids typically contain VOCs, hydrogen sulfide (H₂S), and HAPs such as benzene, toluene, ethyl benzene, xylenes, and n-hexane. Organic liquid storage tanks emit VOC due to working and breathing losses and flash emissions from volatile liquids.

Eligible facilities can also store other (inorganic) liquids as raw materials and/or products that may emit HAPs or other pollutants, depending on their contents, storage conditions, and handling procedures.

2. Combustion Equipment

Heaters, boilers, and emergency generators are common at commercial and industrial facilities. Flares, incinerators, and thermal oxidizers may also be present at some facilities. All combustion sources emit criteria pollutants NO_x, CO, VOC, SO₂, and PM₁₀.

3. Fugitive Emission Sources

Equipment components in VOC service are common sources of fugitive VOC, and other equipment or processes may be sources of fugitive particulate emissions.

May 20, 2009**4. De Minimis Facilities**

Commercial and industrial facilities often include equipment that is listed as de minimis under OAC 252:100, Appendix H. De minimis facilities are emission sources that do not require a minor permit unless located at an otherwise permitted facility. Appendix H is cited in the General Permit to identify activities/emissions units that are exempt primarily from monitoring and recordkeeping requirements. However, emissions from some of these activities/emissions units are required to be estimated for compliance with the eligibility requirements in the General Permit.

SECTION IV. EMISSIONS**A. POTENTIAL TO EMIT**

The potential to emit (PTE) for pollutants at a facility should be calculated using guidance contained in the DEQ “Potential to Emit Fact Sheet,” which is available on the DEQ website at www.deq.ok.state.us. Note that applicable NESHAPs or NSPS may contain special procedures for determining PTE. For example, 40 CFR Subpart R includes specific procedures for bulk gasoline terminals to determine whether they are subject to Subpart R (for major sources) or Subpart BBBBBB (for area sources), based on throughput and a number of other factors.

B. CRITERIA POLLUTANTS

Various criteria pollutants are emitted from covered facilities, including NO_x, CO, VOC, SO₂, and PM₁₀. NO_x and CO emissions from combustion sources can be significant and may require control for the facility to be eligible for the general permit. Likewise, VOC emissions from storage tanks may also require control for the facility to qualify. Emissions of SO₂ and PM₁₀ from combustion sources are typically much less than major source levels since AQD rules restrict the sulfur content of fuels.

C. HAZARDOUS AIR POLLUTANTS (HAP)

HAP emissions from the primary operations (or in some cases secondary or “capture” operations) at covered facilities are addressed through the corresponding area source NESHAP. In addition, significant amounts of HAPs can be emitted from fuel storage tanks. HAP emissions from heaters, boilers, flares, fugitive emission sources, and the storage of other organic and inorganic liquid materials and products are expected to be negligible for many area source NESHAP facilities.

SECTION V. PERMIT STRUCTURE

This general permit is designed for minor facilities (i.e., with the potential to emit less than 100 TPY of a regulated pollutant in an attainment area, less than 10 TPY of any single HAP, and less than 25 TPY of total HAP). Specifically, it is designed for facilities that are subject to an area

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source NESHAP, but would otherwise qualify as either a “permit exempt” (i.e., actual emissions less than 40 TPY) or “de minimis” (i.e., actual emissions less than 5 TPY, or listed as de minimis under OAC 252:100, Appendix H) facility. The GP is also designed to accommodate low-emission facilities that must obtain a permit because they are subject to an NSPS that applies to smaller facilities. The single permit can authorize both construction and operation, and can be used both for new sources and for modifications at existing sources. Minor facilities with actual emissions of 40 TPY or more must obtain coverage under individual minor facility construction and operating permits (or Authorizations under another available General Permit). Major sources must obtain coverage under a major source construction permit and a Part 70 operating permit.

The general permit is structured so that eligible facilities can obtain an Authorization to Construct and an Authorization to Operate under the permit, or can obtain an individual minor facility construction permit and then an Authorization to Operate under the permit. This should allow applicants the greatest flexibility for obtaining coverage under the general permit. No site-specific determinations can be made in issuance of an Authorization to Construct under a general permit. Thus, certain other options usually available by regulation are not available through the general permit, such as alternate emissions reduction authorizations and several exceptions from specific requirements that are allowed "if approved by the Executive Director." However, once these site-specific determinations have been completed and drafted into a minor source construction permit as emissions limitations and/or other specific conditions, they can then be incorporated into an Authorization to Operate under a general permit.

All conditions in the permit have been derived directly from applicable requirements given in OAC 252:100, Air Pollution Control, as promulgated to implement the Oklahoma Clean Air Act. The Specific Conditions (Part 2 of the permit) establish the emissions limitations, operational conditions, and monitoring and recordkeeping conditions developed to assure compliance with applicable requirements for the emissions units allowed under the permit. Conditions to assure compliance with those state rules that implement federal requirements, e.g., NESHAP and NSPS, are also incorporated as specific conditions for the permit. These emission unit-specific conditions, as required by Oklahoma rules, are generally established in the Authorization to Construct under this permit, or by an individual minor source construction permit, and then incorporated into a subsequently issued Authorization to Operate for the facility. Additionally, a section of standard conditions contain those requirements applicable to all minor facilities.

Specific numeric emissions limitations are usually required for sources that have the potential to exceed a threshold value or violate an applicable requirement. However, this general permit establishes those limitations primarily as a condition of eligibility, rather than establishing a facility-wide cap on emissions from the facility or limitations on individual emission units. Most modifications, e.g., adding, modifying, or replacing equipment, changing fuels, or increasing operating hours of equipment, are pre-approved so long as the facility remains in compliance with the eligibility requirements.

This approach should greatly reduce the burden on both the permittee and AQD by eliminating the need for construction permits, permit modifications, or new Authorizations when making changes to the facility. For construction or reconstruction of an affected source under NESHAP

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or affected facility under NSPS, the permittee is required to submit a Notice of Modification to AQD within 15 days following the start-up of the changes (unless the applicable standard specifies a different time for submittal of the notification of startup), documenting that these changes have been made and that they fit within the eligibility requirements. If the applicable standard does not require such notification, then the permittee must submit a Notice of Modification to AQD within 30 days following the start-up of the changes. The GP provides that the Notice of Modification may be used to meet the notification requirements under 40 CFR §63.9(b)(5) (NESHAP) or 40 CFR §60.7(a)(1)-(4) (NSPS) for all delegated NESHAPs (see Table I-1 above) and NSPS (see table in Appendix B), provided it includes all information required under these requirements. For NESHAPs and NSPS that have not been delegated, affected sources/facilities must submit all required notifications (within the specified times) to EPA, with a copy submitted to DEQ [see also 40 CFR §63.9(a)(3) & (4)]. Any unit-specific requirements cited in the latest Notice of Modification become permit limitations for that unit and an enforceable part of the existing Authorization to Operate. The permittee is required to attach a copy of the latest Notice of Modification to a copy of the Authorization to Operate.

SECTION VI. EMISSIONS LIMITATIONS

A. FACILITY EMISSIONS

No emissions limitations are established in this permit, except those that may be included in an applicable NESHAP or NSPS, or from limitations established in previously issued state or federal permits for the facility. This general permit establishes a facility-wide eligibility requirement of actual emissions less than 40 TPY of any regulated pollutant, and potential emissions below major source levels – less than 100 TPY of any regulated pollutant, less than 10 TPY of any single HAP, and less than 25 TPY of total HAPs. By requesting and accepting coverage under this permit, a permittee states that the facility meets this eligibility requirement. Any additional limitations carried over from previously issued permits must meet this eligibility requirement.

The permit requires the permittee to submit an annual emissions inventory, calculated and documented in accordance with OAC 252:100-5-2.1(c) and (d). AQD may consider the calculation of actual facility-wide emissions to demonstrate compliance with the eligibility requirements. The annual emissions inventory must include emissions estimates from each source located at the facility.

Because of the similarity of emissions and emissions units within each source category of area source NESHAP (or NSPS) facilities, specific numeric emissions limitations have not been developed for each emissions unit, except where hourly or other emissions limits on affected emission units, equipment or processes are included in an applicable NESHAP or NSPS. In those cases where a numerical limitation is not specifically developed to demonstrate compliance, other methods (e.g., work practices, parametric monitoring, operational limits, modeling analyses, etc.) are specified by the NESHAP, NSPS, or permit to assure compliance.

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Note that facilities covered by an Authorization under the general permit are not required to obtain an Authorization to Construct or new Authorization to Operate when adding an affected emission unit, equipment, or process subject to a NESHAP or NSPS already preauthorized by the permit (see Section I) or the existing Authorization. An Authorization to Construct, and a new Authorization to Operate are not needed for most other changes at the facility, so long as facility emissions after the change do not exceed the eligibility requirements. To assure continuing compliance with these limits, the permit requires the permittee to include a statement in the Notice of Modification that the facility continues to meet the permit's eligibility requirements after a change at the facility.

B. FUGITIVE EMISSION SOURCES

Many of the categories of area sources subject to a NESHAP are not required to calculate fugitives to determine major source status. However, under the definition of "major source" in OAC 252:100-8-2 (and per EPA guidance documents), a number of categories of facilities are required to include fugitive emissions for determination of major source status. These include petroleum storage facilities (PSF) with a total storage capacity exceeding 300,000 barrels, secondary metal production plants, chemical process plants, fossil-fuel boilers (or combination thereof) totaling more than 250 million BTU/hr heat input, iron and steel mills, primary aluminum ore reduction plants (scheduled for promulgation by June 2009), and any facility with a source category subject to an NSPS (or NESHAP) standard in effect prior to August 7, 1980. The permit notes that only those facilities in one of the affected categories are required to include fugitive emissions in determining eligibility for the general permit. Note that certain other categories of area source NESHAP facilities that would otherwise be required to consider fugitive emissions are required by the NESHAP to obtain a Title V permit regardless of size, and are therefore not eligible for this general permit. These include categories such as carbon black plants (furnace process), Portland cement plants, primary copper smelters, primary zinc smelters, municipal incinerators capable of charging more than 250 tons of refuse per day, and secondary copper smelting (see Table I-4).

