ENVIRONMENTAL PROTECTION COMMISSION[567]

Adopted and Filed

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission (Commission) hereby amends Chapter 20, "Scope of Title—Definitions—Forms—Rules of Practice," Chapter 22, "Controlling Pollution," Chapter 23, "Emission Standards for Contaminants," Chapter 25, "Measurement of Emissions," Chapter 31, "Nonattainment Areas," and Chapter 33, "Special Regulations and Construction Permit Requirements for Major Stationary Sources—Prevention of Significant Deterioration (PSD) of Air Quality," Iowa Administrative Code.

This rule making rescinds unnecessary rules and updates other rules to reduce regulatory requirements. The rescission of the Voluntary Operating Permit program fulfills the recommendations of an Executive Order 80 stakeholder workgroup. The amendments also implement a portion of the Department of Natural Resources' (Department's) five-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2).

The Commission rescinds the following air quality rules:

- 1. References to air quality forms that no longer exist or are explained elsewhere in rule;
- 2. Conditional permits;
- 3. Voluntary Operating Permit program; and

4. The adoption by reference of several air toxics standards and new source performance standards that do not apply to any Iowa sources.

The Commission also reduces regulatory requirements by:

1. Amending the definition of "volatile organic compounds" to remove several compounds; and

2. Sunsetting the requirements for testing and monitoring mercury emissions that are being addressed by federal regulations.

Notice of Intended Action was published in the Iowa Administrative Bulletin on December 24, 2014, as **ARC 1795C**, and a public hearing was held on January 26, 2015. The Department received no comments at the public hearing. The Department did not receive any written comments prior to the January 26, 2015, deadline for public comments. The Commission made one minor change to the proposed amendment in Item 21, as described below. The Commission did not make any other changes to the amendments as published under Notice of Intended Action.

Volatile Organic Compounds

Background

Between July 2, 2012, and March 27, 2014, the U.S. Environmental Protection Agency (EPA) published revisions to remove several compounds from the definition of "volatile organic compounds" (VOC). The excluded compounds are HFO-1234ze, HFE-134, HFE-236cal2, HFE-338pcc13, H-Galden 1040X (H-Galden ZT 130, 150 or 180), SolsticeTM 1233zd(E), HFO-1234yf, and 2-amino-2-methyl-1-propanol (AMP). EPA removed the compounds because the compounds make a negligible contribution to tropospheric ozone formation.

The Commission has adopted EPA's revisions so that state rules match current federal regulations. The amendment is a benefit to the regulated community because affected facilities will no longer need to count these compounds towards potential or actual VOC emissions for permitting or emission inventory purposes.

Adopted Amendment

Item 1 amends rule 567—20.2(455B) to revise the definition of "volatile organic compounds" or "VOC" to adopt by reference the current federal definition of "VOC" and to remove several compounds from the list of VOCs (see also Item 23).

References to Air Quality Forms

Background

Rule 567—20.3(455B), air quality forms generally, includes the names and descriptions of forms that are used by the public. The Department reviewed this rule and found that forms referenced in the rule

either are no longer in use or are referenced elsewhere in other air quality rules. The Commission has rescinded this rule to eliminate unnecessary rules and to meet the requirements of Iowa Code section 17A.7(2).

Adopted Amendment

Item 2 rescinds and reserves rule 567—20.3(455B) to eliminate obsolete and duplicative references to air quality forms.

Conditional Permits

Background

Conditional permits were added to the Iowa Code in the 1970s to facilitate electric utility rate setting. The Iowa Utilities Board changed the rate-setting requirements so that conditional permits were not needed. The Department has no record of issuing a conditional permit to an electric utility. 2014 Iowa Acts, Senate File 2197, signed by Governor Branstad on March 14, 2014, removed the statutory authority for conditional permits. The Commission has removed rule provisions for conditional permits as part of the five-year rules review required in Iowa Code section 17A.7(2). Removing outdated rules will clarify and streamline the Department's air quality program.

Adopted Amendments

The Commission adopted Items 3 through 11 to rescind all rule requirements and references for conditional permits (see also Items 22 and 23).

Item 3 amends the introductory paragraph of subrule 22.1(1) to remove a reference to conditional permits.

