

**TENTATIVE AGENDA
STATE AIR POLLUTION CONTROL BOARD MEETING
MONDAY, MARCH 26, 2007**

**GENERAL ASSEMBLY BUILDING
HOUSE ROOM C
9TH & BROAD STREETS
RICHMOND, VIRGINIA**

Convene - 9:30 A.M.

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I.	Regulations - Final		
	Variance Concerning Open Burning	Sydnor/McLeod	A
	Federal Documents Incorporated by Reference (Rev. E06)	Sydnor/Sabasteanski	B
	Transportation Conformity (Rev. M04)	Sydnor/Major	C
II.	Mirant – Potomac River Generating System	Sydnor	D
	Staff Presentations		
	Consent Order, Permitting Options, Draft Permit, and Local Air Pollution Control District Committee		
	Opportunity for Public Comment (New Information and/ or Response to Board/Staff Discussions):		
	City of Alexandria Representatives (maximum of 20 minutes)		
	Public (maximum of 20 minutes for all speakers)		
	Company Representatives (maximum of 30 minutes)		
III.	Report on High Priority Violators	Dowd	E
IV.	Public Forum (no public comment on Mirant)		
IV.	Other Business		
	Division Director's Report:	Sydnor	
	Upcoming Planning Requirements		F
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	Mercury Study (Status Report)		
	Non-EGU Mercury Report (Status Report)		
	Reactive Mercury Emissions Versus Actual Mercury Emissions (Status Report)		
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	Status of Review for CAIR Allocations to Transition to Output Based		I
	Possible Agenda Items for Future Meetings		
	Minutes (December 6, 2006 and January 16, 2007)		J
	Public Comment Policy/Agenda Development		
	Future Meetings (Joint on April 10, 2007. Air on May 23, 2007)		

Adjourn

NOTE: The Board reserves the right to revise this agenda without notice unless prohibited by law. Revisions to the agenda include, but are not limited to, scheduling changes, additions or deletions. Questions arising as to the latest status of the agenda should be directed to Cindy M. Berndt at (804) 698-4378.

PUBLIC COMMENTS AT STATE AIR POLLUTION CONTROL BOARD MEETINGS: The Board encourages public participation in the performance of its duties and responsibilities. To this end, the Board has adopted public participation procedures for regulatory action and for case decisions. These procedures establish the times for the public to provide appropriate comment to the Board for their consideration.

For **REGULATORY ACTIONS (adoption, amendment or repeal of regulations)**, public participation is governed by the Administrative Process Act and the Board's Public Participation Guidelines. Public comment is accepted during the Notice of Intended Regulatory Action phase (minimum 30-day comment period and one public meeting) and during the Notice of Public Comment Period on Proposed Regulatory Action (minimum 60-day comment period and one public hearing). Notice of these comment periods is announced in the Virginia Register and by mail to those on the Regulatory Development Mailing List. The comments received during the announced public comment periods are summarized for the Board and considered by the Board when making a decision on the regulatory action.

For **CASE DECISIONS (issuance and amendment of permits and consent special orders)**, the Board adopts public participation procedures in the individual regulations which establish the permit programs. As a general rule, public comment is accepted on a draft permit for a period of 30 days. If a public hearing is held, there is a 30-day comment period and one public hearing.

In light of these established procedures, the Board accepts public comment on regulatory actions, as well as general comments, at Board meetings in accordance with the following:

REGULATORY ACTIONS: Comments on regulatory actions are allowed only when the staff initially presents a regulatory action to the Board for **final** adoption. At that time, those persons who participated in the prior proceeding on the proposal (i.e., those who attended the public hearing or commented during the public comment period) are allowed up to 3 minutes to respond to the summary of the prior proceeding presented to the Board. Adoption of an emergency regulation is a final adoption for the purposes of this policy. Persons are allowed up to 3 minutes to address the Board on the emergency regulation under consideration.

CASE DECISIONS: Comments on pending case decisions at Board meetings are accepted only when the staff initially presents the pending case decision to the Board for final action. At that time the Board will allow up to 5 minutes for the applicant/owner to make his complete presentation on the pending decision, unless the applicant/owner objects to specific conditions of this permit. In that case, the applicant/owner will be allowed up to 15 minutes to make his complete presentation. The Board will then, in accordance with § 2.2-4021, allow others who participated in the prior proceeding (i.e., those who attended the public hearing or commented during the public comment period) up to 3 minutes to exercise their right to respond to the summary of the prior proceeding presented to the Board. No public comment is allowed on case decisions when a FORMAL HEARING is being held.

Pooling Minutes: Those persons who participated in the prior proceeding and attend the Board meeting may pool their minutes to allow for a single presentation to the Board that does not exceed the time limitation of 3 minutes times the number of persons pooling minutes or 15 minutes, whichever is less.

NEW INFORMATION will not be accepted at the meeting. The Board expects comments and information on a regulatory action or pending case decision to be submitted during the established public comment periods. However, the Board recognizes that in **rare** instances new information may become available after the close of the public comment period. To provide for consideration of and ensure the appropriate review of this new information, persons who participated during the prior public comment period **shall** submit the new information to the Department of Environmental Quality (Department) staff contact listed below at least 10 days prior to the Board meeting. The Board's decision will be based on the Department-developed official file and discussions at the Board meeting. For a regulatory action should the Board or Department decide that the new information was not reasonably available during the prior public comment period, is significant to the Board's decision and should be included in the official file, an additional public comment period may be announced by the

Department in order for all interested persons to have an opportunity to participate.

PUBLIC FORUM: The Board schedules a public forum at each regular meeting to provide an opportunity for citizens to address the Board on matters other than pending regulatory actions or pending case decisions. Anyone wishing to speak to the Board during this time should indicate their desire on the sign-in cards/sheet and limit their presentation to not exceed 3 minutes.