SECTION VII. ELIGIBILITY

In order to provide the broadest coverage to applicants under this permit and to assure compliance with all applicable requirements, eligibility must be restricted to those minor facilities whose emission units are addressed in this permit. The permit has been developed for area source facilities that are subject to one or more of the area source NESHAPs under 40 CFR Part 63 (see Tables I-1, I-2, and I-3). The permit also allows facilities that are subject to NSPS requirements under 40 CFR Part 60 to obtain an Authorization to Construct/Operate under this permit, if they would otherwise meet the eligibility requirements and the NSPS requirements are specifically noted in the NOI (or Notice of Modification) and incorporated into the Authorization. In addition, those emission units identified as a de minimis facility, as defined in OAC 252:100 Appendix H, are also recognized as typically present at such a facility and are addressed in the Standard Conditions of the permit (Part 3, Section XIII).

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Any other emissions unit subject to an applicable requirement not included in this permit makes that facility ineligible for coverage under this permit unless a minor source construction permit is obtained and conditions from that permit are incorporated into an Authorization to Operate under this general permit.

The permit specifically excludes from coverage facilities subject to OAC 252:100-8 (Permits for Part 70 Sources) and facilities for which material facts were misrepresented or omitted from the application and the applicant knew or should have known of such misrepresentation or omission.

As stated in the permit, the DEQ may not issue a permit authorization to an applicant that has not paid all money owed to the DEQ or is not in substantial compliance with the Environmental Quality Code, rules of the Board, and/or the terms of any existing DEQ permits and orders. The DEQ may impose specific conditions on the applicant to assure compliance and/or a separate schedule that the DEQ considers necessary to achieve required compliance. Facilities that are not in compliance with all applicable State and Federal air requirements may become eligible for coverage under this permit through submission of an acceptable compliance plan.

The DEQ may refuse issuance of an Authorization to an applicant even though the facility meets the above eligibility criteria. In such a case, DEQ will provide to the facility a written explanation providing the reason(s) for the decision.

SECTION VIII. POLLUTION PREVENTION

Pollution prevention is integrated into this permit using a six-fold approach. These six approaches are:

1. Permit flexibility
2. Pollution prevention permit conditions
3. Inclusion of pollution prevention information in the application
4. Accelerated permit review
5. Extended compliance time
6. Alternative or reduced monitoring for pollution prevention

Permit flexibility is provided by three primary methods, i.e., incorporating both construction and operating requirements into one general permit, allowing certain changes without requiring a permit modification, and the use of an eligibility restriction in lieu of facility-wide or unit-specific emissions limitations. A facility may request issuance of an Authorization to Construct and then an Authorization to Operate, or a facility with a minor source construction permit may request an Authorization to Operate under the General Permit. A facility is allowed to make certain changes, such as the addition of new emission units or other changes that result in an emissions increase, so long as the facility stays in compliance with the eligibility requirements. Alternative operating scenarios are also allowed, so long as the facility stays in compliance with the eligibility requirements.

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Specific pollution prevention permit conditions are also included in the permit. The process EPA uses to develop NESHAPs includes a requirement to review available pollution prevention opportunities and incorporate them into the rules as appropriate. Each facility eligible for this general permit is subject to one or more area source NESHAP (except those only subject to NSPS), which have been incorporated as permit conditions.

Permit conditions require the facility to submit an annual inventory of emissions. The facility may choose to use these inventories to assess potential pollution prevention alternatives as part of subsequent modifications.

Pollution prevention information is provided to the applicant as part of the application process for an Authorization under this General Permit. This information includes advice on how to develop a site-specific pollution prevention plan for the facility and an example plan that can be used at the site. In addition, information on compliance assistance with pollution prevention planning from DEQ is also provided.

Accelerated permit review will be provided to applicants making facility changes that involve pollution prevention projects. This accelerated permit review will be offered, in an informal process, between staff of the Air Quality Division and staff of the Customer Services Division. On request, the Customer Assistance office would make a determination that the focus of the change is P2. The Customer Assistance office would then notify the Air Quality Division and informally request that the permit be expedited.

The DEQ may extend compliance time for applications that include P2 measures. This extension of the compliance schedule may be granted where the long-term benefits that may accrue from a facility's implementing P2 outweigh the short-term environmental detriment of not implementing some other type of pollution control.

SECTION IX. APPLICABLE RULES AND REGULATIONS

Applicable rules and regulations are given below. Most of the listed requirements apply facility-wide, while some may apply to a particular emissions unit authorized in the permit or Authorization.

A. Oklahoma Air Pollution Control Rules

OAC 252:100-1 (General Provisions)

[Applicable]

Subchapter 1 includes definitions but there are no regulatory requirements.

OAC 252:100-2 (Incorporation by Reference)

[Applicable]

This subchapter incorporates by reference applicable provisions of Title 40 of the Code of Federal Regulations listed in OAC 252:100, Appendix Q. These requirements are addressed in the "Federal Regulations" section.

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OAC 252:100-3 (Air Quality Standards and Increments)**[Applicable]**

Subchapter 3 enumerates the primary and secondary ambient air quality standards and the significant deterioration increments. At this time, all of Oklahoma is in attainment of these standards.

OAC 252:100-5 (Registration, Emissions Inventory, & Annual Operating Fees)**[Applicable]**

Subchapter 5 requires sources of air contaminants to register with Air Quality, file emission inventories annually, and pay annual operating fees based upon total annual emissions of regulated pollutants.

This permit assures compliance with this regulation using the following approach.

A standard condition in the permit requires the permittee to file an annual emissions inventory and pay annual fees based on either emission inventories or allowable emissions.

OAC 252:100-7 (Permits for Minor Facilities)**[Applicable]**

Part 1 defines terms related to permits for minor facilities, specifies the requirement for minor facilities to obtain a permit, and refers to the tiered application, permitting, and public review requirements of OAC 252:4, Subchapter 7. Environmental Permit Process (consistent with the Tier System given in the Uniform Permitting Act).

Part 2 establishes fees for construction and operating permits, Authorizations issued under General Permits, and applicability determinations.

Part 3 establishes construction permit categories and requirements, including that a construction permit require the permittee to comply with all applicable air pollution rules, federal NSPS and NESHAP established under Sections 111 and 112 of the Federal Clean Air Act and to not exceed ambient air quality standards. A construction permit is required for new facilities. A construction permit is also required when making certain modifications to a facility.

Part 4 establishes operating permit requirements and requires demonstration of compliance with the emission limits and air pollution control requirements of the construction permit. Following construction, a new facility must apply for an operating permit within 60 days of startup. Following a modification at an existing facility that required a construction permit, the facility must apply for an operating permit or modification of its existing operating permit within 60 days of the facility modification.

No specific emission limitation, work practice condition, or other emission standard, or criterion is specified in this subchapter.

This permit assures compliance with this regulation using the following approach.

The permit is designed to allow eligible minor facilities to fulfill the requirement to obtain a construction permit (for a new facility or modification of an existing facility) by submitting a Notice of Intent (NOI) to Construct prior to commencing construction or installation of a new facility. Coverage under the general permit is effective upon receipt of the NOI to Construct by the DEQ, and an Authorization to Construct is then issued by the AQD. Acceptable documentation of receipt of the NOI is the earliest of (1) a legible dated U.S. Postal Service postmark (private metered postmarks are not acceptable); (2) a dated receipt from a commercial carrier or the U.S. Postal Service; or (3) a DEQ date stamped application. After construction is complete, an NOI to Operate must be submitted within 60 days of start-up. An Authorization to Operate is then issued by the AQD.

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In lieu of an Authorization to Construct, an applicant may obtain a minor source construction permit, and then apply for an Authorization to Operate under this permit within 60 days of start-up. Permit conditions have been included in the permit that provide that conditions from a minor source construction permit can be incorporated into the Authorization to Operate as long as the conditions are equivalent to or more stringent than the corresponding conditions in the General Permit. A permittee may choose to submit a minor source operating permit application within 60 days of start-up instead of an NOI to Operate.

Although certain facility modifications may require issuance of an Authorization to Construct, the GP pre-approves most modifications (e.g., adding, modifying, or replacing equipment, changing fuels, or increasing operating hours of equipment), so long as the facility remains in compliance with the eligibility requirements. In addition, an Authorization may include pre-approved changes that were foreseeable at the time of NOI submission. These facilities must submit a Notice of Modification to DEQ within 15 days of the changes, and attach a copy of the notice to a copy of the Authorization to Operate kept on site.

Consistent with DEQ's Environmental Permit Process (OAC 252:4, Subchapter 7), the general permit goes through Tier II review prior to issuance. Permits for minor facilities, including Authorizations issued under a general permit, go through Tier I review.

Operational conditions have been included in the permit to require a source to construct and operate all emission units and associated control equipment within a practical range of operating conditions so as to achieve, on a continuous basis, a level of emissions that complies with applicable requirements. Operating and compliance requirements, as well as monitoring and recordkeeping requirements for control devices are specifically addressed in the permit. An initial compliance inspection of the facility may be conducted by the AQD prior to issuance of the Authorization to Operate. Conditions have also been included in the permit to, when required by an applicable NESHAP or NSPS, require a compliance demonstration prior to issuance of an Authorization to Operate and continuing compliance demonstrations to assure that the source continues to meet applicable requirements.

The general permit assures the permittee remains a minor facility by establishing an eligibility requirement that facility emissions are less than 40 TPY of any regulated pollutant, 10 TPY of any single HAP, and 25 TPY of all HAP. Compliance with this eligibility requirement is assured during review of the NOI to Construct/Operate and/or Notice of Modification, and by requiring the permittee to submit an annual emissions inventory. The permit requires that these emissions estimates be calculated and documented as specified in OAC 252:100-5-2.1(c) and (d).

A specific condition is included in the permit that requires the facility to meet the ambient air quality standards. However, under Oklahoma's State Implementation Plan (SIP), minor facilities are not required to demonstrate compliance with the NAAQS.

Specific conditions are included in the permit to address any applicable NESHAP and NSPS requirements. The permit allows facilities that add an affected emission unit, equipment or process that is subject to NESHAP or NSPS, or modify an affected emission unit, equipment or process such that it becomes subject to a NESHAP or NSPS to notify the agency so that those

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requirements can be incorporated into an Authorization to Operate through the Notification of Modification. An individual minor source construction permit must be obtained for the modification of an existing facility that is making modifications that require a case-by-case determination. After construction is complete, an NOI to Operate must be submitted within 60 days of start-up and a new Authorization to Operate will be issued. The new Authorization will incorporate any specific conditions from the construction permit that are related to the modification.

