

Investment in Business Growth and Clean Air



IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

Investment in Business Growth and Clean Air

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Chief, Air Quality Bureau

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State of Iowa Goals



Department of Natural Resources
Promoting:

- Economic Growth
 - ✓ Quick Permits
- Quality of Life
 - ✓ Clean Air
- Efficient Government
- Maintaining a High Level of Service to Meet These Goals

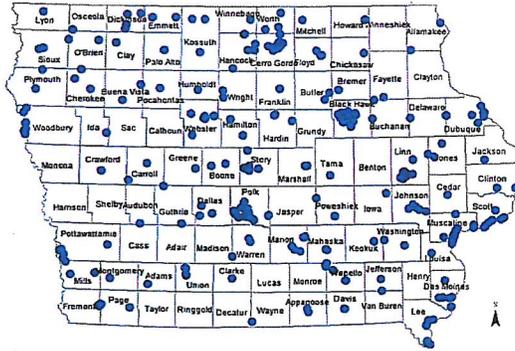
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Who do we work with?

- 286 Large Industrial & Power facilities*
- Over 5,500 non-Title V Industrial facilities
- Environmental Interest Groups
- General Public
- Community Interest Groups
- City and County Governments
- Industry Associations
- Professional Associations
- U.S. Environmental Protection Agency
- Other states



* "Title V" Facilities: These large facilities are permitted to emit at or over any of the following levels: 100 tons of a criteria pollutant, 10 tons of a single air toxic, 25 tons of all air toxics combined, or 100,000 tons of green house gases. Named "Title V" after the Clean Air Act section requiring Operating Permits.

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DNR, Environmental Services, Air Quality Bureau

- Permits
 - Pre-construction Standard, Complex, PSD Permits (New Source Review)
 - Operating Permits (Title V)
- Compliance Assistance
 - Stack testing observation & technical asst.
 - Asbestos removal insp. & regul. asst.
 - Field compliance assistance
 - Field inspections & complaints
- Environmental Data
 - Emissions data collection & analysis
 - Ambient air quality monitoring
 - Public records
- Program Development
 - Nonattainment resolution plans
 - Budget development & tracking

▸ Budget FY 2014	\$12,923,300
▸ Title V Fees	\$9,812,100
▸ Federal Funds	\$1,876,900
▸ State Funds	\$1,234,300
▸ Staffing (FTE)	73.0
▸ Central Office:	63.5
▸ Field Office:	9.5

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Air Construction Permitting Highlights

Issued over 1,400 permits and
110 regulatory determinations in 2013

- Permitting highlights:
 - ✓ New nitrogen fertilizer plant permits completed in 5.5 months and created 254 new permanent jobs.
 - ✓ Expansion of existing nitrogen fertilizer plant permits completed in 5.4 months and created 100 new permanent jobs.
 - ✓ Expansion of existing data center completed in 4 months and created 130 jobs.
 - ✓ New cellulosic ethanol plant permits completed in 5 months and created 60 new jobs.

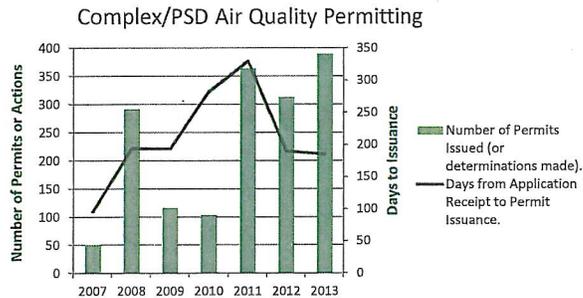
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Environmental Review & Quick Permitting

- Complex: Large expansions or new construction
- PSD*: Federal program for very large expansions or new construction

- ✓ In 2013 the Bureau issued a very large number of Complex or Prevention of Significant Deterioration Permits.



A very large number of Complex and PSD Permits have been issued quickly with the re-allocation of staff to these projects.

*PSD: Prevention of Significant Deterioration of air quality.