Item 4 amends the introductory paragraph of subrule 22.1(3) to remove references to conditional permits.

Item 5 rescinds and reserves subrule 22.1(4) to remove conditional permit requirements.

Item 6 amends subrule 22.2(2) to remove a reference to conditional permits.

Item 7 amends subrule 22.2(3) to remove a reference to conditional permits.

Item 8 amends the introductory paragraph of subrule 22.3(1) to remove references to conditional permits.

Item 9 rescinds and reserves paragraph 22.3(3)"d" to remove conditional permit requirements.

Item 10 amends paragraph 22.3(3)"g" to remove references to conditional permits.

Item 11 amends paragraph 22.3(4)"a" to remove references to conditional permits.

Voluntary Operating Permits

Background

The Department developed the Voluntary Operating Permit (VOP) program to assist facilities that wanted to take voluntary limitations on emissions and operations to avoid having to obtain a Title V operating permit. In the mid-1990s, EPA required the Department to have a federally enforceable operating permit program to address existing facilities that wanted to establish limits below the Title V operating permit program thresholds. The Department's Air Construction Permit program also provides a mechanism to establish limits for facilities to remain below the Title V operating permit program that could be eliminated to reduce the regulatory burden on industry and to remove unnecessary regulations.

An Executive Order 80 (EO80) stakeholder group was formed to make recommendations to the Commission on the VOP program. The EO80 stakeholder group recommended rescinding the VOP rules. The Department worked individually with each of the VOP facilities to transition these facilities to alternate permitting options. The Department completed the necessary permitting activities in late May 2014. Table 1 lists all of the facilities moved out of the VOP program and includes descriptions of the alternative mechanisms used, if any, to ensure that potential emissions at each facility remain below Title V program thresholds.

Table 1: Summary of VOP Transitions

Facility	New Permit Format (If Required)
Cargill, Buffalo	Facility has a Group 1 Grain Elevator permit.
Estherville Municipal Utility, Estherville	Construction permits issued.
Ferguson Elevator Corporation, Ferguson	No permit required. The facility is closed.
Flexible Industries Company, Burlington	No permit required. The facility is closed.
JBS USA LLC, Marshalltown	The facility transitioned to a Title V operating permit to allow for projected emissions increases.
Kinze Manufacturing Inc., Williamsburg	Construction permits issued.
Klinger Paint Company, Cedar Rapids	Construction permits issued.
LG Everist Inc., Hawarden	Construction permit issued.
Maaco Auto Repair, Council Bluffs	Facility has a permit-by-rule permit.
McGregor Municipal Utilities, McGregor	Construction permits issued.
MicroSoy Corporation/West Central Coop,Jefferson	Construction permits issued.
Paxton & Vierling Steel Company, Carter Lake	Construction permits issued.
Peoples Natural Gas, Council Bluffs	No permit required. The facility is closed.
Phillips Pipe Line Company/Noble Petro Inc., Council Bluffs	Construction permit issued.
Rock Rapids Municipal Utilities, Rock Rapids	Construction permit issued.
Spencer Municipal Utilities, Spencer	Construction permits issued.
Tama Packing Company, Tama	No permit required. The facility is closed. New equipment was permitted when the facility reopened under a new facility name and number.
The Dial Corporation/Pinnacle Foods Group Inc., Fort Madison	Construction permits issued.

Adopted Amendments

The Commission has adopted the amendments in Items 12 through 17 to remove the requirements for and references to the VOP program.

Item 12 amends the definition "designated representative" in rule 567—22.100(455B) to remove the reference to the voluntary operating permit rules.

Item 13 rescinds and reserves rules 567—22.200(455B) to 567—22.209(455B) to remove voluntary operating permit requirements.

Item 14 amends the introductory paragraph of rule 567—22.300(455B) to remove the reference to voluntary operating permit rules.

Item 15 amends paragraph 22.300(2)"c" to remove references to voluntary operating permits.

Item 16 amends the introductory paragraph of paragraph 22.300(8)"a" to remove references to voluntary operating permits.