OAC 252:100-9 (Excess Emission Reporting Requirements)**[Applicable]**

Subchapter 9 requires an owner or operator of a regulated facility to report all excess emissions from an air pollution source caused by malfunction, shutdown, start-up, or regularly scheduled maintenance that are in violation of the applicable air pollution control rule, permit, or order of the DEQ. No specific emission limitation, standard, or criterion is specified in this subchapter.

The permit assures compliance with this regulation using the following approach.

Conditions are included in the standard conditions of the permit that require prompt reporting to AQD should excess emissions occur.

OAC 252:100-13 (Open Burning)**[Applicable]**

This subchapter prohibits open burning of refuse and other combustible material except in compliance with OAC 252:100-13-7 and 9. No specific emission limitation or criterion is specified in this subchapter. However, work practice conditions and standards are specified.

The permit assures compliance with this regulation using the following approach.

Subchapter 13 applies to all facilities. Therefore, the permit includes a Standard Condition that requires compliance with this subchapter. However, open burning is not expected to take place at facilities covered under this permit. Therefore, no initial compliance demonstration or continuing monitoring, recordkeeping, or reporting requirements associated with this subchapter are included in the permit.

OAC 252:100-25 (Visible Emissions and Particulates)**[Applicable]**

This subchapter states no person shall allow or permit the discharge of any fumes, aerosol, mist, gas, smoke, vapor, particulate matter, or any combination thereof, exhibiting greater than 20 percent equivalent opacity except for short-term occurrences. At no time may the opacity exceed 20 percent for one six-minute period in any consecutive 60 minutes nor more than three such periods in any consecutive 24 hours. In no case shall the average of any six-minute period exceed 60% opacity.

The permit assures compliance with this regulation using the following approach.

The covered emissions units/activities with the greatest potential for visible emissions are liquid-fueled combustion sources (Many/most combustion sources are natural gas-fired). Combustion sources that do not cause the facility to exceed the eligibility requirements of this permit have very little potential to violate these opacity requirements. Other covered emissions units/activities that may have a significant potential for visible emissions are subject to a NESHAP (see Tables I-1, I-2, and I-3) or NSPS. Although these standards may not specify opacity requirements, controls and work practices required assure that the covered emissions units/activities have very little potential to violate these opacity requirements. Thus, separate periodic monitoring of opacity is not being required at any of these facilities. Ongoing operation and maintenance activities at the facility should provide sufficient opportunities to allow

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owner/operators to identify and take corrective action to address any opacity exceedance. These activities, along with DEQ complaint and compliance activities, should be sufficient to assure compliance with this requirement.

OAC 252:100-29 (Control of Fugitive Dust)**[Applicable]**

This subchapter prohibits any person from causing or allowing any fugitive dust source to be operated, or any substances to be handled, transported, or stored, or any structure constructed, altered, or demolished to the extent that such operation or activity may enable fugitive dust to become airborne and result in air pollution, without taking reasonable precautions to minimize or prevent pollution. Subchapter 29 further prohibits discharge of visible fugitive dust beyond the property line on which the emissions originated in such a manner as to damage or interfere with the use of adjacent properties, or cause air quality standards to be exceeded, or to interfere with the maintenance of air quality standards. A list of reasonable precautions is specified in this subchapter.

The permit assures compliance with this regulation using the following approach.

Under normal operating conditions, these facilities have negligible potential to violate this requirement; therefore, it is not necessary to require specific precautions to be taken. However, a Standard Condition is included in the permit that requires the facility to meet the fugitive dust control requirements of Subchapter 29.

OAC 252:100-43 (Testing, Monitoring, and Recordkeeping)**[Applicable]**

This subchapter provides general requirements for testing, monitoring and recordkeeping and applies to any testing, monitoring or recordkeeping activity conducted at any stationary source.

The permit assures compliance with this regulation using the following approach.

A standard condition is included which states that all required tests shall be made and the results calculated in accordance with test procedures described or referenced in the permit and approved by Air Quality. Permit specific conditions establish minimum monitoring requirements for control devices associated with emission units addressed in this permit. In addition, testing must be performed as specified in 40 CFR Parts 51, 60, 61, 63, and 75, as applicable, unless otherwise specified in an Authorization under this permit.

B. Federal Regulations

Certain state regulations require compliance with federally promulgated regulations. OAC 252:100-7-15(d) requires that construction permits include all applicable requirements, including NESHAP and NSPS. In addition, OAC 252:100-43 provides that any credible evidence may be used for the purpose of establishing whether a person has violated or is in violation of the State Implementation Plan (SIP).

Credible Evidence, 40 CFR Part 51**[Applicable]**

This regulation clarifies that “any credible evidence,” including data gathered from means other than the use of a specified “reference test method,” can be used to prove an alleged emission limitation violation.

The permit assures compliance with this regulation using the following approach.

Conditions are included in the Standard Conditions of the permit to address the credible evidence requirements.

New Source Performance Standards (NSPS), 40 CFR Part 60 **[Applicable]**

NSPS reflect "... a standard of emissions of air pollutants which (sic) reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (sic) (taking into account the cost of achieving such reduction and any non-air quality health and environmental impact and energy requirements) the Administrator [of EPA] determines has been adequately demonstrated." [CAA § 111.(a)(1)] Each NSPS defines which facilities are affected by the standard, and specifies the applicable notification, recordkeeping, emissions limitations and work practice standards, equipment standards, performance tests, and monitoring requirements. These regulations have the potential effect of requiring many minor sources to obtain a permit under AQD rules that would otherwise qualify as Permit Exempt or De Minimis Facilities.

The permit assures compliance with this regulation using the following approach:

Conditions are included to address the NSPS general notification, recordkeeping, emissions limitations and work practice standards, equipment standards, performance tests, and monitoring requirements. Language in the permit emphasizes that NSPS notification and performance test requirements are separate, stand-alone, and independent federal requirements that must be met in addition to any other permit requirements, e.g., equipment addition or change notifications. However, for all delegated NSPS, a timely submitted Notice of Modification may be used as a notice of the actual date of initial start-up, and as a notice of a physical or operational change to an existing facility which may increase the emission rate of any air pollutant to which a standard applies as required by an NSPS (40 CFR 60.7(a)). A specific condition will be included in the Authorization identifying and requiring compliance with the applicable NSPS subpart(s) for each affected emissions unit, equipment or process. The applicable NSPS typically specifies which parts of the NSPS General Provisions (40 CFR Part 60, Subpart A) and any additional requirements in other NSPS subparts that are incorporated or specified as applicable in the applicable NSPS.

National Emission Standards for Hazardous Air Pollutants **[Applicable]**
(NESHAP), 40 CFR Part 63

NESHAP, as found in the Code of Federal Regulations at 40 CFR Part 63, contain standards that regulate specific categories of stationary sources that emit one or more hazardous air pollutant. These standards require owners or operators of sources in certain source categories to apply maximum achievable control technology (MACT) (or generally available control technology – GACT – for area sources) unless specifically exempted. Each NESHAP defines which facilities are affected by the standard, specifies the applicable notification, recordkeeping, emissions limitations and work practice standards, equipment standards, performance tests, and monitoring requirements. These regulations have the potential effect of requiring many minor sources to obtain a permit under AQD rules that would otherwise qualify as Permit Exempt or De Minimis Facilities.

The permit assures compliance with this regulation using the following approach.

Tables I-1, I-2, and I-3 list the NESHAP source categories that are addressed by the general permit. The permit includes specific conditions requiring compliance with applicable requirements for units that are subject to one of these NESHAP Subparts.

Stratospheric Ozone Protection, 40 CFR Part 82

[Applicable]

These standards require phase out of Class I & II substances, reductions of emissions of Class I & II substances to the lowest achievable level in all use sectors, and banning use of nonessential products containing ozone-depleting substances (Subparts A & C); control servicing of motor vehicle air conditioners (Subpart B); require Federal agencies to adopt procurement regulations which meet phase out requirements and which maximize the substitution of safe alternatives to class I and class II substances (Subpart D); require warning labels on products made with or containing Class I or II substances (Subpart E); maximize the use of recycling and recovery upon disposal (Subpart F); require producers to identify substitutes for ozone-depleting compounds under the Significant New Alternatives Program (Subpart G); and reduce the emissions of halons (Subpart H). Subparts A and F are potentially applicable to OGF facilities.

The permit assures compliance with this regulation using the following approach.

A standard condition of the permit requires compliance with 40 CFR Part 82.

SECTION X. TIER CLASSIFICATION AND PUBLIC REVIEW

Processing of a new General Permit is classified as Tier II under OAC 252:4-7-33(c)(1). A request for an Authorization under this General Permit will be classified as Tier I.

A public notice of a 30-day public review opportunity for this draft permit will be published in major newspapers (*The Tulsa World* and *The Oklahoman*). A copy of the draft permit will be available for review at the main office of the Oklahoma Department of Environment Quality, 707 N. Robinson in Oklahoma City and in the Air Quality Section of the DEQ web page: www.deq.state.ok.us. Following the close of the public comment period, AQD will provide a summary of any comments received, along with AQD's response to comments.

A public notice of a 30-day public review period for the draft permit was published in *The Tulsa World* on March 1, 2009 and in *The Oklahoman* on March 1, 2009. A copy of the draft permit was available for review at the main office of the Oklahoma Department of Environment Quality, 707 N. Robinson in Oklahoma City and in the Air Quality Section of the DEQ web page: www.deq.state.ok.us. No request that a public meeting be held on the draft permit was received during the public review period.

Written comments were received from two organizations during the public comment period. Minor revisions were made to the permit and permit memorandum in response to comments. A copy of the written comments is attached as Exhibit 1. AQD's response to the written comments is attached as Exhibit 2.

SECTION XI. SUMMARY

Applicants must demonstrate eligibility for coverage under this General Permit and that they are able to comply with applicable air quality rules and regulations. Ambient air quality standards are not threatened at any of the sites eligible for coverage under this General Permit. Issuance of the permit is recommended.

APPENDIX A

Pertinent Definitions from OAC 252:100-7-1.1:

“**De minimis facility**” means a facility that meets the requirements contained in paragraphs (A) and (B) of this definition.