The Board reserves the right to alter the time limitations set forth in this policy without notice and to ensure comments presented at the meeting conform to this policy.

Department of Environmental Quality Staff Contact: Cindy M. Berndt, Director, Regulatory Affairs, Department of Environmental Quality, 629 East Main Street, P.O. Box 1105, Richmond, Virginia 23218, phone (804) 698-4378; fax (804) 698-4346; e-mail: cumberland@deq.virginia.gov.

Variance Concerning Open Burning - Public Participation Report and Request for Board

Action: The State Air Pollution Control Board adopted amendments to the Open Burning Rule (Rule 4-40), specifically the seasonal restriction requirements. These changes became effective on October 18, 2006, and will affect open burning activities starting in the summer of 2007. Based on citizen testimony, discussions with local government officials, and the fact that the emission reduction credits are not used until 2011, it has been determined that a variance for two years to the open burning seasonal restrictions in Gloucester County is an acceptable approach. The variance provides relief from the seasonal restrictions in 9 VAC 5-40-5630 A 8 and 10 for Gloucester County in the Hampton Roads Volatile Organic Compound Emissions Control Area. The variance would no longer be in effect after December 31, 2008. The department is requesting approval of a draft final variance that meets state statutory and regulatory requirements.

Because the regulation is a variance, the regulation is subject to the public participation requirements § 10.1-1307 C of the Code of Virginia and is exempt from the normal regulatory process under the provisions of §§ 2.2-4007 M, -4013 E, -4014 D, and -4015 C of the Administrative Process Act. Section 10.1-1307 C requires a public hearing with 30 days notice; § 10.1-1307.01 requires an additional 15-day comment period beyond the date of the hearing. In order to meet these requirements for public participation, the public participation activities described below were conducted.

To solicit comment from the public on the proposal, the department issued a notice that provided for receiving comment during a comment period and at a public hearing.

Below is a brief summary of the substantive provisions of the variance that were originally proposed for public comment.

1. For the purposes of applicability of the seasonal restrictions in 9 VAC 5-40-5630 A 8 and 10 only, the Hampton Roads Volatile Organic Compound Emissions Control Area does not include the County of Gloucester and the County of Isle of Wight.
2. The variance shall not be applicable after December 31, 2008.

Below is a brief summary of the changes to the proposal:

1. The County of Isle of Wight has been removed from the variance. The variance now will only apply to the County of Gloucester.
2. A provision has been added to require compliance with the order granting the variance.

Federal Documents Incorporated by Reference (9 VAC 5 Chapters 50 and 60, Rev. E06) -

Request for Board Action: The purpose of the proposed action is to amend the regulations to incorporate newly promulgated federal New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), and national emission standards for hazardous air pollutants for source categories (Maximum Achievable Control Technology, or MACT), Rules 5-5, 6-1, and Rule 6-2, respectively, of the board's regulations.

The board must incorporate newly promulgated NSPS, NESHAP, and MACT standards in order for the department to obtain authority from the U.S. Environmental Protection Agency (EPA) to enforce these standards. If the board does not do so, authority to enforce the standards remains with

the federal government. Further, the standards reflect the most current technical research on the subjects addressed by the standards. To continue to follow the old standards would mean relying on inaccurate and outdated information.

The department is requesting approval of draft final regulation amendments that meet federal statutory and regulatory requirements. Approval of the amendments will ensure that the Commonwealth will be able to meet its obligations under the federal Clean Air Act.

The regulation amendments update state regulations that incorporate by reference certain federal regulations to reflect the Code of Federal Regulations as published on July 1, 2006. Below is a list of the new standards the department is recommending be incorporated into the state regulations by reference:

1. Incorporation of one NSPS: Subpart EEEE - Other Solid Waste Incineration Units for Which Construction Is Commenced After December 9, 2004, or for Which Modification or Reconstruction Is Commenced On or After June 16, 2006 (40 CFR 60.2880 through 60.2977). The date of the Code of Federal Regulations book being incorporated by reference is also being updated to the latest version.
2. No new NESHAP are being incorporated; however, the date of the Code of Federal Regulations book being incorporated by reference is being updated to the latest version.
3. No new MACT standards are being incorporated; however, the date of the Code of Federal Regulations book being incorporated by reference is being updated to the latest version. In addition, the reference to Subpart EEE (Hazardous Waste Incinerators) has been revised to include references to several new sections. Finally, Subpart C (list of hazardous air pollutants, petitions process, lesser quantity designations, and source category list) has been revised to include the deletion of methyl ethyl ketone (MEK, 2-Butanone) at 40 CFR 63.61.

Because the state regulations are essentially the same as the federal, the state regulations are exempt from all state public participation requirements under the provisions of § 2.2-4006 A 4 c of the Administrative Process Act. However, notice of the regulation adoption must be forwarded to the Registrar for publication in the Virginia Register 30 days prior to the effective date. Also, the Registrar must agree that the regulations are not materially different from the federal version and are, therefore, exempt from the state public participation requirements and must notify the agency accordingly. This notification and the notice of adoption will subsequently be published in the Virginia Register. Because the regulations will not be submitted as a SIP revision, they are not subject to federal public participation requirements either. Therefore, there was no public hearing or public comment period. In adopting the regulation amendments under the provisions of § 2.2-4006, the board is required to state that it will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Transportation Conformity (Revision M04) - Request for Board Action: The federal Clean Air Act requires that federally-funded transportation plans, programs and projects conform to state or federal air quality implementation plans. Metropolitan planning organizations and the United States Department of Transportation must make determinations that federally-funded transportation plans, programs, and projects conform to Virginia's SIP. "Conformity" means that the activity conforms to the SIP's purpose of eliminating or reducing the severity and number of violations of the NAAQS and achieving expeditious attainment of such standards, and will not (i) cause or contribute to any new violation of any standard in any area, (ii) increase the frequency or severity of any existing violation of any standard in any area, or (iii) delay timely attainment of any standard or any required interim emission reductions or other milestones in any area.

