

Indiana Air Permitting Update

Agenda

- Changes to IDEM Permitting Rules [The Article 2 Initiative]
- Impact of new NO_x and SO₂ NAAQS on air permitting
- Greenhouse Gas Permitting Guidance
- Impact of Greenhouse Gas Permitting on an Industrial Source

IDEM Article 2 Initiative

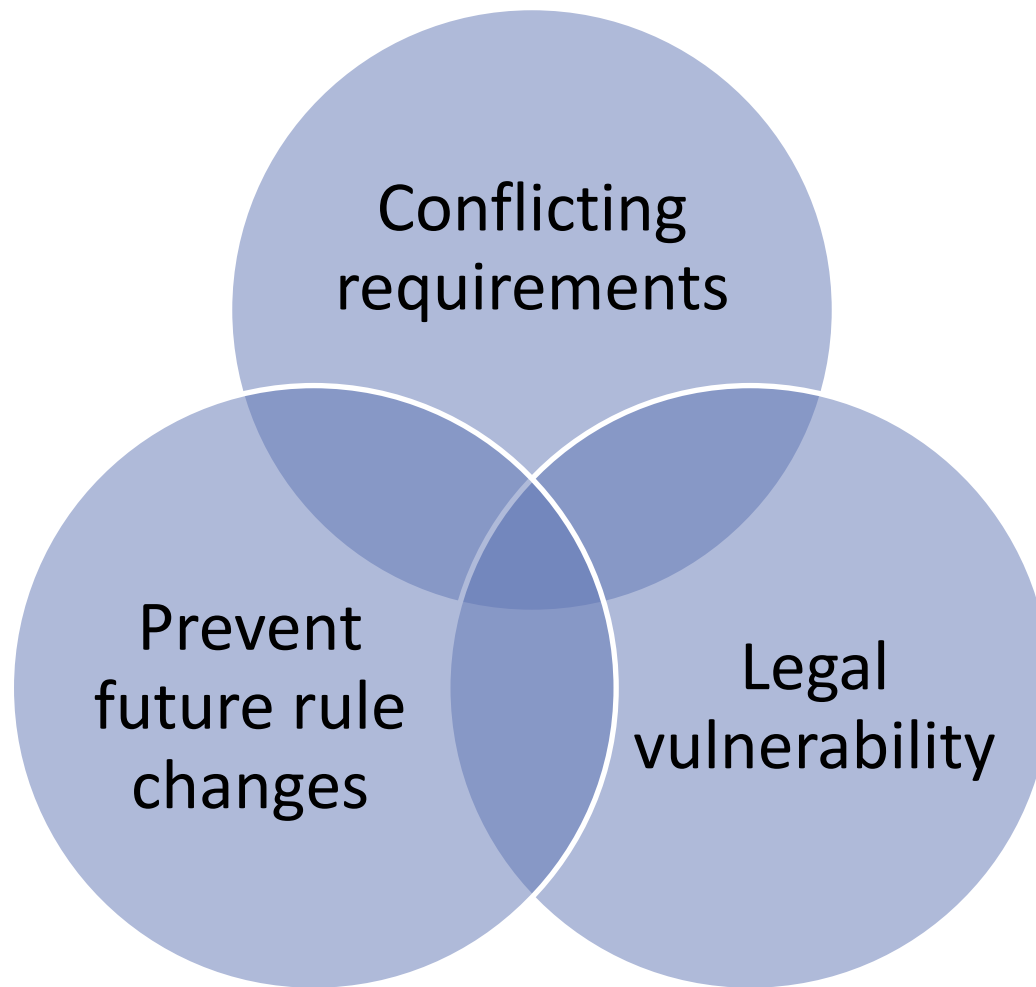
- Scope – IDEM Minor New Source Review Program
- Goals
 - Efficient and effective permitting process
 - Protect environment
 - Reduce burden on regulated community



The Backdrop

Rule version	Year adopted	EPA approved into SIP
The “Ancient” minor NSR rules – Registrations and Construction Permits	Early 80s	1994
Interim construction permits and emergency replacement provisions	1993	Not approved
The “allowable emission rules” for registrations and construction permits	1994	1997
The Minor NSR reform rules [essentially today’s rules]	1998	Mostly not approved
Minor NSR fix-up	2010	Not approved
The Article 2 Initiative	2010-2012	??