(A) All the air pollutant emitting activities at the facility are on the de minimis list contained in Appendix H *[to Subchapter 100 – see copy below]* or the facility meets all of the following de minimis criteria:

- (i) The facility has actual emissions of 5 tpy or less of each regulated air pollutant, except that fraction of particulate matter that exhibits an aerodynamic particulate diameter of more than 10 micrometers (μm).
- (ii) The facility is not a "major source" as defined in OAC 252:100-8-2.
- (iii) The facility is not a "major stationary source" as defined in OAC 252:100-8-31 for facilities in attainment areas.
- (iv) The facility is not a "major stationary source" as defined in OAC 252:100-8-51 for facilities in nonattainment areas.
- (v) The facility is not operated in conjunction with another facility or source that is subject to air quality permitting.
- (vi) The facility has not opted to obtain or retain an Air Quality Division permit.

(B) The facility is not subject to the Federal NSPS (40 CFR Part 60) or the Federal NESHAP (40 CFR Parts 61 and 63).”

“**Permit exempt facility**” means a facility that:

(A) has actual emissions in every calendar year that are 40 tpy or less of each regulated air pollutant;

(B) is not a de minimis facility as defined in OAC 252:100-7-1.1;

(C) is not a "major source" as defined in OAC 252:100-8-2 for Part 70 sources;

(D) is not a "major stationary source" as defined in OAC 252:100-8-31 for PSD facilities in attainment areas;

(E) is not a "major stationary source" as defined in OAC 252:100-8-51 for facilities in nonattainment areas;

(F) is not operated in conjunction with another facility or source that is subject to air quality permitting;

(G) is not subject to an emission standard, equipment standard, or work practice standard in the Federal NSPS (40 CFR Part 60) or the Federal NESHAP (40 CFR Parts 61 and 63); and

(H) is not subject to the requirements of OAC 252:100-39-47.”

List of De Minimis Facilities from APPENDIX H to AQD Rules (OAC 252:100)

AGRICULTURAL

- Lawn care
- Weed control
- Pest control

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- Farming operations, except open burning (see 252:100-13) and volatile organic compound ("VOC") storage (see Storage)
- Nursery/greenhouse operations
- Portable fertilizer plants with a maximum capacity of 1 ton/hour

WOODWORKING

- Portable wood chipping operations
- Woodworking (shaping, staining & varnishing) utilized for hobby purposes or maintenance of grounds or buildings

OFFICE & JANITORIAL

- Janitorial services
- Sweeping of floors (including the use of spill clean-up products such as Floor Sweep®)
- Business offices (photocopying, blueprint copying, photographic processes, etc.)
- Cleaning, polishing, and housekeeping activities associated with custodial duties
- Retail copying services

CLEANING & SURFACE PREPARATION

- Cold degreasing operations utilizing nonhalogenated solvents that are denser than air and/or that are covered when not in use. Must not be located in Tulsa or Oklahoma Counties (see OAC 252:100-39-42) nor subject to any federal standard.
- Solvent usage for spot cleaning and maintenance purposes not to exceed 1 gallon/month
- Emissions from laundry care equipment processing of bedding, clothing or other fabric items. These include dryers, extractors, & tumblers. **NOT CLEANING OPERATIONS USING PERCHLOROETHYLENE OR PETROLEUM SOLVENTS** (i.e., dry cleaning)
- Alkaline/phosphate washers and associated burners
- Acid washing (maintenance cleaning)
- Caustic washing (maintenance cleaning)
- Water washing or blasting
- Washing of mobile sources including aircraft
- Carbon dioxide blasting equipment in degreasing or depainting
- High pressure water depainting operations and aqueous industrial spray washers
- Vacuum cleaning systems used exclusively for industrial, commercial, or residential housekeeping purposes, except those systems used to collect particulate matter subject to 252:100 and hazardous and/or toxic air contaminants
- Equipment used for portable steam cleaning
- Machine blowdown with air for cleaning/maintenance
- Ultrasonic cleaning operations which do not utilize volatile organic compounds
- Natural gas water heating systems for fixed vehicle wash racks
- Electric or steam-heated drying ovens and autoclaves, but not the emissions from the articles or substances being processed in the ovens or autoclaves or the boilers delivering the steam
- Commercial laundries (excluding dry cleaners)

INSULATION

- Installation or removal of non-asbestos insulation
- Repair and replacement of non-asbestos refractory & insulation

MAINTENANCE

- Welding, brazing, soldering for maintenance purposes
- Use of adhesives, glues, etc. for maintenance purposes
- Grinding, cutting, sanding of non-asbestos materials for maintenance purposes
- Pipeline maintenance pigging activities
- General maintenance, upkeep, and replacement activities, including those which do not alter the capacity of process, combustion or control equipment nor increase regulated pollutant emissions, unless subject to NESHAP or NSPS

FUGITIVES

- Landfills and land farms unless otherwise regulated by an applicable state or federal regulation.
- Seal replacement (e.g., manhole gaskets)
- Roof coating, service, and repair including tar and asphalt roofing operations
- Paving (excluding asphalt plants) of roads, parking lots, and other areas, except in Tulsa and Oklahoma Counties (see OAC 252:100-39-40)
- Vent emissions from gas streams used as buffer or seal gas in rotating pump and compressor seals
- Natural gas odorizing activities
- Pneumatic starters on reciprocating engines, turbines, compressors, or other equipment
- Gas or other flares used solely to indicate danger to the public (e.g. road hazard)
- Warehouse activities including the storage of packaged raw materials and finished goods
- Non-routine cleaning of tanks, lift stations, and equipment for the purposes of worker entry or in preparation for maintenance or decommissions
- Unpaved roadways and parking areas
- Gravel, sand and dirt storage for use in on-site construction projects unless part of a nonmetallic processing plant subject to 40 CFR Part 60, Subpart 000
- Materials, e.g., pharmaceuticals and disinfectants, used by an infirmary or clinic to care for the human or animal patients at the facility
- Fugitive emissions of jet fuels associated with aircraft fuel cell and fuel bladder repair
- Automobile/truck repair/maintenance excluding those with paint booths or those that use halogenated solvents and are subject to 40 CFR Part 63 Subpart T

WASTEWATER

- Removal of basic sediment & water from collection/storage systems (i.e., clarifiers)
- Removal of sludge or sediment from pits, ponds, sumps, or wastewater conveyance channels
- Application of industrial and/or municipal wastewater and sludges at land farms
- Ozonation process or process equipment including ozone generation for water treatment processes
- Sanitary sewerage and storm water runoff collection systems

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- Commercial truck/car washes that use water and solvents
- Septic tank systems

ANALYSIS/TESTING

- Hydraulic or hydrostatic testing including pipe, casing and vessel pneumatic testing facilities
- Site assessment work, including but not limited to, the evaluation of waste disposal or remediation sites
- Instrument systems utilizing air or natural gas
- Environmental field sampling operations
- Compressed gas cylinders and gases utilized for equipment calibration and testing
- Field laboratory units conducting on-site testing or analysis of materials
- Science laboratories used for the purposes of teaching and research at educational institutions

PLASTICS/FIBERGLASS

- Plastic or fiberglass repair

OUTDOOR & RECREATIONAL

- Outdoor recreational emissions (campfires, barbecue pits)
- Outdoor non-plumbed restroom facilities (port-a-potties)
- Outdoor kerosene heaters or lamps

RESIDENTIAL

- Space heaters, boilers, fireplaces for heat & recreation, hot water heaters, stoves, ovens, gas dryers and other appliances with less than or equal to 5 MMBTU/hr heat input
- Heating, air conditioning and ventilation systems
- Residential housing units and multifamily dwellings to include fuel burning for heating, except prohibited open burning
- Stacks or vents to prevent escape of sewer gases from domestic waste through plumbing traps
- Residential LPG tanks

SURFACE COATING

- Surface coating for maintenance purposes
- Commercial mobile painting operations
- Residential painting/surface coating

STORAGE

- Lube oil, seal oil, or hydraulic fluid storage tanks and equipment as long as not emitting VOCs or HAPs
- Fuel/VOC storage tanks with less than 400 gallons capacity, or fuel/VOC storage tanks with less than 10,567 gallons capacity built after July 23, 1984, or tanks storing fuel/VOC that has a true vapor pressure at storage conditions less than 1.5 psia. This includes Fuel Oils Nos. 2 - 6, Nos. 2-GO - 4-GO, Diesel Fuel Oils Nos. 2-D - 4-D, and Kerosene.

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- Storage and use of chemicals unless otherwise regulated by an applicable state or federal regulation
- Storage and use of products or equipment for maintaining motor vehicles operated at the site (including but not limited to antifreeze and fuel additives) not regulated under Title VI, CFC rules)
- Tanks containing separated water produced from oil and gas operations
- Retail/commercial gasoline dispensing stations unless otherwise covered by applicable state and federal regulations
- Lubricants and waxes used for machinery and other equipment lubrication and lubricating oil or hydraulic fluid storage tanks and equipment
- Runway and aircraft de-icing activities, including de-icer storage tanks unless otherwise regulated
- Oxygen storage tanks and associated equipment
- Storage tanks, reservoirs, and pumping and handling equipment of any size which contain soaps, vegetable oil, grease, animal fat, and nonvolatile aqueous salt solutions, provided appropriate lids and covers are utilized
- Crude oil tank bottom reclaiming

LUBRICATING

- Lubricating pumps, sumps, and systems
- Engine crankcase vents and equipment lubricating sumps

MOBILE SOURCES

- Mobile source emissions from cars, trucks, forklifts, courier vehicles, front loaders, graders, cranes, carts, hydrostatic and hydraulic testing equipment, maintenance trucks, helicopters, locomotives, marine vessels, portable generators (that are moveable by hand), portable pumps, portable air compressors, portable welding machines, and portable fuel tanks
- Other on and off road mobile sources (i.e. coal stacker & reclaimer)
- Aircraft ground support equipment (AGE), including but not limited to portable power generators, lights, HVAC support, and aircraft refueling equipment
- Vehicle exhaust from maintenance or repair shops
- Aircraft movement, including on-ground engine run-ups, take-offs, landings, touch and go landings and inflight fuel jettisoning
- Road sanding and salting operations
- Mobile abrasive blasters

BATTERY CHARGING

- Battery recharging areas
- Industrial battery recharging and maintenance operations for batteries utilized within the facility only
- Backup power batteries

SOLID WASTE

- Municipal Solid Waste disposal containers, e.g. dumpsters

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- Any closed municipal solid waste landfill that did not accept waste after 11/8/87 or which has no additional capacity to accept waste in the future.
- RCRA Solid Waste Management Units subject to 40 CFR Part 265, Subparts AA, BB, & CC
- Composting operations
- Construction and demolition waste landfills
- Municipal solid waste transfer stations
- Waste recycling, collection, sorting and baling facilities (e.g., aluminum, paper, glass, plastic, etc.)