Virginia is required to submit to the U.S. Environmental Protection Agency (EPA) a revision to the SIP that establishes conformity criteria and procedures consistent with the transportation conformity regulation promulgated by EPA at 40 CFR Part 93. 40 CFR Part 93 was amended by EPA on July 1, 2004 (69 FR 40004) and March 10, 2006 (71 FR 12468). The amendments include criteria and procedures for the new 8-hour ozone and fine particulate matter (PM_{2.5}) national ambient air quality standards. In order to implement the federal transportation conformity requirements, the Virginia regulations must reflect the revisions made to the federal regulations. To this end, Chapter 150 of the regulations is being replaced with a new Chapter 151, which includes the most recent

federal revisions.

The Department is requesting approval of a draft final regulation that meets federal statutory and regulatory requirements. Approval of the regulation will ensure that the Commonwealth will be able to meet its obligations under the federal Clean Air Act.

Because the state regulations are necessary to meet the requirements of the federal Clean Air Act and do not differ materially from the pertinent EPA regulations, the state regulations are exempt from all state public participation requirements under the provisions of § 2.2-4006 A 4 c of the Administrative Process Act. However, notice of the regulation adoption must be forwarded to the Registrar for publication in the Virginia Register 30 days prior to the effective date. Also, the Registrar must agree that the regulations are not materially different from the federal version and are, therefore, exempt from the state public participation requirements and must notify the agency accordingly. This notification and the notice of adoption will be published in the Virginia Register subsequently. In adopting the regulation amendments under the provisions of § 2.2-4006, the Board is required to state that it will receive, consider, and respond to petitions by any interested person at any time with respect to reconsideration or revision.

Below is a brief summary of the substantive provisions.

1. Terms unique to the article are defined. [9 VAC 5-151-10]
2. The applicability section identifies specific actions and criteria for conformity determinations with regard to federal highway and federal transportation projects in nonattainment and maintenance areas. [9 VAC 5-151-20]
3. Authority of board and DEQ identifies the specific responsibilities of the Board and the DEQ Director with respect to Virginia state law. The section also identifies the responsibility of the DEQ director regarding enforcement, administrative authority. Federal requirements mandate that the federal requirements and standards be enforceable by the state. [9 VAC 5-151-30]
4. The General section formally incorporates by reference portions of the EPA Regulation for Transportation Conformity (40 CFR Part 93) into the state regulation. This section also indicates that the specific version of the provisions adopted by reference are those contained in the most currently available CFR in effect as published on July 1, 2006. [9 VAC 5-51-40]
5. The list of designated provisions lists each transportation conformity provision adopted by EPA and incorporated into the regulation including the section number and title. [9 VAC 5-151-50]
6. Word or phrase substitutions are noted in order for Virginia-specific terms to be used throughout the regulation, to meet the requirements of the Virginia Registrar, and to specify format changes necessary to ensure that the regulation refers to Virginia regulations not federal regulations in order to meet the federal requirement that the regulation be enforceable by the state. [9 VAC 5-151-60]
7. The consultation section outlines specifically how the various government agencies, federal, state and local, will interact with and consult with each other and the general public in the development of transportation plans and associated conformity determinations. [9 VAC 5-151-70]

Update on Mirant – Potomac River Generating Station: DEQ staff will be providing an update on the status of the Mirant – Potomac River Generating Station. The update will include information on the following:

- I. Consent Order – A DEQ issued Administrative Consent Order to be the controlling instrument in protecting the NAAQS until other permitting options take effect. (Dowd)
- II. Stack Merge Project Application (Bauer/Breathwaite)
 - A. Facility Background – including emissions units and current controls
 - B. Active Permits
 - C. Proposed Stack Merge Project – Purpose and changes to the stack configuration
 - D. NSR applicability determination – Major NSR and Minor NSR
 - E. Modeling of Post Stack Merge Operational Scenarios
 - F. Options for permitting – Minor NSR, State Operating Permit, or Combination
- III. Status of the New Source Review Applicability Determination for Past Projects (Steers/Darton)
- IV. Establishment of a local air pollution control district committee for the Alexandria City

area (Sydnor)

High Priority Violators (HPVs) for the Fourth Quarter, 2006

ACTIVE CASES — Table A *			
DEQ Region	Facility Name and location	Brief Description	Status
NRO	Lohmann Specialty Coatings, Inc., Orange County (specialty adhesives manufacturing facility)	Alleged failure to maintain fuel records; numerous open VOC containers; failure to record RTO combustion chamber temperature and maintain other RTO-related records; failure to record monthly or annual VOC emission records; failure to maintain records of monthly throughput of propane in violation of permit terms and regulations	NOV issued 8/30/06; informal fact-finding proceeding scheduled for 3/14/07
NRO	Potomac River Generating Station/Mirant, Alexandria (coal-fired electric power plant)	Alleged exceedance of ozone season NOx emission limit of 1,019 tons contained in state operating permit by over 1,000 tons in 2003	NOV issued 9/10/03; revised NOV issued 10/20/03; NOV issued by EPA 1/22/04; Amended Consent Decree lodged with U.S. District Court in Alexandria 5/8/06 calling for: ozone season and annual NOx emission limits on Potomac River; Mirant system-wide ozone season NOx limits; .15 lbs/MMBtu system-wide ozone season NOx emission rate starting in 2008; system-wide annual NOx limits; \$1mil in coal yard dust/particulate projects at Potomac River; payment of \$500K civil fine; government plaintiffs filed response to public comments and moved to enter Decree 1/17/07; federal court hearing on motion scheduled for 4/20/07
<u>NRO</u>	TransMontaigne Product Services, Inc., Fairfax (gasoline pipeline terminal)	Alleged failure to conduct annual VOC stack test for 2005 required by terms of NSR permit	NOV issued 7/6/06; Consent Order issued 2/5/07 imposed civil charge of \$17,530
<u>NRO</u>	Upper Occoquan Sewage Authority, Centerville	Alleged installation and operation since 1995 of two 2,500kW diesel generators w/o a permit	NOV issued 11/3/06; pending
<u>NRO</u>	US Army – Fort Belvoir	Alleged failure to perform semi-annual boiler maintenance necessary to control NOx emissions in violation of RACT permit; failure to record operating hrs of generators; failure to conduct opacity	NOV issued 10/11/06; pending