Why does EPA approval matter?



Article 2 Initiative – the process

Divided issues into
“short term” and
“long term”

Initial notice
of proposed
rulemaking
with public
comments

Short term
workgroup
meetings

Proposed
“short-term
revisions”

- Proposed rule
late December
2010 – final
adoption mid
2011?

“Long term”
issues work
group
meetings

“Long term”
issues
rulemaking
process

EPA approval
of IDEM
Minor NSR
program

The Article 2 Initiative – opportunities

Definitions

- Consistent definitions
- Source, emission unit, facility, modification, potential to emit, potential emissions

Exemptions and Insignificant Activities

- Resolve inconsistencies between the two
- Make list easier to review and find items

The Article 2 Initiative – opportunities

General Provisions

- Emission cap permits
- Integral control devices and potential to emit
- Portable sources

The Permitting Process

- Streamlined forms and processes
- Public notice
- Information in libraries

Permit and source modifications – improvements

- Clarification – which changes trigger which processes?
- More administrative permit amendments and minor permit modifications
- Adopt the off-permit process

The barriers - EPA concerns

- Minor NSR/Major NSR loopholes/circumvention
 - Temporary operations/experimental trials exemptions
 - Emergency replacement exemptions
 - Minor physical change exemption
 - Extreme condition exemptions
 - Exemption of certain pollution control projects
 - Notice only modifications
 - Insignificant activities list expansion
 - Emission cap permits [not PALs]
 - Expansion of permits by rule/general permits provisions
 - Off-permit process can't be used to circumvent NSR
- Definition of “modification” inconsistent with major NSR definition
- Definition of “construction” as it applies to projects that take synthetic minor limits

Article 2 Initiative - Resources

- IDEM Article 2 Initiative web page
 - <http://www.in.gov/idem/6436.htm>
- EPA approved SIP of IDEM permit regulations
 - <http://yosemite.epa.gov/r5/r5ard.nsf/SIPs%20View%20By%20State%20Main%20View!OpenView&Start=1&Count=30&Expand=2.2#2.2>

The New NAAQS – NO₂ and SO₂

- New 1-hour NO₂ NAAQS issued February 2010
- New 1-hour SO₂ NAAQS issued June 2010
- General implications
 - Attainment/nonattainment designations
 - SIP development process
- Permitting implications
- IDEM emissions/modeling information request

NO₂ NAAQS Implications for Indiana

- No new nonattainment areas initially based on existing monitoring data
- New NO₂ monitors, likely near major roadways in urban areas
 - To be operational by January 2013
- Modeling in air quality analysis in PSD applications has been challenging
 - New guidance provides some relief
 - Background concentrations
 - Intermittent sources

Revised NO₂ NAAQS Timeline

Milestone	Date
State Designation Recommendations to EPA	January 2011: One year following promulgation (Based on existing network data)
Designations	January 2012: EPA designates all/most areas as "unclassifiable" (because near road monitors not in place)
New NO ₂ Monitoring Network	January 1, 2013: All monitors operating
Next NO ₂ NAAQS Review Completed	January 2015: Anticipated time frame
Nonattainment Re- Designations (discretionary)	January 2016/2017 (depending on date that sites become operational)
Attainment Date	January 2021/2022 (5 years after date of nonattainment designations)

