

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR DIVISION**

INTRA AGENCY MEMORANDUM

TO: File

FROM: Karen G. Sabasteanski
Policy Analyst

SUBJECT: Meeting Minutes - Regulatory Ad Hoc Advisory Group Concerning Major
New Source Review Reform (Rev. E03)

DATE: October 19, 2004

INTRODUCTION

At 9:00 a.m., October 18, 2004, a meeting of the ad hoc advisory group concerning major new source review reform was held in the First Floor Conference Room, Department of Environmental Quality, 629 East Main Street, Richmond, Virginia. A record of meeting attendees is attached.

SUMMARY OF DISCUSSION

The group discussed, in general, plantwide applicability limits (PALs) and the clean unit exemption.

1. Setting the actuals PAL level: A 5 year lookback was suggested by some members as a possible option; others maintained that 10 was preferable.
2. PAL duration: 5 years was suggested by some members as a possible option; others maintained that 10 was preferable.
3. PAL renewal: Possible options suggested by some members included PAL renewal based on emissions at the time of the renewal/shorter lookback; and to include review of significant changes to the overall airshed and the potential affect on NAAQS or PSD increment.
4. Clean unit qualification: Whether additional specificity is needed as to how "substantially as effective" is determined was discussed. Some members suggested that there be no alternative to a BACT/LAER analysis for sources wishing to qualify.
5. Clean unit duration: 5 years was suggested by some members as a possible option; others maintained that 10 was preferable.

The group also agreed that the following issues, which were discussed during the previous meeting, need to be added to the list of topics for further discussion and consideration:

6. Lookback period for determining actual emissions: in addition to the previously listed items, some members suggested discussion of the possibility of considering (i) an average of previous 5 years; and (ii) highest one year out of the most recent 5 years. The highest two years in five was also discussed.

7. Pollution control projects (PCPs): some members suggested that a PCP exemption should retain the current requirement that the primary purpose of a PCP is to reduce air pollution.

The group also revisited the following issues:

8. Demand growth: level/specificity of recordkeeping and public accessibility. (For example, should DEQ be notified if demand growth or other adjustments to the calculation are needed to keep the change from triggering NSR? If so, how?)

9. Netting: a general discussion, including issues of causation, how "contemporaneous" becomes defined, and the basis for making comparisons.

10. Malfunctions. While some members generally believed that malfunctions could possibly be eliminated from baseline actual and projected actual determinations, DEQ staff needs to check that there would be no associated permitting regulatory requirements that might be affected by this. (For example, CEM data often includes malfunction emissions.)

The group agreed to address any remaining outstanding issues at the next and likely final meeting. At this meeting, the group will be asked to review the primary elements of the regulation and make its final recommendations, if any. The group was also encouraged to consider the individual rule elements in context with the rule overall (that is, would a change to one element create a corresponding change in another element); to consider possible impacts of this regulation on other state rules (such as minor new source review); and to consider possible impacts of this regulation on long-term 8-hour ozone planning.

TEMPLATES\PROPOSED\AH08
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Attachment