BLOWDOWNS

- Blowdown of compressors or other vessels containing natural gas or liquid hydrocarbons for maintenance due to emergency circumstances
- Blowdown from compressed air lines

ANIMALS

- Animal kennels and veterinary clinics
- Equipment used exclusively to slaughter animals, but not including other equipment at slaughterhouses, such as rendering cookers, boilers, heating plants, incinerators, and electrical power generating

METALS

- Equipment used for inspection of metal products
- Die casting machines
- Foundry sand mold forming equipment to which no heat is applied, and from which no organics are emitted
- Equipment used exclusively for wire drawing either hot or cold metals
- Retail machine tool and die operations

COMBUSTION EQUIPMENT

- Space heaters and boilers less than 10 MMBTU/hr heat input
- Emissions from non-natural gas fueled stationary internal combustion engines rated less than 50 hp output
- Emissions from gas turbines with less than 215 kilowatt rating of electric output
- Natural gas fueled internal combustion engines rated <150 hp and <20 years old
- Emergency use equipment, unless utilized in excess of 500 hours per year, and associated fuel storage tankage

MISCELLANEOUS

- Exhaust systems for chemical, paint, and/or solvent storage rooms or cabinets, including hazardous waste satellite (accumulation) areas.
- Exhaust from food preparation for on-site/off-site human consumption (e.g. restaurants, fast food) or on-site retail sale
- Blue-line (blue-print) facilities
- Electrically operated bake-off ovens with a maximum capacity of 12 tons/hr

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- Natural gas fired bake-off ovens and pottery kilns with a maximum capacity of 0.8 ton/hr
- Grinding of solid surfaces that do not contain asbestos if done in water where particles are captured
- Aerosol can spraying for miscellaneous use
- On-site construction of residential/commercial buildings

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APPENDIX B

Delegated NESHAPs & NSPS

The following table lists the NSPS subparts, separated according to delegation status. Affected facilities subject to non-delegated standards should submit NSPS notifications (within the specified times) to EPA, with a copy to DEQ.

On October 25, 1999, EPA updated DEQ's delegated authority to implement and enforce the NSPS program under 40 CFR Part 60 for all the standards that had been adopted by reference into DEQ rules as of that date [64 FR 57392, 10/25/99]. The NSPS subparts that have been promulgated after that date, as well as portions of the standards that have been revised since that date, have therefore not yet been delegated to DEQ. In addition, DEQ has not sought nor received delegation for 40 CFR Part 60, Subpart AAA, New Residential Wood Heaters.

Delegated NSPS Subparts			
Subpart	Source Category	Subpart	Source Category
D	Fossil-Fuel-Fired Steam Generators > 8/17/71	P	Primary Copper Smelters
Da	Electric Utility Steam Generating Units > 9/18/78	Q	Primary Zinc Smelters
Db	Industrial/Commercial/Institutional Steam Generating Units	R	Primary Lead Smelters
Dc	Small Industrial /Commercial/Institutional Steam Generating Units	S	Primary Aluminum Reduction Plants
E	Incinerators	T	Phosphate Fertilizer Industry: Wet-Process Phosphoric Acid Plants
Ea	Municipal Waste Combustors > 12/20/89 & ≤ 12/20/94	U	Phosphate Fertilizer Industry: Superphosphoric Acid Plants
Eb	Large Municipal Waste Combustors > 12/20/94 or Mod >6/19/96	V	Phosphate Fertilizer Industry: Diammonium Phosphate Plants
Ec	Hospital/Medical/Infectious Waste Incinerators > 6/20/96	W	Phosphate Fertilizer Industry: Triple Superphosphate Plants
F	Portland Cement Plants	X	Phosphate Fertilizer Industry: Granular Triple Superphosphate Storage Facilities
G	Nitric Acid Plants	Y	Coal Preparation Plants
H	Sulfuric Acid Plants	Z	Ferroalloy Production Facilities
I	Hot Mix Asphalt Facilities	AA	Steel Plants: Electric Arc Furnaces > 10/21/74 & ≤ 8/17/83
J	Petroleum Refineries	AAa	Steel Plants: Electric Arc Furnaces & Argon-Oxygen Decarburization Vessels > 8/17/83
K	Storage Vessels for Petroleum Liquids > 6/11/73 & < 5/19/78	BB	Kraft Pulp Mills
Ka	Storage Vessels for Petroleum Liquids > 5/18/78 & < 7/23/84	CC	Glass Manufacturing Plants
Kb	VOL (Including Petroleum Liquid) Storage Vessels >7/23/84	DD	Grain Elevators
L	Secondary Lead Smelters	EE	Surface Coating of Metal Furniture
M	Secondary Brass and Bronze Production Plants	GG	Stationary Gas Turbines
N	Primary Emissions from Basic Oxygen Process Furnaces > 6/11/73	HH	Lime Manufacturing Plants
Na	Secondary Emissions from Basic Oxygen Process Steelmaking Facilities > 1/20/83	KK	Lead-Acid Battery Manufacturing Plants
O	Sewage Treatment Plants	LL	Metallic Mineral Processing Plants

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Delegated NSPS Subparts			
Subpart	Source Category	Subpart	Source Category
MM	Automobile and Light Duty Truck Surface Coating Operations	HHH	Synthetic Fiber Production Facilities
NN	Phosphate Rock Plants	III	VOC Emissions from the SOCM I Air Oxidation Unit Processes
PP	Ammonium Sulfate Manufacture	JJJ	Petroleum Dry Cleaners
QQ	Graphic Arts Industry: Publication Rotogravure Printing	KKK	Equipment Leaks of VOC from Onshore Nat Gas Processing Plants
RR	Pressure Sensitive Tape and Label Surface Coating Operations	LLL	Onshore Natural Gas Processing: SO ₂ Emissions
SS	Industrial Surface Coating: Large Appliances	NNN	VOC Emissions from SOCM I Distillation Operations
TT	Metal Coil Surface Coating	OOO	Nonmetallic Mineral Processing Plants
UU	Asphalt Processing and Asphalt Roofing Manufacture	PPP	Wool Fiberglass Insulation Manufacturing Plants
VV	Equipment Leaks of VOC in the SOCM I >1/5/81 & ≤11/7/06	QQQ	VOC Emissions from Petroleum Refinery Wastewater Systems
WW	Beverage Can Surface Coating Industry	RRR	VOC Emissions from SOCM I Reactor Processes
XX	Bulk Gasoline Terminals	SSS	Magnetic Tape Coating Facilities
BBB	Rubber Tire Manufacturing Industry	TTT	Industrial Surface Coating: Plastic Parts for Business Machines
DDD	VOC Emissions from the Polymer Manufacturing Industry	UUU	Calciners and Dryers in Mineral Industries
FFF	Flexible Vinyl and Urethane Coating and Printing	VVV	Polymeric Coating of Supporting Substrates Facilities
GGG	Equipment Leaks of VOC in Petroleum Refineries > 1/4/83 & ≤ 11/7/06		
NSPS Subparts Adopted By Reference; Not Yet Delegated			
WWW	Municipal Solid Waste Landfills	EEEE	Other Solid Waste Incineration Units > 12/9/04 or Mod ≥ 6/16/06
AAAA	Small Municipal Waste Combustion Units > 8/30/99 or Mod > 6/6/01	IIII	Stationary Compression Ignition Internal Combustion Engines
CCCC	Commercial and Industrial Solid Waste Incineration Units > 11/30/99 or Mod ≥ 6/1/01	KKKK	Stationary Combustion Turbines
NSPS Subparts Not Yet Adopted By Reference or Delegated			
Cb	Large Municipal Waste Combustors ≤ 9/20/94	AAA	New Residential Wood Heaters
Cc	Municipal Solid Waste Landfills	GGGa	Equipment Leaks of VOC in Petroleum Refineries > 11/7/06
Cd	Sulfuric Acid Production Units	BBBB	Small Municipal Waste Combustion Units ≤ 8/30/99
Ce	Hospital/Medical/Infectious Waste Incinerators (HMIWI)	DDDD	Commercial and Industrial Solid Waste Incineration Units ≤ 11/30/99
Ja	Petroleum Refineries > 5/14/07	FFFF	Other Solid Waste Incineration Units ≤ 12/9/04
VVa	Equipment Leaks of VOC in the SOCM I > 11/7/06	HHHH	Coal-Fired Electric Steam Generating Units
		JJJJ	Stationary Spark Ignition Internal Combustion Engines
Notes: <ul style="list-style-type: none"> • “<” indicates construction commenced before the stated date; • Likewise, <ul style="list-style-type: none"> ○ “≤” indicates “on or before;” ○ “>” indicates “after;” and ○ “≥” indicates “on or after.” • Subparts Ca, FF, II, JJ, OO, YY, ZZ, CCC, EEE, MMM, XXX, YYY, ZZZ, GGGG are reserved. 			

Exhibit 1

Two sets of comments received in response to the March 1, 2009 Public Notice regarding the proposed General Permit for Area Source NESHAP Facilities and Small NSPS:

1. Ms. Angie Burkhalter, V.P. of Regulatory Affairs for the Oklahoma Independent Petroleum Association (“OIPA”) submitted comments as an attachment to an email dated 3/31/09.
2. Ms. Laura M. Worthen Lodes submitted comments on behalf of The Benham Companies, LLC (“Benham”), in an email dated 3/31/09.

From: Angie Burckhalter [mailto:aburckhalter@oipa.com]
Sent: Tuesday, March 31, 2009 9:29 AM
To: Terrill, Eddie; Fielder, Phillip
Subject: General Permit for Area Source NESHAP and Small NSPS Facilities - OIPA Comments
Importance: High

Eddie/Phillip:

The attached file provides OIPA's comments on the draft General Permit (GP) for Area Source NESHAP and Small NSPS Facilities. Will we have an opportunity to review how ODEQ responded to each of our comments and be able to discuss specific comments that ODEQ did not address?