		observations on generators and incinerator	
<u>PRO</u>	Hawkeye Manufacturing, Inc., Richmond (spa manufacturer)	Alleged construction and operation of facility w/o a permit; failure to register facility with DEQ; failure to adequately control fugitive dust; failure to adequately handle VOC materials in violation of regulations	NOV issued 7/27/06; pending
<u>PRO</u>	Quebecor Printing Richmond, Inc., Henrico County (printing facility)	Alleged failure to maintain required 92% VOC and HAP emissions control efficiency	NOV issued 8/28/06; pending
<u>SWRO</u>	Galax Energy Concepts, LLC Galax, Carroll County (wood burning steam generator)	Alleged violations of lbs/hr and lb/mmBtu emission limits for particulate matter for the facility's 3 boilers resulting from stack tests performed in March '05 under low-load and high-load conditions; exceedances ranged from 15% over the limit to 245% over the limit; failure to comply with regulations for small waste combustors	NOVs issued 4/14/05 and 6/2/05; pending (plant has been shut down since 9/23/05); EPA issued Notice of Noncompliance 2/22/06; pending
<u>SWRO</u>	Merillat LP, Plant #12, Atkins (furniture manufacturer)	Alleged failure to continuously operate and properly maintain RTO; failure to maintain records of RTO combustion temperatures as required by terms of Title V permit	NOV issued 8/23/06; pending
<u>VRO</u>	Harrisonburg Resource Recovery Facility (municipal waste incinerator)	Alleged exceedance of 25ppm HCL emission limit for units 1 and 2 based on stack test (unit 1 tested at 71ppm and unit 2 tested at 122ppm); failure to meet 2.58 lb/hr HCL emission limit (unit 1 tested at 4.88lb/hr and unit 2 tested at 7.23lb/hr); failure to meet 95% HCL reduction efficiency (unit 1 tested at reduction efficiency of 84% and unit 2 at 71%)	NOV issued 10/19/06; pending
<u>VRO</u>	Merck & Co., Inc., Rockingham County (pharmaceutical manufacturer)	Alleged exceedance of emission limit for methyl chloride in synthetic minor HAP permit by over 4.5 tons; failure to adequately measure wastewater influent for HAPs as required by permit	NOV issued 12/11/03; Consent Order dated 7/8/05 imposed various injunctive measures to control toxics emissions and a civil charge of \$500,000, of which \$300,000 goes toward a SEP calling for retrofitting Rockingham County and

			Harrisonburg City school buses with control devices for particulates and other pollutants
WCRO	Magnox Pulaski Inc., Pulaski, Pulaski County (magnetic tape manufacturer)	Numerous alleged violations of Title V permit recordkeeping, monitoring, and operational requirements	NOV issued 5/8/03; Consent Order dated 7/28/04 imposed civil charge of \$20,668 of which \$14,468 goes toward a SEP to reduce CO emissions through process changes (Magnox to make 3 more payments under civil charge payment schedule)
WCRO	Southern Finishing Co., Martinsville, Henry County (furniture manufacturer)	Alleged violations of, among other things, MACT subpart JJ work standards and recordkeeping requirements; installation of wood spray booth w/o permit; defective spray booth filters; failure to conduct periodic monitoring and inspections; failure to submit compliance certification and other required reports; failure to complete SEP required by 11/17/03 Consent Order	NOVs issued 4/11/05 and 6/3/04; Consent Order dated 8/31/05 imposed civil fine of \$161,870, of which \$145,683 goes toward an innovative pollution prevention SEP calling for the elimination of hazardous air pollutants (HAPs) within 2 yrs from finishes and coatings used in the facility's wood furniture production lines
WCRO	Southern Finishing Co., Martinsville, Henry County (furniture manufacturer)	Alleged exceedance of VOC emission limits; exceedance of HAP throughput limits; failure to record weekly observation of pressure drop readings for fabric filters in violation of NSPS subpart EE, MACT subpart RRRR, and Title V permit	NOV issued 3/6/06; Consent Order dated 10/18/06 imposed civil charge of \$105,728, of which \$79,296 goes toward a SEP calling for the development and implementation of an environmental management system
WCRO	Wolverine Gasket Division – Cedar Run Plant, Blacksburg, Montgomery County (automotive parts manufacturer)	Alleged failure of coil coating line 6 incinerator to maintain adequate combustion temperature as required by Title V permit; failure to record average gas temperatures for coil coating line 5 catalytic oxidizer; and failure to demonstrate compliance with emission limits for coil coating line 6	NOV issued 10/11/06; Consent Order dated 2/1/07 imposed civil charge of \$48,750, of which \$36,567 goes toward a SEP calling for installation and operation of energy efficient fluorescent high-bay lighting

* Table A includes the following categories of HPV cases:

- 1) Those initiated by a Notice of Violation (NOV) issued prior to or during the fourth quarter of 2006 that have not been settled by Consent Order, and;
- 2) Those settled by Consent Order prior to the fourth quarter of 2006 where the alleged violator has not complied with substantially all of the terms of the Consent Order.