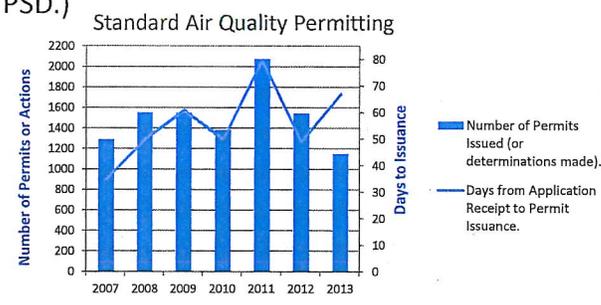
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Environmental Review & Permitting Challenges

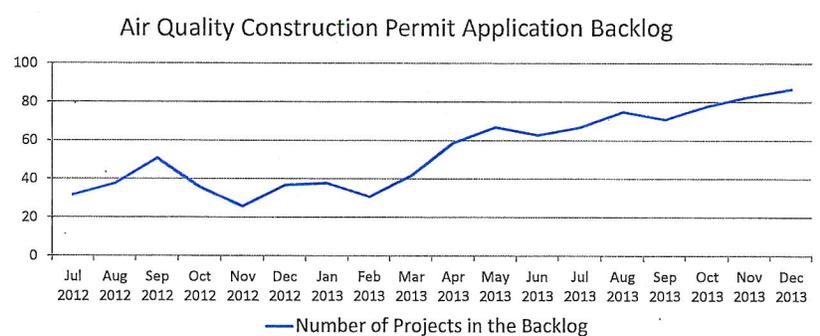
- Standard projects: 10 or fewer smokestacks or air pollution emitting vents under expansion, new construction, or modification. (Not PSD.)
- ✓ New Construction Projects are Prioritized over modifications.
- ✓ Variances are issued to allow quick construction before permit issuance when possible.



The number of days from application receipt to permit issuance for Standard projects has increased due to staff assignments to the high number of priority complex or PSD projects.

Construction Permit Backlog

- Unprecedented number of large priority projects
 - Limit staffing availability to process permits
 - Nonattainment in Council Bluffs and Muscatine
 - Delaying industries' ability to construct as rapidly as possible.



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Air Construction Permitting Collaboration

- Developed templates to streamline permitting for hot mix asphalt plants and aggregate processing plants.
 - Worked closely with Oldcastle Materials, Manatts Construction Company, Iowa Limestone Producers Association, and the Asphalt Paving Association of Iowa
- Reduced requirement for air quality impact (dispersion modeling) reviews by more than 50% while still protecting public health
- Compliance Assistance
 - Assisting facilities and associations with education on the “RICE” engine standard, and
 - Permitting amnesty for facilities that have “RICE” subject engines
- Successfully petitioned EPA for flexibility on new federal fine particle smokestack testing procedures.

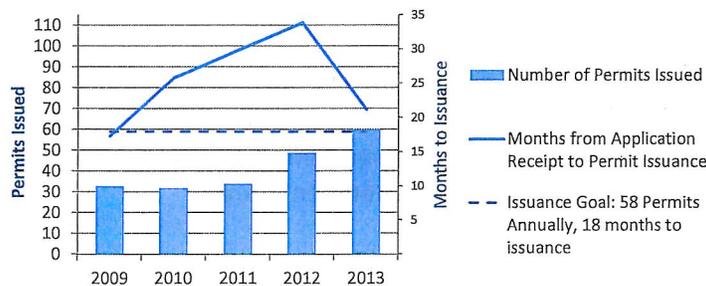
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Operating Permit (Title V) Program Efficiencies

Process Improvements (Kaizen) yields continuing improvements

Title V Operating Permits



- ✓ In 2012 issued 44% more permits than in prior years.
- ✓ A 76% increase over 2011 levels is achieved in 2013.

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Operating Permit (Title V) Program Efficiencies 2013

- Reducing Regulatory Burden: Eliminate Voluntary Operating Permit Program
 - DNR Value Stream Mapping LEAN event identified the Voluntary Operating Permit program for possible elimination
 - No longer value added to industry
 - Onerous 5 year renewal requirements
 - Retask staff to work on Title V Operating Permit backlog
- Executive Order 80 Voluntary Operating Permit Program Workgroup
 - EO 80 Members: Cargill, IA Association of Municipal Utilities, Klinger Paint, Oldcastle Materials, and Pinnacle Foods.
 - Recommended moving 18 facilities out of the voluntary operating permitting programs and rescind rules by 12/31/2014.

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Operating Permit Program Streamlining 2014

- Implementing Kaizen process improvements
 - “Just in time” cross agency staffing assistance to keep information timely.
 - Seamless incorporation of requirements into permits.
 - Allows applicant to provide preferred descriptions of their equipment and regulatory requirements for better management of permits by company environmental staff.

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Operating Permit Program Efficiencies 2014

- Assist smaller facilities in exiting Title V operations:
 - DNR is starting to work with 15 permit holders to find opportunities to get out of Title V if appropriate for the facility.
 - Benefits of not being in Title V:
 - No five-year renewal permit application.
 - No emissions fee.
 - No semi-annual reporting.
 - Re-task staff to work on larger industrial facility permits that are backlogged.