<<...>>

Angie Burckhalter
V.P., Regulatory Affairs

Oklahoma Independent Petroleum Association
3555 N.W. 58th Street, Ste. 400
Oklahoma City, OK 73112
405-942-2334, x 221
fax 405-942-4636
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OKLAHOMA INDEPENDENT PETROLEUM ASSOCIATION

March 31, 2009

Mr. Eddie Terrill, Director
Air Quality Division
Oklahoma Department of Environmental Quality
707 N. Robinson
Oklahoma City, OK 73101

Re: ODEQ's Proposed General Permit for Area Source NESHAP Facilities and Small NSPS Facilities

Dear Mr. Terrill:

The Oklahoma Independent Petroleum Association (OIPA) is providing this letter in regards to the Oklahoma Department of Environmental Quality's (ODEQ's) proposed general permit for area source NESHAP facilities and small NSPS facilities. The OIPA represents approximately 2,000 independent crude oil and natural gas producers that will be impacted by the proposed permit.

We greatly appreciate the opportunity to provide input into the development of ODEQ's proposed general permit (GP) and the associated memorandum. The following information provides our comments.

General Overall Comments on the GP and Memorandum

1. We appreciate ODEQ's efforts to streamline the permitting process for area source NESHAP facilities and small NSPS facilities; however, as a permanent solution, we would like to see ODEQ continue to streamline the process for oil and gas activities and move to a permit by rule (PBR) that would further streamline the process, yet meet the U.S. Environmental Protection Agency's (EPA's) requirements. A precedent has already been established to use PBRs in Region VI.

As you know, EPA has proposed a NESHAP for existing engines. If finalized, all engines at oil and gas productions sites will be subject to the requirements. Assuming there is one engine at every well site, there may be as many as 100,000 to 125,000 facilities that need to be permitted. It will be very burdensome on ODEQ as well as operators to file GP applications for all engines at these facilities, submit annual emission inventories, and pay annual operating fees for a source that would otherwise be permit exempt. A PBR would streamline the process considerably. OIPA would welcome the opportunity to work with ODEQ staff to develop a streamlined process for oil and gas production facilities.

2. Annual emission inventories and annual operating fees that are required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. The additional operating fees and paper work for emissions inventories will be unnecessarily costly on operators, and will provide little benefit to the environment. ODEQ will know what the facility's emissions are through the application process. Any changes in the emission sources will be documented by the Notice of Modification. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a flat-rate annual inspection fee that is commensurate with the time ODEQ needs to manage these types of facilities.

3. The GP requires operators to determine the emissions from all sources even though a single piece of equipment has subject the facility to federal requirements. For example, a significant number of oil and gas operations that are permit exempt are subject to the NESHAP and NSPS for new engines. To streamline the permitting process for these types of facilities, we recommend ODEQ's application process involve engine emissions only and remove the requirement to include all other emission sources in the permit process. Operators are already required to ensure they do not exceed permit exempt threshold for their facilities. Requiring additional emission information on all sources at these types of facilities is excessive and unnecessary.

4. Since many facilities have GPs available for their source categories, the permit memorandum and GP should only use "minor source construction or operating permit" which would include either individual or general permits, or it should be specific each time and use "individual or general minor source construction or operating permit".

5. The GP does not alleviate any reporting requirements to the EPA since ODEQ has not obtained primacy for NSPS Subpart JJJJ and NESHAP Subpart ZZZZ. We encourage ODEQ to obtain primacy that would further streamline the process for small businesses that operate a significant number of the oil and gas facilities in Oklahoma that are subject to the area source NESHAP and small facility NSPS requirements.

Specific Comments on the GP

6. Ref. GP: Include page numbers on the GP.

7. Ref. Part 1, Section III, Item A.: The last sentence is confusing regarding what sources fugitive emission calculations apply. We suggest ODEQ clarify this issue.

8. Ref. Part 1, Section III, Item D.: Operators should be allowed to use the GP if all issues have been corrected and/or resolved at a facility. We recommend ODEQ clarify the text to allow operators the ability to use the GP if they come into compliance.

9. Ref. Part 1, Section III, Item G.: As stated in item 8 above, operators should be allowed to use the GP if all issues have been corrected and/or resolved at a facility. Please provide a scenario where item G would apply.

10. Ref. Part 1, Section IV, Item A.: Should Section III.G be added to the first sentence? Also, it would be beneficial if ODEQ moved toward an electronic permit filing process to allow those entities that want to file electronically to do so. This would reduce the burden on ODEQ and those entities that would like to file electronically.

11. Ref. Part 1, Section IV, Item C.: In the second sentence, delete “individual” and replace it with “minor source”. In the last sentence, replace “an individual” with “a”.

12. Ref. Part 1, Section V, first paragraph: In the last sentence, replace “an individual” with “a”.

13. Ref. Part 1, Section V, item A.: The 15 day notice of modification requirement is too short a time frame. The NSPS Subpart JJJJ specifically excludes the requirements under 40 CFR §60.7 where the 15 day notice is required. Thirty days is a more reasonable time frame.

14. Ref. Part 1, Section V, item C.: We suggest deleting “an individual” and replacing it with “a minor source”.

15. Ref. Part 2, Section I, 2nd paragraph: As previously stated, annual emission inventories required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. ODEQ will know what the facility’s emissions are through the application process. Any changes in the emission sources will be documented by the Notice of Modification. We request ODEQ remove the requirement to submit annual emission inventories.

16. Ref. Part 3, Section II, Item A., second sentence: We assume that a problem with the ODEQ’s authorization would not impact the permittee, but we suggest the following language be added to the second sentence to clarify this issue, “Correction of an Authorization shall not change the Effective Date of the Authorization, and shall not affect the permittee.”

17. Ref. Part 3, Section II, Item C.: In the first sentence, item “V.D.” does not exist. Replace it with “III.D.”

18. Ref. Part 3, Section IV, Item D.: The use of portable engine analyzers is beneficial in adjusting engines by maintenance personnel. We recommend the following sentence be added to this paragraph, “This requirement does not apply to the use of portable engine analyzers by maintenance personnel to adjust reciprocating internal combustion engines.”

19. Ref. Part 3, Section V.: The last part of the paragraph is confusing. We request ODEQ delete the following, “...that is less stringent than the newer requirement or standard.” or reword this paragraph.

20. Ref. Part 3, Section VI.: As previously stated, annual emission inventories and annual operating fees that are required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. The additional operating fees and paper work for emissions inventories will be unnecessarily costly on operators, and will provide little benefit to the environment. ODEQ will know what the facility’s emissions are through the application process. Any changes in the emission sources will be documented by the Notice of Modification. In addition, operators are already required to ensure they do not exceed permit exempt threshold for their facility. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a flat-rate annual inspection fee that is commensurate with the time ODEQ needs to manage these types of facilities.

Appendix A of the GP

21. In regards to the table titled “Standards Scheduled for Promulgation”, suggest it be noted that EPA has formally published in the Federal Register the proposed rule for existing reciprocating internal combustion engines on March 5, 2009.

22. Should Appendix A also include completed area source NESHAPs as provided in the memorandum?

Memorandum

23. Ref. Page 2, Section 1, Area Source NESHAP Facilities, 2nd paragraph: In the 3rd sentence, “Part 4” should be changed to “Part 3”.

24. Ref. Page 2, Section 1, Area Source NESHAP Facilities, Table I-1: Should Subpart HH related to glycol dehydrators be included in the table?

25. Ref. Page 3, Section 1, Area Source NESHAP Facilities, Table I-3: The table should reflect that EPA has officially proposed the area source NESHAP for existing reciprocating internal combustion engines on March 5, 2009.

26. Ref. Page 3, Section 1, Area Source NESHAP Facilities, 2nd paragraph: As previously stated, the GP requires operators to determine the emissions from all sources even though a single piece of equipment has subject the facility to federal requirements. For example, a significant number of oil and gas operations that are permit exempt are subject to the NESHAP and NSPS for new engines. To streamline the permitting process for these types of facilities, we recommend ODEQ’s application process involve engine emissions only and remove the requirement to include all other emission sources in the permit process. Operators are already required to ensure they do not exceed permit

exempt threshold for their facilities. Requiring additional emission information on all sources at these types of facilities is excessive and unnecessary.

27. Ref. Page 7, sentence before the last sentence: This sentence should be changed to the following, "Minor facilities with actual emissions of 40 TPY or more must obtain coverage under ~~individual minor facility~~ source construction and operating permits".

28. Ref. Page 8, first paragraph: As stated above, the 15 day notice of modification requirement is too short a time frame. NSPS Subpart JJJJ specifically excludes the requirements under 40 CFR §60.7 where the 15 day notice is required. Thirty days is a more reasonable time frame.

29. Ref. Page 8, Item A., Facility Emissions: As previously stated, annual emission inventories will be extremely onerous and is excessive for small oil and gas operators of area source NESHAP facilities and small NSPS facilities where a single piece of equipment like an engine would subject a facility to a permit, but where it would otherwise be considered permit exempt. ODEQ will know what the facility's emissions are through the application process, and if a facility adds a new source, the Notice of Modification would be sufficient to check eligibility. In addition, operators are already required to ensure they do not exceed permit exempt threshold for their facility. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a simple flat rate inspection fee that is commensurate with the time ODEQ manages these types of facilities.

30. Page 12, next to last paragraph: As previously stated, it would be beneficial if ODEQ moved toward an electronic permit filing process to allow those entities that want to file electronically to do so. This would reduce the burden on ODEQ as well as operators that want to file electronically.

Thank you in advance for your consideration of these matters.

Sincerely,

Angie Burckhalter
V.P., Regulatory Affairs

From: Worthen Lodes, Laura M. [mailto:Laura.Worthen@benham.com]
Sent: Tuesday, March 31, 2009 3:34 PM
To: Fielder, Phillip
Subject: RE: Area source GP

Phillip,

It didn't say who to send the comments to so I am going to send them to you.

1) Will this GP be a synthetic minor for enforcement purposes like the other GPs? I don't want sources this small to get unnecessary HPVs. If it would be perceived as a synthetic minor source could we limit this GP to a PTE less than 80 T/yr of emissions to keep facilities out of the synthetic minor source status?

2) Do we have to include all sources in the registration? Typically at these small sources there are lots of little heaters, minor welding, storage tanks, etc and it is added forms for sources that aren't subject to NSPS/NESHAP. That is the bulk of our O&G GP apps right now. Typically it is one small engine that is subject and everything else wouldn't trigger any requirements. I am just looking at reducing the paperwork/trees killed in preparing these.

Part 1

IV (C) requires a facility to pay for both a construction and operating app if a construction app wasn't obtained first and would have been required. What about facilities that were constructed before final promulgation of a NESHAP/NSPS but are classified as new under that NESHAP/NSPS? At the time they were actually constructed they met the permit exempt rules but now need an operating permit since they have an applicable standard. Do they have to pay both fees?