RESOLVED CASES – Table B **			
DEQ Region	Facility Name and	Brief Description	Status

	Location		
PRO	Payne, Chesterfield County (printing facility)	Alleged improper operation and testing of RTOs; inadequate recordkeeping and monitoring regarding RTOs; extensive improper handling of VOC materials; extensive improper handling of VOC and HAP emissions and recordkeeping in violation of permit and regulations	NOV issued 4/19/06; Consent Order dated 11/27/06 imposed civil charge of \$5,880 and required demonstration of capture efficiency of coater room enclosure and destruction efficiency of RTOs
SWRO	Merillat Corporation, Atkins (cabinet manufacturer)	Alleged excess fugitive emissions from baghouse and various violations of MACT subpart JJ including use of non-compliant spray gun, lack of work practice and formulation assessment plans, and failure to submit compliance status reports; alleged failure to submit initial compliance and status report regarding implementation of work practice standards and semi-annual report required by MACT regulations, and use of conventional spray guns in violation of MACT	NOVs issued 3/17/06 and 5/11/06; Consent Order dated 12/1/06 imposed civil charge of \$6,440, of which \$4,800 goes toward a SEP calling for the installation and operation of a solvent recovery still to reclaim belt cleaning material and solvents and reduce generation of hazardous waste
TRO	Norfolk Naval Shipyard and Naval station Norfolk	Alleged failure to provide VOC content certification for paint batches	NOV issued 4/4/06; Consent Order dated 10/3/06 requires development and implementation of a plan to address availability of VOC content certifications for paint used in ship repair (no civil charge imposed because alleged violator is federal facility)
VRO	Harrisonburg Resource Recovery Facility (municipal waste incinerator)	Alleged exceedance of HCL emission limits discovered during stack test (25 ppmv limit – 30.84 ppmv observed); violations of various requirements of facility's Title V permit, including failure to maintain carbon feed rate necessary to control HAP emissions; failure to notify DEQ of low carbon feed rate; failure to maintain records of daily observations of fabric filters	NOVs issued 7/22/05 and 9/16/05; Consent Order dated 4/13/06 imposed civil charge of \$45,000, of which \$27,000 goes toward a SEP for the retrofitting at least 24 City of Harrisonburg diesel trucks with devices to reduce particulate exhaust
VRO	Valley Proteins, Inc., Linville (rendering facility)	Alleged violation of sulfur in fuel requirements and SO2 emission limits; failure to	NOV issued 2/8/06; Consent Order dated 11/7/06 imposed civil charge of \$16,915

		conduct required visible emission evaluations	
WCRO	CPFilms Inc., Fieldale (manufactures solar controlled window film)	Stack testing conducted 8/23/06 indicated source exceeded lbs/hr and ppm VOC emission limits; source since retested and demonstrated compliance	NOV issued 10/26/06; consent Order dated 11/22/06 imposed civil charge of \$3,647

**** Table B includes HPV cases resolved by Consent Order during the fourth quarter of 2006 where the alleged violator has complied with substantially all of the terms of the Consent Order**

Upcoming Planning Requirements: VDEQ has several significant planning processes on-going at this time. These processes will result in both future regulations to be adopted by the SAPCB as well as state implementation plan revisions for submission to EPA Region III.

DC Metro 8-hour Ozone Attainment Plan - This plan is due in final form to EPA by June 15, 2007, and will include the Northern Virginia areas of Fairfax, Fairfax City, Manassas, Manassas Park, Loudoun, Alexandria, Arlington, Falls Church, and Prince William. Work is on schedule to meet the submittal by June 15th. Plan components consist of the following:

- Emissions inventories for years 2002, 2008, and 2009 for CO, NO_x, and SO₂.
- Attainment modeling demonstration with a weight of evidence showing: The attainment modeling demonstration is currently indicating a 2009 design value of 86 ppb. This value is well within the weight of evidence range for the attainment demonstration.

2009 Final Modeling Run for the Washington, D.C. Metropolitan Area			
Monitoring Site	Location	2002 Design Value (ppb)	2009 Predicted Value (ppb)
Takoma	D.C.	88.7	79
River Terrace	D.C.	89.0	78
McMillan	D.C.	92.7	81
Southern MD	Charles County, MD	93.0	75
Frederick Municipal Airport	Frederick County, MD	87.3	73
Rockville	Montgomery County, MD	86.7	76
Greenbelt	Prince George's County, MD	94.0	81
PG Equestrian Center	Prince George's County, MD	94.0	81
Aurora Hills	Arlington County, VA	96.7	86
Chantilly	Fairfax County, VA	87.0	75
Mount Vernon	Fairfax County, VA	96.7	85
Franconia	Fairfax County, VA	95.0	83
Annandale	Fairfax County, VA	94.0	82
McLean	Fairfax County, VA	88.0	77
Ashburn	Loudoun County, VA	90.0	78
Long Park	Prince William County, VA	85.0	74
Alexandria	Alexandria, VA	90.0	79

- Weight of evidence showing: The weight of evidence range of 82 to 87 ppb is indicative of the uncertainties surrounding the photochemical model's ability to predict future ozone calculations. The weight of evidence showing will provide additional information supporting the conclusion that the area will demonstrate attainment by 2009. This information will include items such as:
 - Discussions of episodic control measures that are not easily modeled,