Item 17 amends paragraph 22.300(9)"a" to remove references to voluntary operating permits. **New Source Performance Standards and Air Toxics Standards**

Background

The U.S. Clean Air Act (CAA) obligates the EPA to issue standards to control air pollution. Two categories of standards, the new source performance standards (NSPS) and the air toxics standards (formally called national emission standards for hazardous air pollutants or NESHAP), set standards and deadlines for industrial, commercial and institutional facilities to meet uniform standards for equipment operation and air pollutant emissions.

The CAA allows a state or local agency to implement NSPS and NESHAP as a "delegated authority." Upon state adoption, the Department becomes the delegated authority for the specific NSPS or NESHAP and is the primary implementation agency in Iowa. Two local air quality agencies, Polk County and Linn County, implement these standards within their counties. Iowa's rules, including all compliance deadlines, are identical to the federal NSPS and NESHAP as of a specific date.

The Department identified previously adopted NSPS and NESHAP that do not affect any facilities in Iowa and are unlikely to affect any Iowa facilities in the future. Most of these federal standards apply to mineral and material processing.

The Commission has rescinded the paragraphs that adopt by reference these NSPS and NESHAP. The rescissions accomplish the Department's goal of eliminating obsolete rules and meet the requirements in Iowa Code section 17A.7(2). If an affected facility should plan to locate in Iowa in the future, the Department will evaluate whether to request adoption of the standards at that time. Removing the unnecessary provisions makes the rules more accessible and understandable for regulated entities and the public.

Adopted Amendments

Item 18 rescinds and reserves paragraphs 23.1(2)"g," "h," "m," "n," "o," and "p" to remove the adoption by reference of NSPS under 40 Code of Federal Regulations (CFR) Part 60 for petroleum production, secondary lead smelters, primary copper smelters, primary zinc smelters, primary lead smelters, and primary aluminum reduction plants, respectively.

Item 19 rescinds and reserves paragraphs 23.1(3)"b," "c," "h," and "j" to remove the adoption by reference of the NESHAP under 40 CFR Part 61 for beryllium, beryllium rocket motor firing, inorganic arsenic emissions from arsenic trioxide and metallic arsenic production facilities, and inorganic arsenic emissions from primary copper smelters, respectively.

Item 20 rescinds and reserves paragraphs 23.1(4)"j," "p," "x," "ac," "ai," "al," "bc," "bq," "bt," "dr," and "dt" to remove the adoption by reference of the NESHAP under 40 CFR Part 63 for polyvinyl chloride and copolymers production, primary aluminum production plants, secondary lead smelting, petroleum production, ship building and ship repair, steel pickling plants, primary copper smelting, primary lead smelting, taconite iron ore processing, and primary magnesium refining, respectively.

Mercury Emissions Testing and Monitoring Rule

Background

The Commission adopted the mercury emissions testing and monitoring rules in 2009 as a temporary requirement until EPA finalized its mercury air toxics standards ("MATS") for electric utility steam generating units (EGUs). EPA has now finalized MATS, which includes mercury emissions standards and monitoring requirements. The state mercury rules are duplicative of the MATS requirements.

The Commission proposed in the Notice of Intended Action a sunset date for the mercury rule of April 16, 2015, which is the MATS compliance date for existing EGUs. However, the Commission revised the sunset date to April 22, 2015, in the adopted amendment. The date change ensures that no conflict exists between the sunset date in the rule and the 35-day effective date for an Adopted and Filed rule making required under Iowa Code section 17A.5.

If a facility receives an extension to comply with MATS, the Commission has adopted rule language requiring that the facility continue to comply with the mercury monitoring rules until the date the facility is required to comply with MATS or, alternatively, is no longer subject to MATS compliance requirements.

Adopted Amendment

Item 21 amends the introductory paragraph of rule 567—25.3(455B) to add a sunset date for the state's mercury emissions testing and monitoring requirements.

Additional Amendments

Item 22 amends paragraph 31.20(1)"m" to remove the reference to conditional permits. The Commission has rescinded all rule requirements and references to conditional permits, as described above for Items 3 through 11.

