



# Air Permits Update

Air & Waste Management Association  
Louisiana Section  
Environmental Focus 2015

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# Presentation Outline

- Selected Rulemakings
- Startup/Shutdown/Malfunction SIP Call
- Source Definition in the Oil and Natural Gas Sector
- Questions/Comments



## Banking in Future Nonattainment Areas

- Chapter 6 currently precludes sources located in EPA-designated attainment areas from participating in the emissions banking program.
- This rule revision (AQ353) will allow an owner/operator of a source located in an area currently designated as attainment, but which is not in compliance with a new or revised NAAQS, to bank creditable reductions in emissions of the noncompliant pollutant(s) realized on or after the date the new or revised NAAQS is promulgated.
- To be promulgated November 20, 2015.



# Interpollutant Trading

- This rule revision (AQ354) allows for increases of one ozone precursor ( $\text{NO}_x$  or VOC) to be offset with decreases of the other ozone precursor at the ratio dictated by photochemical modeling, subject to approval of LDEQ and EPA.
- Promulgated October 20, 2015.
- EPA supported this rule revision.



## State-Only Offsets

LAC 33:III.504.M establishes offset requirements for facilities located in the parishes of Ascension, EBR, Iberville, Livingston, and WBR.

	<u>Offset Ratio</u>	<u>Netting</u>	<u>Significance Level</u>
At present:	1.1 to 1	25	25
To be proposed:	1.0 to 1	40	40

An exemption will also be proposed.



## State-Only Offsets

- Offsets shall not be required for any increase in NO<sub>x</sub> or VOC emissions that is a direct result of and incidental to the:
  - installation of abatement equipment or implementation of a control technique required to comply with another state or federal regulation, consent decree, or other enforcement action; or
  - voluntary installation of a pollution control project on an existing emissions unit that reduces emissions of air pollutants.

Targeting proposal for December 2015.



# Reportable Quantities

LDEQ will propose to modify the RQs under LAC 33:I.3931 to be consistent with State Police reporting requirements under LAC 33:V.10111.D.

- The following lists will be incorporated by reference:
  - EPA’s List of Extremely Hazardous Substances under 40 CFR 355, Appendix A; and
  - DOT’s List of Hazardous Substances under 49 CFR 172.101.



## Reportable Quantities

- The LDEQ-specific RQs in the table under §3931.B will be deleted, except for:
  - brine from solution mining;
  - oil;
  - produced water; and
  - sweet pipeline gas (methane/ethane).
- Targeting proposal for December 2015.





## SSM SIP Call

On June 12, 2015, EPA issued a “SIP call” finding that the regulations identified below are “substantially inadequate to meet CAA requirements” because they provide exemptions from SIP-approved limitations during periods of startup, shutdown, malfunction, and/or maintenance.

- LAC 33:III.1107
- LAC 33:III.1507.A.1
- LAC 33:III.1507.B.1
- LAC 33:III.2153.B.1.i
- LAC 33:III.2201.C.8
- LAC 33:III.2307.C.1.a
- LAC 33:III.2307.C.2.a



## EPA's SSM SIP Policy

SIP emission limitations “must be applicable to the source continuously,” but

- the same emission limitation does not have to apply at all times;
- the emission limitation does not necessarily need to be numerical in format; and
- the emission limitation may be composed of a combination of numerical limits, specific technological control requirements and/or work practice requirements, with each component applicable during a defined mode of source operation.



## SSM SIP Call

- LDEQ has until November 22, 2016, to respond to the SIP call.
- However, any rulemaking necessary to address EPA's concerns will have to be initiated approximately 6 months prior.
- As an initial matter, LDEQ needs to determine which facilities are impacted by the final rule.



## LAC 33:III.1507.A.1 & B.1

- Exempts sulfuric acid plants from the SO<sub>2</sub> and sulfuric acid mist emission limitations of §1503.A:
  - during start-ups; and
  - where upsets have caused excessive emissions and on-line operating changes will eliminate a temporary condition.
- Applicable only to sulfuric acid plants **NOT** subject to 40 CFR 60 Subpart H.



## LAC 33:III.1507.A.1 & B.1

- LDEQ queries returned 4 permits with one or both of these citations.

AI	Facility	Permit No.	Date
1238	Valero Refining - Meraux LLC – Meraux Refinery	2500-00001-V11	2/9/2015
1250	Citgo Petroleum Corp – Lake Charles Manufacturing Complex	2935-V3	6/25/2013
2557	Rain CII Carbon LLC – Chalmette Coke Plant & CT Terminal	2500-00006-V2	3/21/2012
124867	Mayne & Mertz Inc – Excalibur 22 #1 Production Facility	0520-00332-01	3/14/2007

- Based on LDEQ's analysis, these exemptions are not applicable to the aforementioned facilities.
- Tentative strategy to comply with SIP Call: Repeal §1507.A & B.