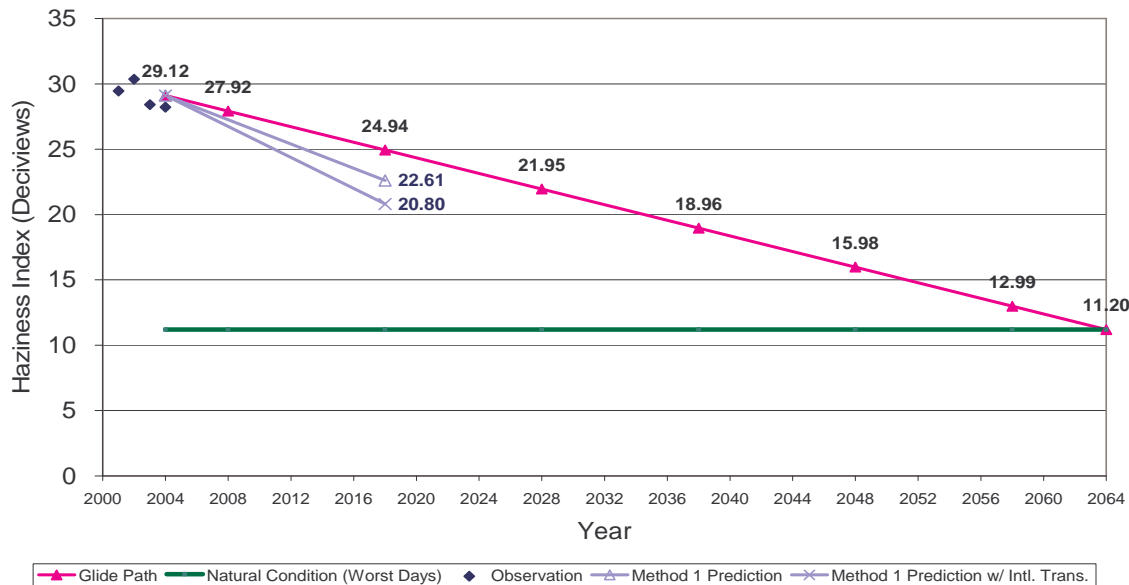
- Meteorological data, and
- Other statistical information supporting the conclusion of attainment.
- Control measure implementation to include:
 - Further controls on area emission source categories of industrial adhesives and sealants, portable fuel containers, and consumer products,
 - CAIR power plant caps in nonattainment areas, and
 - Upcoming on road and non road diesel engine controls.
- Mobile source emission budgets for VOC and NO_x.
- A demonstration that reasonable further progress requirements of 3% reduction per year are met.
- A contingency measure demonstration in the event that attainment is not demonstrated in the summer of 2009, to include an additional 3% reduction in emissions by 2011. These emission reductions will result from:
 - Additional reductions from portable fuel container turnover and non-road engine turnover, and
 - Reductions in the mobile source budgets.
- Remand from DC Circuit of the US Court of Appeals regarding the Phase I 8-hour Ozone Implementation Guidance: Current verbal guidance from EPA Region III is to proceed with the SIP development for the DC Metro area.

Regional Haze Implementation Plan – The regional haze program is an effort to improve air quality and visibility in national parks and wilderness areas. The rule calls for state and federal agencies to work together to improve visibility in 156 Class I areas. The Class I areas located in Virginia are the Shenandoah National Park and the James River Face Wilderness. The end goal of the program is for these areas to achieve natural visibility conditions by year 2064. The initial plan, with a milestone year of 2018, is due to EPA in final form on December 17, 2007. Major plan components consist of the following:

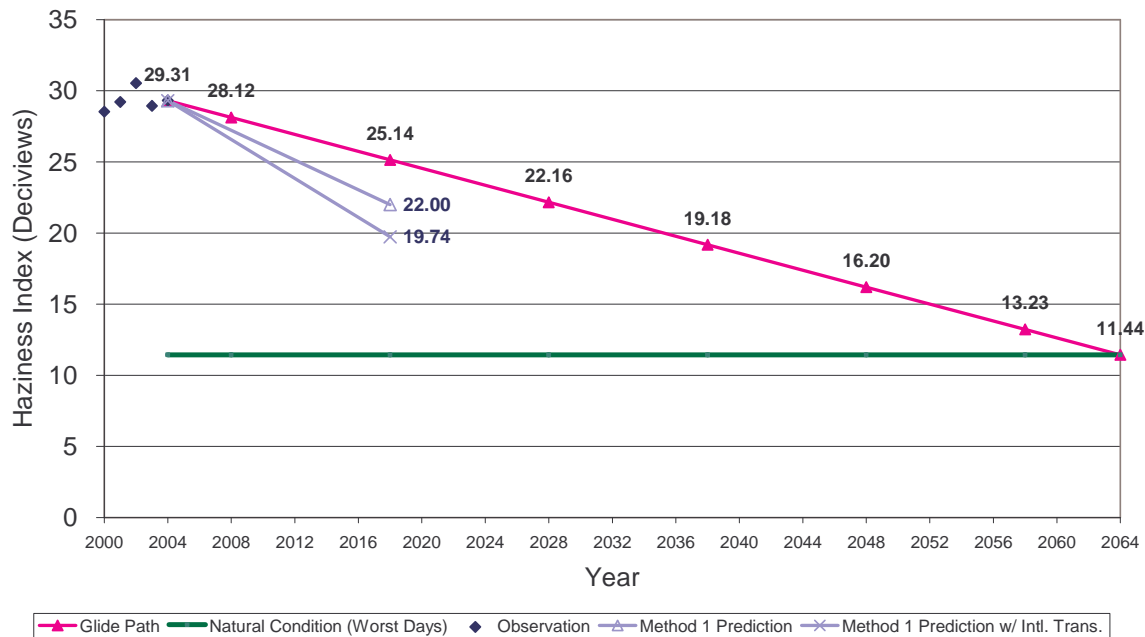
- Significant consultation and information sharing processes both with other state agencies and with the Federal Land Managers.
- Modeling demonstration to show 2018 visibility improvements, along with the Uniform Rate of Progress, which is a straight line rate of improvement between existing conditions in 2002 and natural conditions in 2064.
- Reasonable Further Progress, which according to §169A(g)(1) of the CAA, must take into account the costs of compliance, the time necessary for compliance, the energy and non air quality environmental impacts of compliance, and the remaining useful life of an existing source.
- Best Available Retrofit Technology (BART), which must take into consideration the costs of compliance, the energy and non air quality environmental impacts of compliance, existing pollution control technology in use at the source, the remaining useful life of the source, and the degree of improvement in visibility anticipated by the use of a technology.
 - A unit is BART-eligible if it meets the following criteria:
 - Unit was in existence prior to 8/7/77 and began operating after 8/7/62,
 - Must be part of a facility that falls into one of 26 categories, and
 - The potential emissions of all units identified must be ≥ 250 tpy of any visibility impairing pollutant
 - VA has 13 original BART eligible sources
 - Most modeled beneath the de minimus impact of 0.5 deciviews.
 - 3 facilities must go through a BART determination:
 - Georgia Pacific Big Island Plant
 - O-N Minerals (Global Chemstone)
 - MeadWestvaco
 - Applications for BART are due 3/31/07. State operating permits for BART must be issued by 9/15/07 and must be included in the implementation plan.
 - BART regulation will be part of approval process.
- Current projections for 2018 show both SNP and JRF to be between 10% and 25% below their