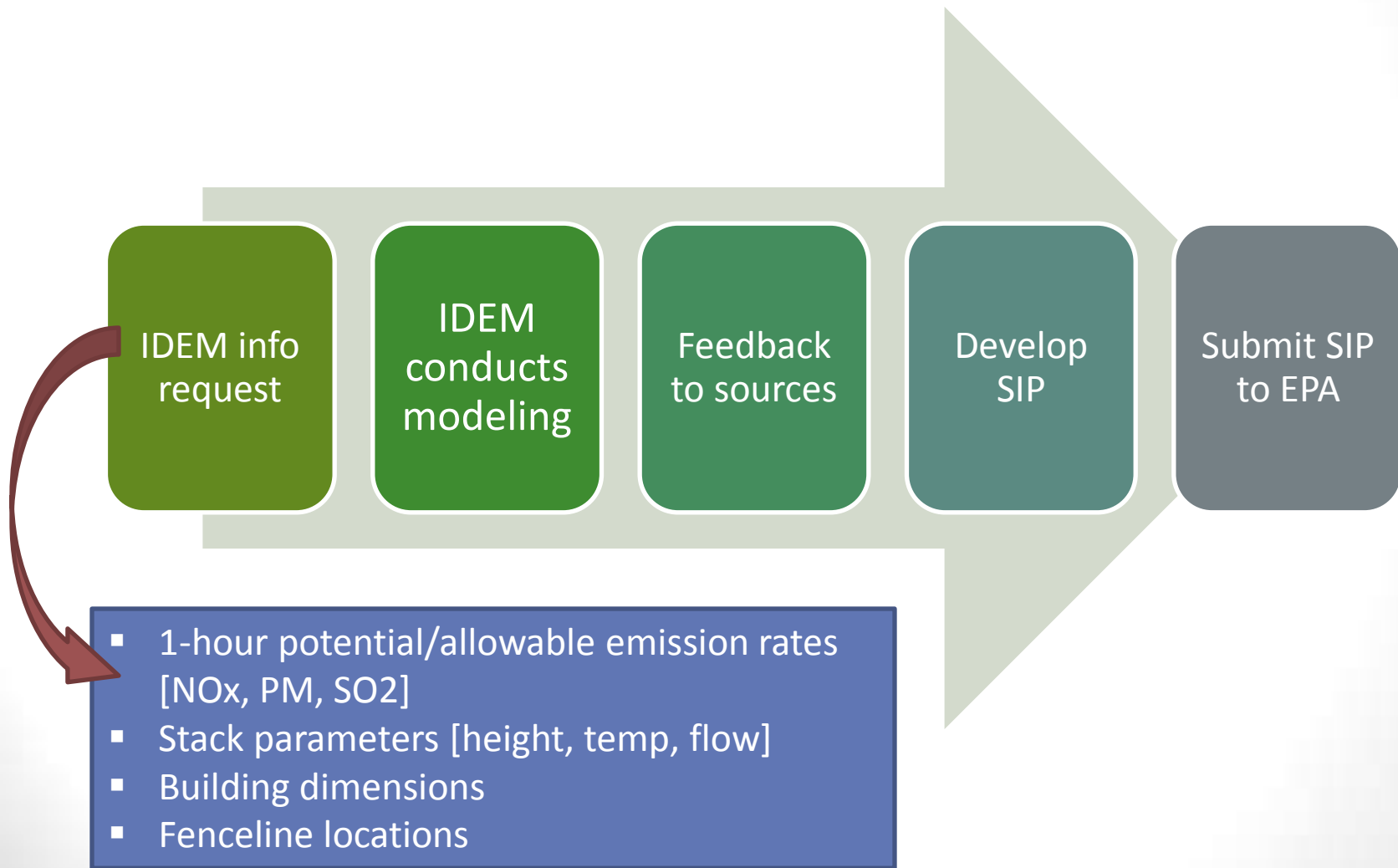
SO2 NAAQS Implications for Indiana

- 9 new nonattainment areas based on 2008-2010 monitoring data
 - Will 2009-2011 data show attainment before designations are final?
- Proposed attainment designations must include modeling demonstration
 - Expect most counties to be unclassifiable
- SIP attainment demonstrations will be a resource and technical challenge
 - Expect new SO2 emission limits for many sources
- Modeling in air quality analysis in PSD applications has been challenging