## LAC 33:III.2307.C.1.a & C.2.a

- Exempts nitric acid production units from the NO<sub>x</sub> emission limitation of §2307.D:
  - during start-ups; and
  - where upsets have caused excessive emissions and on-line operating changes will eliminate a temporary condition.
- Applicable only to nitric acid production units **NOT** subject to 40 CFR 60 Subpart G.



## LAC 33:III.2307.C.1.a & C.2.a

- LDEQ queries returned 1 permit with these citations.

AI	Facility	Permit No.	Date
3732	PCS Nitrogen Fertilizer LP - Geismar Agricultural Nitrogen & Phosphate Plant (Train 4 only)	2240-V8	2/6/2015

- Tentative strategy to comply with SIP Call: LDEQ is working directly with PCS and will likely propose to repeal §2307.C.1 & 2.



## LAC 33:III.2153.B.1.i

- Exempts wastewater tanks from the requirement to meet the 90% VOC removal efficiency or 50 ppmv VOC concentration of §2153.B.1.d during periods of malfunction or maintenance.
- LDEQ queries returned 0 permits with this citation.
- Does any source rely on §2153.B.1.i?
  - Applicability of §2153 is rather limited (BRNA + Calcasieu and Pointe Coupee).
  - There are numerous exemptions in §2153 (including one for tanks subject to 40 CFR 63 Subpart G or 40 CFR 61 Subpart FF).
- Tentative strategy to comply with SIP Call: Repeal §2153.B.1.i.





## LAC 33:III.1107.A

- Exempts flares from the 20% opacity limit of LAC 33:III.1105 during startup and shutdown.
  
- Does any source rely on §1107.A?
  - §1105 applies to “burning in connection with pressure valve releases for control over process upsets.”
  - §1105 already allows opacity to exceed 20% for 6 hours in any 10 consecutive days.
  
- Tentative strategy to comply with SIP Call: Repeal §1107.A.



## LAC 33:III.2201.C.8

- Exempts affected point sources from the provisions of Chapter 22 during startup, shutdown, or malfunction.
  - Note that this exemption does NOT apply to “units that are shut down intentionally on a routine basis – more than once per month.”
- Tentative strategy to comply with SIP Call: Establish two compliance paths.



## LAC 33:III.2201.C.8

- 1.) Allow owners/operators to comply with the emission factors in §2201.D, inclusive of startup and shutdown.
  - Emission factors generally apply on a 30-day rolling average basis.



## LAC 33:III.2201.C.8

- 2.) Establish work practice standards for periods of startup and shutdown patterned after federal regulations (e.g., Table 3 of the Boiler MACT).
  - Use clean fuels during startup.
  - Engage control devices such as SCR/SNCR as expeditiously as possible.
  - Maintain records of the calendar date, time, and duration of each startup and shutdown.
  - Maintain records of the type(s) and amount(s) of fuels used during each startup and shutdown.



## Source Definition in the Oil and Gas Sector

On September 18, 2015, EPA proposed to clarify the term “adjacent” for onshore oil and natural gas production facilities.

- Louisiana’s contiguity policy is discussed in the proposal. As a reminder, LDEQ:
  - considers sites separated by  $\frac{1}{4}$  mile or less to be contiguous; but
  - does not “daisy-chain” sites to determine the contiguous grouping; and
  - generally uses the “geographic center of the site’s emissions” to define its location.



# Source Definition in the Oil and Gas Sector

EPA “co-proposed” two definitions:

- The first option, which the agency prefers, would define adjacent based on proximity.
  - Equipment or activities would be considered adjacent if they are located on sites that are within a short distance ( $\frac{1}{4}$  mile) of each other.
- The second option would define adjacency by considering either proximity or function.
  - Equipment or activities would be considered adjacent if they are near each other or if they are related by function – such as being connected by a pipeline.



# Source Definition in the Oil and Gas Sector

EPA has requested comment on whether:

- another distance, such as ½ mile, is an appropriate distance to consider for defining a single source;
- facilities should be “daisy-chained” together; and
- the “geographic center of the site’s emissions” or some other feature, such as the boundary of the site, is more appropriate to use as the starting point of the measurement radius when determining the source.

LDEQ is preparing comments on the proposed rule.

- Due November 17.



## Questions / Comments?

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