uniform rate of progress targets for visibility improvement.

Uniform Rate of Reasonable Progress Glide Path James River Face - 20% Data Days



Uniform Rate of Reasonable Progress Glide Path Shenandoah - 20% Data Days



DC Metro PM_{2.5} Attainment Plan – This plan is due in final form to EPA by April 15, 2008, and will include the Northern Virginia areas of Fairfax, Fairfax City, Manassas, Manassas Park, Loudoun, Alexandria, Arlington, Falls Church, and Prince William. Much work is being done to facilitate having a final plan by April 15th; however, one problematic issue is that EPA has not yet issued the final implementation rule for this NAAQS. It is expected that the following plan components will be required, and staff members are working toward having this information ready. This listing may change depending on the content of the final implementation rule.

- Emissions inventories for years 2002, 2008, and 2009 for PM_{2.5}, SO₂, and NO_x.
- Attainment modeling demonstration. Preliminary modeling from VISTAS indicates that the area should be showing attainment in 2009.

- Control measure review and potential implementation, to include:
 - Reducing sulfur content of home heating oils (potential control measure),
 - CAIR power plant caps in nonattainment areas, and
 - Current and upcoming on road and non road diesel engine fuel sulfur limitations.
- Mobile source emission budgets for PM_{2.5}, SO₂, and NO_x.
- A contingency measure demonstration in the event that attainment is not demonstrated in 2009.
- A Reasonable Available Control Technology and Reasonable Available Control Measure determination.

Other Planning Issues

- New PM_{2.5} standard of 35 µg/m³ on a daily basis and 15 µg/m³ on an annual basis. The DC Metro area currently has design values above 35 µg/m³. State recommendations for nonattainment designations are due to EPA December, 2007. These recommendations will be based on 2004 through 2006 monitoring data. Final designations should be published in December of 2009. SIPs will be due April of 2013, with an attainment date of 2015 based on 2012 through 2014 monitoring data.

Northern Virginia Area:	AIRS ID	2003	2004	2005	3 Year Ave
Arlington Co.	510130020	39.2 µg/m ³	35.7 µg/m ³	34.2 µg/m ³	36.4 µg/m ³
Loudoun Co.	511071005	35.3 µg/m ³	34.2 µg/m ³	37.7 µg/m ³	35.7 µg/m ³
Fairfax Co. - Lee Park	510590030	32.6 µg/m ³	35.3 µg/m ³	34.5 µg/m ³	34.1 µg/m ³
Fairfax Co. - McLean	510595001	32.9 µg/m ³	33.7 µg/m ³	34.6 µg/m ³	33.7 µg/m ³
Fairfax Co. - Annandale	510591005	36.7 µg/m ³	34.0 µg/m ³	35.1 µg/m ³	35.3 µg/m ³

- Potential new ozone standard: 0.07 ppm?

Virginia Mercury Study:

Board Request: Accelerate the mercury study if at all possible.

Staff Response: On February 12, 2007, the Virginia Mercury Study contract was finalized with ICF Resources, LLC (ICF). On their initial teleconference call with ICF, held February 20, 2007, DEQ staff requested ICF to consider accelerating the proposed schedule for the study, and ICF agreed to a tighter schedule.

Some key milestone dates include:

- Prepare draft emissions data analysis report by July 15, 2007
- Prepare final emissions data analysis report 2 weeks following DEQ review
- Prepare draft modeling protocol by April 15, 2007
- Prepare draft mercury deposition modeling report by January 31, 2008
- Prepare final mercury deposition modeling report 2 weeks following DEQ review
- Final report that documents risk assessment analysis and potential impact to human health due around May 2008 (VCU contract).

Board Request: Have the mercury study peer reviewed, possibly by all or some of the authors of the article in BioScience in January 2007 on Biological Mercury Hotspots in the Northeastern United States and Southeastern Canada.

Staff Response: DEQ staff concurs with the Board that the mercury study project should be peer reviewed. DEQ staff believes that the peer review should be ongoing during the study so that any necessary corrections or adjustments can be made before the study has been completed. DEQ staff has developed a list of potential mercury scholars for the peer review panel including authors of the BioScience article.

Board Request: Report on reactive mercury emissions versus actual mercury emissions – progress in reducing fish advisories

Staff Response: In 2006, the DEQ staff requested speciated mercury emission data from about 75 facilities in Virginia to be used in the Virginia Mercury Study. When site-specific speciation testing was not available, facilities were instructed to use the speciation profiles associated with their particular facility based on a particular maximum achievable control technology (MACT) code or

Standard Classification Code (SCC) if a MACT code was not available. This is the approach the U.S. Environmental Protection Agency (EPA) used to develop the emissions inventory for air quality modeling for the Clean Air Mercury Rule (CAMR) rulemaking. These codes are contained in the document titled Emissions Inventory and Emissions Processing for the Clean Air Mercury Rule (CAMR), (EPA, 2005) and were provided as a resource to the facilities when the mercury inventory request was made.