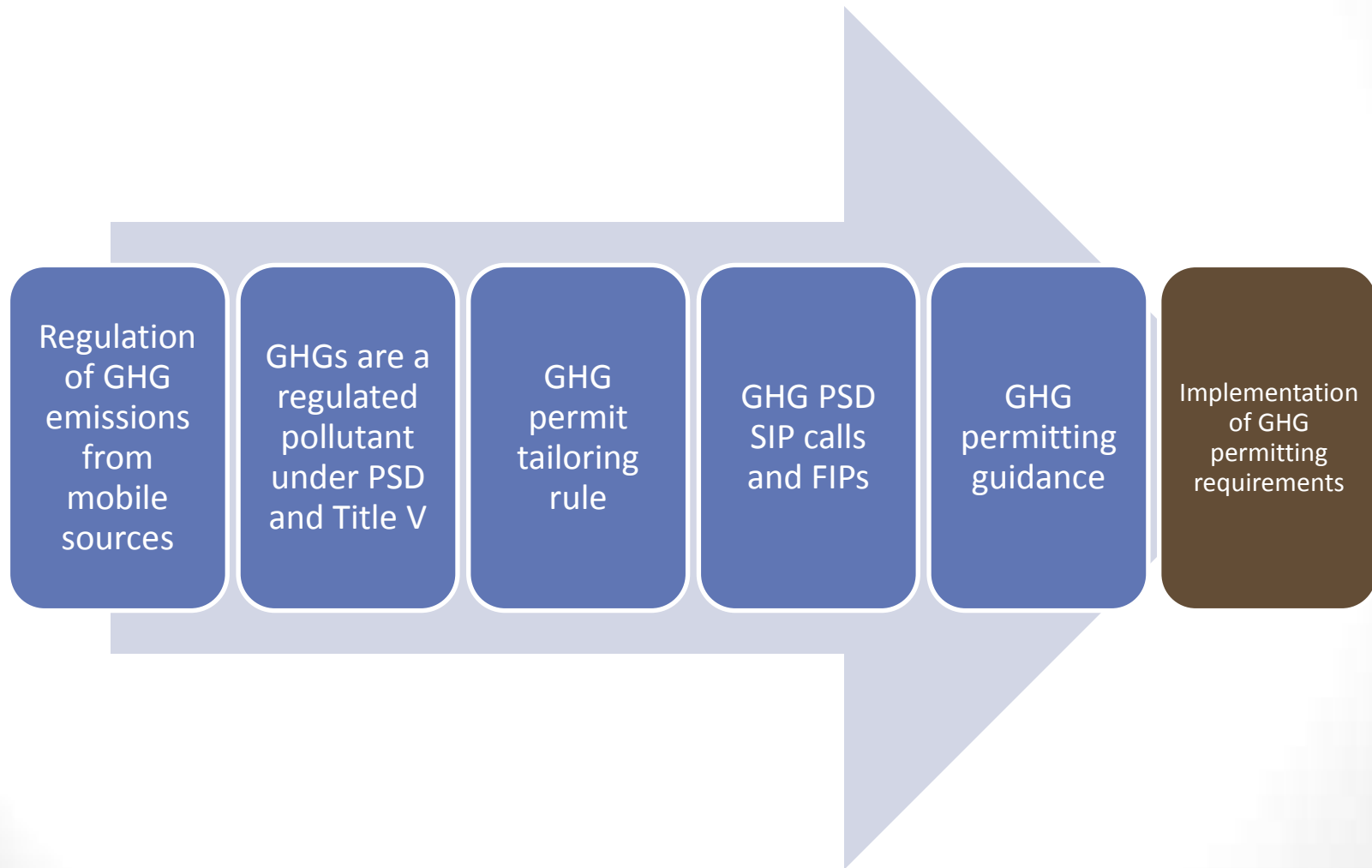
Revised SO₂ NAAQS Timeline

Deadline	Milestone
June 2010	EPA sets new primary SO ₂ standard
June 2011	States submit designation recommendations, based on available monitoring data and any modeling they choose to perform in advance of submitting their state implementation plans
June 2012	EPA issues initial designations: <ul style="list-style-type: none"> ➤ “nonattainment” = monitored <u>or</u> modeled violations ➤ “attainment” = monitored <u>and</u> modeled evidence of no violations ➤ “unclassifiable” = all other areas
January 2013	New monitoring network operational
June 2013	State plans for basic requirements to implement the revised standards (including appropriate state regulations to carry out monitoring etc.) due to EPA Attainment and unclassifiable area state implementation plans, modeling attainment of the new standard by August 2017, due to EPA.
February 2014	Nonattainment area plans due to EPA
August 2017	All areas attain the standard

IDEM Designation/SIP Modeling



Evolution of GHG permitting requirements



Indiana's GHG rules

Emergency Tailoring rule

- Adopted November 2010
- Applies to PSD and Title V
- Effective now

Final GHG Tailoring rule

- Adopted December 2010
- PSD and Title V
- Effective date – this spring
- **Submit to EPA Region V as SIP revision – this summer?**

Amendments/clarifications to Title V GHG tailoring rule

- Public comment period ended March 25
- Effective date – this summer