V(A) If a source to be added at a facility with the GP is not subject to an NSPS or NESHAP and won't change the permit eligibility do we need to notify the ODEQ at all re: the installation of the equipment?

Part 2

Section I - requires an annual EI for these sites. This is really hard for some of the small companies/office buildings etc. Could this maybe be a once every five years requirement (that is what Iowa requires for all minor sources)? Or could they pay a flat annual fee for GPs and not quantify the emissions?

Please let me know if you have any questions.

Thanks,
Laura

Exhibit 2

Proposed General Permit for Area Source NESHAP Facilities and Small NSPS Facilities

Response to Comments

Two sets of comments on the proposed General Permit for Area Source NESHAP Facilities and Small NSPS Facilities (“GP”) were submitted during the public review period. Ms. Angie Burkhalter, V.P. of Regulatory Affairs for the Oklahoma Independent Petroleum Association (“OIPA”) submitted comments as an attachment to an email dated 3/31/09. Ms. Laura M. Worthen Lodes submitted comments on behalf of The Benham Companies, LLC (“Benham”) in an email dated 3/31/09. No request for a public meeting was received during the public review period. The following is a summary of the comments and AQD’s response.

OIPA Comments

General Comments on the GP and Memorandum

Comment 1: We appreciate ODEQ's efforts to streamline the permitting process for area source NESHAP facilities and small NSPS facilities; however, as a permanent solution, we would like to see ODEQ continue to streamline the process for oil and gas activities and move to a permit by rule (PBR) that would further streamline the process, yet meet the U.S. Environmental Protection Agency's (EPA's) requirements. A precedent has already been established to use PBRs in Region VI.

As you know, EPA has proposed a NESHAP for existing engines. If finalized, all engines at oil and gas production sites will be subject to the requirements. Assuming there is one engine at every well site, there may be as many as 100,000 to 125,000 facilities that need to be permitted. It will be very burdensome on ODEQ as well as operators to file GP applications for all engines at these facilities, submit annual emission inventories, and pay annual operating fees for a source that would otherwise be permit exempt. A PBR would streamline the process considerably. OIPA would welcome the opportunity to work with ODEQ staff to develop a streamlined process for oil and gas production facilities.

Response: AQD acknowledges the OIPA’s concerns over the impact of these requirements on small facilities. However, AQD rules currently require submittal of an annual emissions inventory and operating fee for permitted facilities. As with other groups of smaller facilities (e.g., dry cleaning facilities), AQD has and will consider a number of administrative/regulatory options (including a PBR) to minimize the burden associated with these requirements. No change to the draft GP is recommended.

Comment 2: Annual emission inventories and annual operating fees that are required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. The additional operating fees and paper work for emissions inventories will be unnecessarily costly on operators, and will provide little benefit to the environment. ODEQ will know what the facility's emissions are through the application process. Any changes in the emission sources will be

documented by the Notice of Modification. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a flat-rate annual inspection fee that is commensurate with the time ODEQ needs to manage these types of facilities.

Response: As previously stated, AQD rules currently require submittal of an annual emissions inventory and operating fee for permitted facilities, and AQD will consider administrative/regulatory options to minimize the burden on small facilities. No change to the draft GP is recommended.

Comment 3: The GP requires operators to determine the emissions from all sources even though a single piece of equipment has subject the facility to federal requirements. For example, a significant number of oil and gas operations that are permit exempt are subject to the NESHAP and NSPS for new engines. To streamline the permitting process for these types of facilities, we recommend ODEQ's application process involve engine emissions only and remove the requirement to include all other emission sources in the permit process. Operators are already required to ensure they do not exceed permit exempt threshold for their facilities. Requiring additional emission information on all sources at these types of facilities is excessive and unnecessary.

Response: AQD believes that it is necessary and appropriate to require emissions information to document the facilities' eligibility for the GP. Both AQD and the agency's Customer Assistance Program are available to assist facilities in preparing emissions estimates. No change to the draft GP is recommended.

Comment 4: Since many facilities have GPs available for their source categories, the permit memorandum and GP should only use "minor source construction or operating permit" which would include either individual or general permits, or it should be specific each time and use "individual or general minor source construction or operating permit".

Response: AQD will adjust language in the GP to clarify that the existing industry-specific GP's are available as an alternative, where appropriate.

Comment 5: The GP does not alleviate any reporting requirements to the EPA since ODEQ has not obtained primacy for NSPS Subpart JJJJ and NESHAP Subpart ZZZZ. We encourage ODEQ to obtain primacy that would further streamline the process for small businesses that operate a significant number of the oil and gas facilities in Oklahoma that are subject to the area source NESHAP and small facility NSPS requirements.

Response: AQD will continue to seek and obtain authorization to implement new NESHAPs and NSPS in place of EPA once they are promulgated. No change to the draft GP is recommended.

Specific Comments on the General Permit

Comment 6: Include page numbers on the GP.

Response: Conversion of the document format for posting on the DEQ web site resulted in the disappearance of the page numbers. AQD will assure that the final permit as posted will include the page numbers.

Comment 7: Ref. Part 1, Section III, Item A.: The last sentence is confusing regarding what sources fugitive emission calculations apply. We suggest ODEQ clarify this issue.

Response: AQD has reworded the referenced paragraph as follows.

- A. This permit is limited to facilities that have actual emissions less than 40 TPY of any regulated pollutant, and potential emissions less than 100 TPY of any criteria pollutant, 10 TPY of any individual hazardous air pollutant (HAP), and 25 TPY of all HAPs. Note that ~~fugitive emissions affect eligibility only for facilities in one of the certain source categories that~~ are required to include fugitive emissions to determine major source status under the definition of “major source” in OAC 252:100-8-2 (see Appendix B). Fugitive emissions affect eligibility only for these facilities.

Comment 8: Ref. Part 1, Section III, Item D.: Operators should be allowed to use the GP if all issues have been corrected and/or resolved at a facility. We recommend ODEQ clarify the text to allow operators the ability to use the GP if they come into compliance.

Response: The referenced paragraph in the draft GP states:

- D. Facilities for which material facts were misrepresented or omitted from the permit application (i.e., NOI) and the applicant knew or should have known of such misrepresentation or omission are not eligible for this permit.

OAC 252:4-7-15(b)(2), upon which the referenced paragraph is based, does not provide a specific method to resolve these issues and allow for issuance of an NOI. In such case, an individual proceeding would be required to resolve the issues. No change to the draft GP is recommended.

Comment 9: Ref. Part 1, Section III, Item G.: As stated in item 8 above, operators should be allowed to use the GP if all issues have been corrected and/or resolved at a facility. Please provide a scenario where item G would apply.

Response: The referenced paragraph in the draft GP states:

- G. The DEQ may refuse issuance of an Authorization to an applicant even though the facility meets the above eligibility criteria. In such a case, DEQ will provide to the facility a written explanation providing the reason(s) for the decision.

AQD acknowledges that this particular paragraph would be reserved for rather unusual cases. In almost all instances where a facility meets the GP’s eligibility requirements, an Authorization will be issued, perhaps with additional specific conditions. However, AQD believes that DEQ

does and should retain the authority to refuse to issue an Authorization to an applicant if, in the Director's judgment, an individual permit or other resolution is appropriate. No change to the draft GP is recommended.

Comment 10: Ref. Part 1, Section IV, Item A.: Should Section III.G be added to the first sentence? Also, it would be beneficial if ODEQ moved toward an electronic permit filing process to allow those entities that want to file electronically to do so. This would reduce the burden on ODEQ and those entities that would like to file electronically.

Response: The referenced paragraph in the draft GP relates to submission of a Notice of Intent (NOI) to Construct, and excludes those facilities described in Part 1, Section III.F of the GP (e.g., facilities not in substantial compliance with DEQ rules). Issues related to Section III.G (see information under AQD's response to Comment 9) are more likely to arise after or as a result of NOI submission. Part 1, Section IV.B of the GP directs such facilities to obtain an individual construction permit. No change to the draft GP is recommended.

AQD continues to develop and implement where appropriate program changes to increase efficiency and reduce resources required for both AQD staff and the regulated community. AQD is currently studying available options to determine the best methods to allow for electronic submission of permit applications.

Comment 11: Ref. Part 1, Section IV, Item C.: In the second sentence, delete "individual" and replace it with "minor source". In the last sentence, replace "an individual" with "a".

Response: AQD will adjust language in the second sentence of the referenced GP paragraph to clarify that the relevant requirements and limitations in an existing Authorization issued under an industry-specific GP may be incorporated into the Authorization to Operate. AQD does not believe that the suggested change to the last sentence in the same paragraph would be necessary or appropriate.

Comment 12: Ref. Part 1, Section V, first paragraph: In the last sentence, replace "an individual" with "a".

Response: AQD will adjust language in the GP as recommended.

Comment 13: Ref. Part 1, Section V, item A.: The 15 day notice of modification requirement is too short a time frame. The NSPS Subpart JJJJ specifically excludes the requirements under 40 CFR §60.7 where the 15 day notice is required. Thirty days is a more reasonable time frame.

Response: The Notification and Record Keeping section (40 CFR §60.7) of the NSPS General Provisions referred to by OIPA requires "... notification of the actual date of initial startup of an affected facility postmarked within 15 days after such date." The 40 CFR §63.9(b)(5) of the NESHAP General Provisions contains nearly an identical requirement. The timeframe for submittal of a Notice of Modification under the GP was selected to coincide with these requirements. AQD will adjust the language in the GP to allow for a different time if the applicable standard specifies a different timeframe. In addition, language was added for

facilities where the applicable standard does not require such notification. For these facilities the permittee must submit a Notice of Modification to AQD within 30 days following the start-up of the changes.

Comment 14: Ref. Part 1, Section V, item C.: We suggest deleting "an individual" and replacing it with "a minor source".

Response: AQD will adjust language in the GP to clarify that the existing industry-specific GP's are available as an alternative, where appropriate.

Comment 15: Ref Part 2, Section I, 2nd paragraph: As previously stated, annual emission inventories required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. ODEQ will know what the facility's emissions are through the application process. Any changes in the emission sources will be documented by the Notice of Modification. We request ODEQ remove the requirement to submit annual emission inventories.

Response: See response to Comments 1 and 2. No change to the draft GP is recommended.