Item 23 amends the definitions of "enforceable permit condition" and "volatile organic compounds" or "VOC" in subrule 33.3(1). The revision to the definition of "enforceable permit condition" removes the reference to conditional permits and is the same as the amendment described above for Item 22. The change to the definition of "volatile organic compounds" or "VOC" is the same as the revision explained above for Item 1.

Jobs Impact Statement

The following is a summary of the jobs impact statement. The complete jobs impact statement is available from the Department upon request.

After analysis and review, the Department has determined that the adopted amendments will have a positive impact on private sector jobs.

Removing compounds from the list of VOCs

Revising the definition of "VOC" in rule 567—20.2(455B) and in subrule 33.3(1) will have a positive impact on facilities because the compounds being excluded no longer need to be considered when permit applications or emissions inventories are prepared.

Eliminating obsolete and redundant rule references to air quality forms

Rescinding rule 567—20.3(455B) will benefit the regulated community and the public by providing current and nonduplicative references to air quality forms.

Rescinding the rules for conditional permits

Rescinding the rule requirements for and references to conditional permits will have no impact on jobs because the Department has no record of issuing a conditional permit to an electric utility. However, rescinding the obsolete rule requirements for and references to conditional permits as described above should benefit the regulated community and the public by providing them with up-to-date air quality requirements.

Rescinding the VOP program rules

Businesses with a VOP permit were required to renew the application every five years. The VOP application included all emissions at the facility and took a considerable amount of time to complete. Rescinding the VOP program rule requirements and references as noted above reduces the regulatory burden for businesses by eliminating the five-year renewal requirement, thus saving the time it takes to draft and submit the comprehensive application.

Removing adoption by reference of NSPS and NESHAP

Iowa currently has no industries affected by the NSPS and NESHAP being rescinded in subrules 23.1(2), 23.1(3), and 23.1(4), and these requirements are unlikely to affect any Iowa facilities in the future. Rescinding these standards will streamline state air quality rules and will have a positive impact on the regulated community and the public.

Sunsetting the mercury testing and monitoring rule

Adding a sunset date to the mercury monitoring requirements in rule 567—25.3(455B) will have a positive impact on affected facilities by eliminating potentially duplicative and expensive testing and monitoring requirements.

These amendments are intended to implement Iowa Code section 455B.133.

These amendments will become effective on April 22, 2015.

The following amendments are adopted.

ITEM 1. Amend rule **567—20.2(455B)**, definition of "Volatile organic compounds," as follows:

"Volatile organic compounds" or *"VOC"* means any compound included in the definition of "volatile organic compounds" found at 40 CFR Section 51.100(s) as amended through January 21, 2009 March 27, 2014.

ITEM 2. Rescind and reserve rule 567—20.3(455B).

ITEM 3. Amend subrule 22.1(1), introductory paragraph, as follows:

22.1(1) *Permit required.* Unless exempted in subrule 22.1(2) or to meet the parameters established in paragraph "c" of this subrule, no person shall construct, install, reconstruct or alter any equipment, control equipment or anaerobic lagoon without first obtaining a construction permit, or eonditional permit, or permit pursuant to rule 567—22.8(455B), or permits required pursuant to rules 567—22.4(455B), 567—22.5(455B), 567—31.3(455B), and 567—33.3(455B) as required in this subrule. A permit shall be obtained prior to the initiation of construction, installation or alteration of any portion of the stationary source or anaerobic lagoon.

ITEM 4. Amend subrule 22.1(3), introductory paragraph, as follows:

22.1(3) Construction permits. The owner or operator of a new or modified stationary source shall apply for a construction permit unless a conditional permit is required by Iowa Code chapter 455B or subrule 22.1(4) or requested by the applicant in lieu of a construction permit. Two copies of a construction permit application for a new or modified stationary source shall be presented or mailed to Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324. Alternatively, the owner or operator may apply for a construction permit for a new or modified stationary source through the electronic submittal format specified by the department. The owner or operator of any new or modified industrial anaerobic lagoon or a new or modified anaerobic lagoon for an animal feeding operation other than a small operation as defined in rule 567—65.1(455B) shall apply for a construction permit. Two copies of a construction permit application for an animal feeding operation other than a small operation permit application for an anaerobic lagoon shall be presented or mailed to Department of Natural Resources, Water Quality Bureau, Henry A. Wallace Building, 502 East Ninth Street, Des Moines, Iowa 50319.