Based on the information provided by the facilities, the percentage of reactive gas mercury (RGM) emitted for a given emission unit ranged from about 5% to 90%. For electric generating units, the range for RGM emitted was estimated to be between 30% and 90%. Based on this information, the percentage of RGM emitted for all sources was about 11.5% (~767 pounds) for 2002 and about 15.4% (~676 pounds) for 2005. However, when just considering electric generating units, the percentage of RGM emitted was 32.8% (~573.5 pounds) for 2002 and 30.9% (508.9 pounds) for 2005. This information will be used to help predict deposition rates that control uptakes of compounds to ecologically sensitive land surfaces and aquatic bodies. ICF Resources, LLC, (ICF) the consulting firm that was awarded the contract for the Virginia Mercury Study, will review the supplied speciation data and determine if it is appropriate to use in the deposition modeling or if changes are necessary based on more recent speciation profile data for those facilities that did not conduct mercury speciation testing.

Board Request: Report on status of planned DEQ Mercury Symposium

Staff Response: DEQ staff is organizing a symposium to take place in December 2007 to raise awareness of the state of knowledge about mercury emissions and sources, transport and deposition, prevention and control, and health impacts. Current planning is for a one and a half day event for up to 100 participants. The intended audience includes the Commonwealth's environmental Boards, executive branch agencies in the environmental and health fields, the General Assembly and staff, localities, relevant industries and non-governmental organizations, and the public. Symposium planning is at an early stage with speakers still being determined but it is expected that speakers will include technical and policy experts as well as ICF representatives reporting on the status and preliminary results of the Virginia Mercury Study. Consideration is being given for the Richmond area or perhaps eastern Virginia as a symposium location depending on availability and cost of possible venues.

Title V Permit Fees: During the last meeting of the Board, a question and related comments were made concerning the collection of Title V operating permit emissions fees, and the sufficiency of these fees to support the Virginia air program. Provided below is a summary of the fee program and the resulting revenue generated since this program began.

Authority

- Section 502 (b) (3) of Title V (Permits) of the Clean Air Act amendments of 1990.
- § 70.9 of the Code of federal regulations.
- § 10.1-1322 B. of the Air Pollution Control Law of Virginia

Program Summary

Since 1996 the DEQ has collected emissions fees from Title V and selected other sources. This is done on a regulated pollutant basis (criteria and hazardous air pollutants) where total fees are calculated using a per ton of pollutant rate. This fee rate is adjusted annually using the consumer price index. The number of facilities subject to the annual fee varies from about 300 to 400 facilities. This variation is due to the fact that smaller sources that received state operating permits in lieu of Title V permits are billed every other year. Other main features of the Virginia Title V fee program include:

- A 4,000 ton cap on fee assessments per pollutant on plant basis. This means that emissions above this cap are excluded from the fee calculation.
- Sources with a total emissions of all regulated pollutants of 10 tons or less are exempted from the annual fee.

As a result of the fee program, the DEQ has collected between \$9 and \$10 million dollars annually since the inception of the program. The funds collected are used to cover all reasonable costs required

to develop and administer the permit program. This includes a number of activities relating the applicable sources:

- Issuance and renewal of Title V and other related permits
- Compliance and enforcement activities
- Ambient air quality monitoring
- Emissions data collection
- Small business assistance program
- Related training, equipment, and support activities

A historical summary the fees collected is provided in the table below:

Inventory Year	Rate per Ton	Fee Program	Total Billed	Billing Year**
1996	\$32.19	Title 5 (& Fee SOP)	\$9,840,130.35	1997
1997	\$32.91	Title 5	\$9,413,214.60	1998
1998	\$33.44	Title 5 (& Fee SOP)	\$9,307,224.54	1999
1999	\$34.20	Title 5	\$9,164,611.62	2000
2000	\$35.37	Title 5 (& Fee SOP)	\$10,129,770.87	2001
2001	\$36.33	Title 5	\$9,525,300.08	2002
2002	\$36.98	Title 5 (& Fee SOP)	\$9,485,244.13	2003
2003	\$37.78	Title 5	\$9,779,519.08	2004
2004	\$38.78	Title 5 (& Fee SOP)	\$10,089,696.61	2005
2005	\$40.20	Title 5	\$10,176,313.22	2006

Revenue & Expenditure Projections

In terms of the sufficiency of the current and near future revenue stream to meet the agency expenditures related to Title V the following summary is provided.

An analysis of the future revenue collections was performed for the year 2010. This analysis included both rate increase projections, and the projected impact of Phase I of the Clean Air Interstate Rule (CAIR) on SO₂ and NO_x emissions from power plants. This analysis determined that fee collection in 2010 will remain at or above the current \$10 million dollar level, even through the total regulated pollutant levels will decrease due to CAIR controls.

A similar analysis of future projected expenditures has been performed that indicates that current and projected future revenues are sufficient to meet agency expenditures through 2010 as well. The DEQ finance office continually updates this analysis to identify any potential revenue shortfall well in advance of the actual occurrence.

Additional information and documentation of these analyses can be made available at the time of the Board meeting.

CAIR NO_x Allocation Methodologies: Staff will make a short presentation on the effect of different methodologies for the CAIR NO_x allocations. The presentation will compare changes in unit allocations when using information from the ozone season of 2005 and the following methodologies:

- Adjusted heat input;
- Actual heat input;
- Gross electricity generation; and
- Net electricity generation.

Spreadsheets showing unit by unit calculations will be provided prior to the Board meeting. The presentation will explain the origin of data used and highlight how the methodologies change CAIR allocations for specific unit and air pollution control configurations.