Comment 16: Ref Part 3, Section II, Item A., second sentence: We assume that a problem with the ODEQ's authorization would not impact the permittee, but we suggest the following language be added to the second sentence to clarify this issue, "Correction of an Authorization shall not change the Effective Date of the Authorization, and shall not affect the permittee."

Response: The referenced paragraph in the draft GP states:

- A. An Authorization shall be corrected if any applicable emission limitation or standard is found to be absent or is found to be in error. Correction of an Authorization shall not change the Effective Date of the Authorization.

The primary impact of the quoted paragraph on the permittee would be to correct the Authorization to clarify applicable requirements. AQD believes that the suggested change is overly broad and does not believe it is necessary or appropriate. No change to the draft GP is recommended.

Comment 17: Ref. Part 3, Section II, Item C.: In the first sentence, item "V.D." does not exist. Replace it with "III.D."

Response: As noted by the commenter, "V.D" is an incorrect citation. However, the intended citation would be "V.C," and AQD will make the correction in the final GP.

Comment 18: Ref. Part 3, Section IV, Item D.: The use of portable engine analyzers is beneficial in adjusting engines by maintenance personnel. We recommend the following sentence be added to this paragraph, "This requirement does not apply to the use of portable engine analyzers by maintenance personnel to adjust reciprocating internal combustion engines."

Response: The referenced paragraph in the draft GP states:

- D. If the permittee monitors any pollutant more frequently than required by this permit, the results of this monitoring shall be included in the calculations used for determining compliance with the conditions of this permit. [OAC 252:100-43-6]

The GP does not include emissions limitations, except as may be included in individual NESHAP or NSPS. The applicable NESHAP/NSPS would generally include compliance and maintenance provisions, which could affect the role of portable engine analyzers. AQD does not believe that the suggested change is necessary or appropriate. No change to the draft GP is recommended.

Comment 19: Ref. Part 3, Section V.: The last part of the paragraph is confusing. We request ODEQ delete the following, "...~~that is less stringent than the newer requirement or standard.~~" or reword this paragraph.

Response: The referenced paragraph in the draft GP states:

Any Authorization issued after the effective date of a new or modified requirement or standard applicable to a unit located at the facility, may incorporate such requirement or standard, which shall supersede any corresponding permit requirement that is less stringent than the newer requirement or standard. [OAC 252:100-7-15(a) and 7-18]

AQD believes that the referenced paragraph clearly expresses the intent that existing permit requirements would not be automatically superseded by new or modified requirements or standards that are less stringent. No change to the draft GP is recommended.

Comment 20: Ref. Part 3, Section VI.: As previously stated, annual emission inventories and annual operating fees that are required under the proposed GP will be extremely onerous for small oil and gas operators of area source NESHAP facilities and small NSPS facilities that would otherwise be permit exempt. The additional operating fees and paper work for emissions inventories will be unnecessarily costly on operators, and will provide little benefit to the environment. ODEQ will know what the facility's emissions are through the application process. Any changes in the emission sources will be documented by the Notice of Modification. In addition, operators are already required to ensure they do not exceed permit exempt threshold for their facility. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a flat-rate annual inspection fee that is commensurate with the time ODEQ needs to manage these types of facilities.

Response: See response to Comments 1 and 2. No change to the draft GP is recommended.

Specific Comments on Appendix A of the General Permit

Comment 21: In regards to the table titled "Standards Scheduled for Promulgation", suggest it be noted that EPA has formally published in the Federal Register the proposed rule for existing reciprocating internal combustion engines on March 5, 2009.

Response: The tables will be updated in the final GP.

Comment 22: Should Appendix A also include completed area source NESHAPs as provided in the memorandum?

Response: The tables of area source NESHAPs that have been proposed or are scheduled for promulgation are included in Appendix A to make clear AQD's intention that they be included in the scope of the GP once they are promulgated. AQD believes that the GP language makes clear that the existing area source NESHAPs are covered, as well as NSPS that apply to minor facilities, and chose not to include an additional table that would soon be outdated. (Note that facilities subject to a NESHAP or NSPS that specifically requires a Title V permit are not eligible for the GP.) The memorandum includes a table of existing area source NESHAPs for informational purposes, and tables will be included in the instructions for the GP's NOI forms. No change to the draft GP is recommended.

Specific Comments on the Memorandum

Comment 23: Ref. Page 2, Section 1, Area Source NESHAP Facilities, 2nd paragraph: In the 3rd sentence, "Part 4" should be changed to "Part 3".

Response: AQD will make the correction in the final memorandum.

Comment 24: Ref. Page 2, Section 1, Area Source NESHAP Facilities, Table I-1: Should Subpart HH related to glycol dehydrators be included in the table?

Response: AQD will make the correction in the final memorandum.

Comment 25: Ref. Page 3, Section 1, Area Source NESHAP Facilities, Table I-3: The table should reflect that EPA has officially proposed the area source NESHAP for existing reciprocating internal combustion engines on March 5, 2009.

Response: The tables will be updated in the final memorandum.

Comment 26: Ref. Page 3, Section 1, Area Source NESHAP Facilities, 2nd paragraph: As previously stated, the GP requires operators to determine the emissions from all sources even though a single piece of equipment has subject the facility to federal requirements. For example, a significant number of oil and gas operations that are permit exempt are subject to the NESHAP and NSPS for new engines. To streamline the permitting process for these types of facilities, we recommend ODEQ's application process involve engine emissions only and remove the requirement to include all other emission sources in the permit process. Operators are already required to ensure they do not exceed permit exempt threshold for their facilities. Requiring additional emission information on all sources at these types of facilities is excessive and unnecessary.

Response: See response to Comment 3. No change to the draft memorandum is recommended.

Comment 27: Ref. Page 7, sentence before the last sentence: This sentence should be changed to the following, "Minor facilities with actual emissions of 40 TPY or more must obtain coverage under ~~individual~~ minor ~~facility~~ source construction and operating permits".

Response: AQD will adjust language in the memorandum to clarify that the existing industry-specific GP's are available as an alternative, where appropriate.

Comment 28: Ref. Page 8, first paragraph: As stated above, the 15 day notice of modification requirement is too short a time frame. NSPS Subpart JJJJ specifically excludes the requirements under 40 CFR §60.7 where the 15 day notice is required. Thirty days is a more reasonable time frame.

Response: See response to Comment 13. AQD will adjust the language in the memorandum accordingly.

Comment 29: Ref. Page 8, Item A., Facility Emissions: As previously stated, annual emission inventories will be extremely onerous and is excessive for small oil and gas operators of area source NESHAP facilities and small NSPS facilities where a single piece of equipment like an engine would subject a facility to a permit, but where it would otherwise be considered permit exempt. ODEQ will know what the facility's emissions are through the application process, and if a facility adds a new source, the Notice of Modification would be sufficient to check eligibility. In addition, operators are already required to ensure they do not exceed permit exempt threshold for their facility. We request ODEQ remove the requirement to submit annual emission inventories. In addition, instead of paying annual operating fees, we suggest a simple flat rate inspection fee that is commensurate with the time ODEQ manages these types of facilities.

Response: See response to Comments 1 and 2. No change to the draft memorandum is recommended.

Comment 30: Page 12, next to last paragraph: As previously stated, it would be beneficial if ODEQ moved toward an electronic permit filing process to allow those entities that want to file electronically to do so. This would reduce the burden on ODEQ as well as operators that want to file electronically.

Response: See response to Comments 10. No change to the draft memorandum is recommended.

Benham Comments/Questions

General Comments/Questions on the General Permit and Memorandum

Comment/Question 1: Will this GP be a synthetic minor for enforcement purposes like the other GPs? I don't want sources this small to get unnecessary HPVs. If it would be perceived as a synthetic minor source could we limit this GP to a PTE less than 80 T/yr of emissions to keep facilities out of the synthetic minor source status?

Response: The proposed general permit has been drafted to cover only “true” minor facilities (i.e., those with potential to emit (PTE) less than major source levels), in part to avoid these concerns. AQD does not believe that a change in the eligibility requirements is necessary.

Comment/Question 2: Do we have to include all sources in the registration? Typically at these small sources there are lots of little heaters, minor welding, storage tanks, etc and it is added forms for sources that aren't subject to NSPS/NESHAP. That is the bulk of our O&G GP apps right now. Typically it is one small engine that is subject and everything else wouldn't trigger any requirements. I am just looking at reducing the paperwork/trees killed in preparing these.

Response: As stated in the response to OIPA's Comment 3, AQD believes that it is necessary and appropriate to require emissions information to document the facilities' eligibility for the GP. Both AQD and the agency's Customer Assistance Program are available to assist facilities in preparing emissions estimates. No change to the draft GP is recommended.

Specific Comment/Questions on the General Permit

Comment/Question 3: Part 1, Section IV (C) requires a facility to pay for both a construction and operating app if a construction app wasn't obtained first and would have been required. What about facilities that were constructed before final promulgation of a NESHAP/NSPS but are classified as new under that NESHAP/NSPS? At the time they were actually constructed they met the permit exempt rules but now need an operating permit since they have an applicable standard. Do they have to pay both fees?

Response: A facility would not be held responsible for a obtaining a permit or paying an application fee that was not required at the time. Thus, if a facility met the definition for a permit exempt (or de minimis) facility at the time they were actually constructed or modified, the facility would not have to pay both fees. Note that under AQD rules in effect as of May 20, 2009, an existing minor facility that is de minimis or permit exempt would only be required to obtain construction and operating permits if they make a change that would change their status. Simply being subject to a newly promulgated NESHAP or NSPS does not mean an existing de minimis or permit exempt facility would now need an operating permit.

Comment/Question 4: Ref. Part 1, Section V(A): If a source to be added at a facility with the GP is not subject to an NSPS or NESHAP and won't change the permit eligibility do we need to notify the ODEQ at all re: the installation of the equipment?

Response: Provided the change is made as stated in the question and the facility would remain eligible for and in compliance with the GP, no notification would be required.

Comment/Question 5: Part 2, Section I - requires an annual EI for these sites. This is really hard for some of the small companies/office buildings etc. Could this maybe be a once every five years requirement (that is what Iowa requires for all minor sources)? Or could they pay a flat annual fee for GPs and not quantify the emissions?

Response: As stated in the response to OIPA's Comments 1 and 2, AQD rules currently require submittal of an annual emissions inventory and operating fee for permitted facilities, and AQD will consider administrative/regulatory options to minimize the burden on small facilities.