ITEM 5. Rescind and reserve subrule 22.1(4).

ITEM 6. Amend subrule 22.2(2) as follows:

22.2(2) *Public notice and participation.* A notice of intent to issue a conditional or construction permit to a major stationary source shall be published by the department in a newspaper having general circulation in the area affected by the emissions of the proposed source. The notice and supporting documentation shall be made available for public inspection upon request from the department's central office. Publication of the notice shall be made at least 30 days prior to issuing a permit and shall include the department's evaluation of ambient air impacts. The public may submit written comments or request a public hearing. If the response indicates significant interest, a public hearing may be held after due notice.

ITEM 7. Amend subrule 22.2(3) as follows:

22.2(3) *Final notice.* The department shall notify the applicant in writing of the issuance or denial of a construction or conditional permit as soon as practicable and at least within 120 days of receipt of the completed application. This shall not apply to applicants for electric generating facilities subject to Iowa Code chapter 476A.

ITEM 8. Amend subrule 22.3(1), introductory paragraph, as follows:

22.3(1) Stationary sources other than anaerobic lagoons. In no case shall a construction permit or conditional permit which results in an increase in emissions be issued to any facility which is in violation of any condition found in a permit involving PSD, NSPS, NESHAP or a provision of the Iowa state implementation plan. If the facility is in compliance with a schedule for correcting the violation and that schedule is contained in an order or permit condition, the department may consider issuance of a construction permit or conditional permit. A construction or conditional permit shall be issued when the director concludes that the preceding requirement has been met and:

ITEM 9. Rescind and reserve paragraph 22.3(3)"d."

ITEM 10. Amend paragraph 22.3(3)"g" as follows:

g. The issuance of a permit or conditional permit (approval to construct) shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the state implementation plan and any other requirement under local, state or federal law.

ITEM 11. Amend paragraph 22.3(4)"a" as follows:

a. When an application for a construction or conditional permit is denied, the applicant shall be notified in writing of the reasons therefor. A denial shall be without prejudice to the right of the applicant to file a further application after revisions are made to meet the objections specified as reasons for the denial.

ITEM 12. Amend rule 567—22.100(455B), definition of "Designated representative," as follows:

"Designated representative" means a responsible natural person authorized by the owner(s) or operator(s) of an affected source and of all affected units at the source, as evidenced by a certificate

of representation submitted in accordance with Subpart B of 40 CFR Part 72 as amended to October 24, 1997, to represent and legally bind each owner and operator, as a matter of federal law, in matters pertaining to the acid rain program. Whenever the term "responsible official" is used in rules 567—22.100(455B) to 567—22.208(455B) 567—Chapter 22, it shall be deemed to refer to the designated representative with regard to all matters under the acid rain program.

ITEM 13. Rescind and reserve rules 567-22.200(455B) to 567-22.209(455B).

ITEM 14. Amend rule 567—22.300(455B), introductory paragraph, as follows:

567—22.300(455B) Operating permit by rule for small sources. Except as provided in 567—subrules 22.201(2) and <u>subrule</u> 22.300(11), any source which otherwise would be required to obtain a Title V operating permit may instead register for an operation permit by rule for small sources. Sources which comply with the requirements contained in this rule will be deemed to have an operating permit by rule for small sources. Sources which comply with this rule will be considered to have federally enforceable limits so that their potential emissions are less than the major source thresholds for regulated air pollutants and hazardous air pollutants as defined in rule 567—22.100(455B).

ITEM 15. Amend paragraph 22.300(2)"c" as follows:

c. Nothing in this rule shall prevent any stationary source which has had a Title V operating permit or a voluntary operating permit from qualifying to comply with this rule in the future in lieu of maintaining an application for a Title V operating permit or a voluntary operating permit or upon rescission of a Title V operating permit or a voluntary operating permit if the owner or operator demonstrates that the stationary source is in compliance with the emissions limitations in subrule 22.300(6).

ITEM 16. Amend paragraph 22.300(8)"a," introductory paragraph, as follows:

a. Duty to apply. Any person who owns or operates a source otherwise required to obtain a Title V operating permit and which would be eligible for an operating permit by rule for small sources must either register for an operating permit by rule for small sources, apply for a voluntary operating permit, or apply for a Title V operating permit. Any source determined not to be eligible for an operating permit by rule for small sources, and operating without a valid Title V or a valid voluntary operating permit, shall be subject to enforcement action for operation without a Title V operating permit, except as provided for in the application shield provisions contained in rules rule 567—22.104(455B) and 567—22.202(455B). For each source registering for an operating permit by rule for small sources, the owner or operator or designated representative, where applicable, shall present or mail to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa 50324, one original and one copy of a timely and complete registration form in accordance with this rule.

ITEM 17. Amend paragraph 22.300(9)"a" as follows:

a. If the issuance of a construction permit acts to make the source no longer eligible for an operating permit by rule for small sources, the source shall, within 12 months of issuance of the construction permit, submit an application for either a Title V operating permit or a voluntary operating permit.

ITEM 18. Rescind and reserve paragraphs 23.1(2)"g," "h," "m," "n," "o" and "p."

ITEM 19. Rescind and reserve paragraphs 23.1(3)"b," "c," "h" and "j."

ITEM 20. Rescind and reserve paragraphs 23.1(4)"j," "p," "x," "ac," "ai," "al," "bc," "bq," "bt," "dr" and "dt."

ITEM 21. Amend rule 567—25.3(455B), introductory paragraph, as follows:

567—25.3(455B) Mercury emissions testing and monitoring. Any stationary, coal-fired boiler or stationary, coal-fired combustion turbine serving, at any time since the later of November 15, 1990, or the start-up of the unit's combustion chamber, a generator with a nameplate capacity of more than 25

megawatt electrical (MWe) producing electricity for sale is an affected source under the provisions of this rule.

The provisions of this rule expire on April 22, 2015, except for any affected facility that receives an extension to comply with the emission standards for hazardous air pollutants: coal- and oil-fired electric utility steam generating units (EGUs) (40 CFR Part 63, Subpart UUUUU, commonly known as mercury air toxics standards (MATS)). Any facility receiving an extension of the MATS compliance date shall continue to comply with the provisions of this rule until the date the facility is required to comply with MATS or, alternatively, is no longer subject to the MATS compliance requirements. However, facilities complying with the requirements of this rule as specified in subrule 25.3(3), continuous emissions monitoring systems (CEMS), may submit a written request to the department to discontinue concurrent, annual stack tests. The department will evaluate and grant requests on a case-by-case basis, based upon previous stack test results and how recent the last stack test occurred or other extenuating circumstances, such as those that may cause testing conditions to be unrepresentative of normal operations or cause tests to be unsafe to perform. If the department grants a request, the facility will be required to continue operating CEMS and conduct relative accuracy test audits (RATAs), as specified in subrule 25.3(3), until the facility is required to comply with MATS or, alternatively, is no longer subject to MATS compliance requirements.

ITEM 22. Amend paragraph **31.20(1)**"m" as follows:

m. "Enforceable permit condition" for the purpose of this rule means any of the following limitations and conditions: requirements developed pursuant to new source performance standards, prevention of significant deterioration standards, emission standards for hazardous air pollutants, requirements within the state implementation plan, and any permit requirements established pursuant to this rule, or under conditional, construction or Title V operating permit rules.

ITEM 23. Amend subrule **33.3(1)**, definitions of "Enforceable permit condition" and "Volatile organic compounds," as follows:

"Enforceable permit condition," for the purpose of this chapter, means any of the following limitations and conditions: requirements developed pursuant to new source performance standards, prevention of significant deterioration standards, emissions standards for hazardous air pollutants, requirements within the SIP, and any permit requirements established pursuant to this chapter, any permit requirements established pursuant to 40 CFR 52.21 or Part 51, Subpart I, as amended through October 20, 2010, or under eonditional, construction or Title V operating permit rules.

"Volatile organic compounds" or *"VOC"* means any compound included in the definition of "volatile organic compounds" found at 40 CFR 51.100(s) as amended through January 21, 2009 March 27, 2014.

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