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Collaborating with industry, public, environmental stakeholders to reduce high pollution levels

- Fine particle air pollution in Muscatine
 - Finalizing emissions control plans for 24-hour standard in February.
 - Recommended limited boundaries for the new annual standard.
- Sulfur dioxide emissions plan for Muscatine
 - Successfully argued to EPA to limit the extent of the nonattainment area.
 - Timely development of emission control plan.
- Diesel emission reductions in Muscatine
 - Awarded federal grant funds to the City of Muscatine to retrofit and replace vehicles.
- Emissions of Lead in Council Bluffs
 - Working with facilities to address recent violations.



healthiest
— state —
initiative

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Significant Program Efficiencies & Reductions

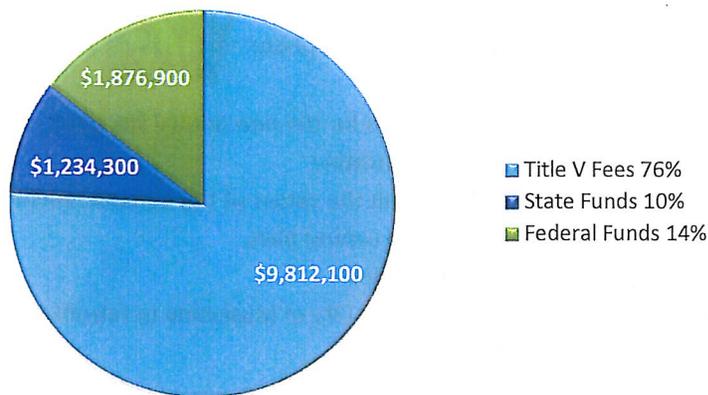
- The Bureau continues to achieve a high level of productivity
 - Effective communication & assistance
- Careful public funds management to reduce expenses 2008-2013:
 - Staffing & contract reductions - \$1,985,000
 - Eliminated redundant small business assistance efforts (in house)
 - Travel, training & vehicle savings - \$120,000
 - Office management, Records, & IT savings - \$106,500

Total Reductions & Savings = \$2,211,500

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Funding for Air Quality Program Activities FY 14

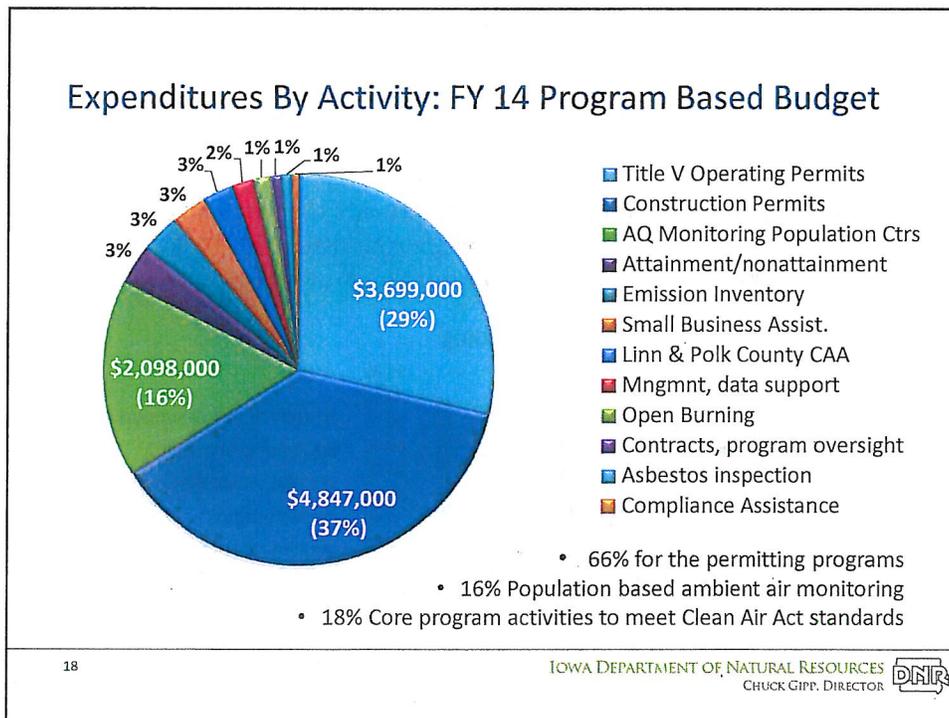
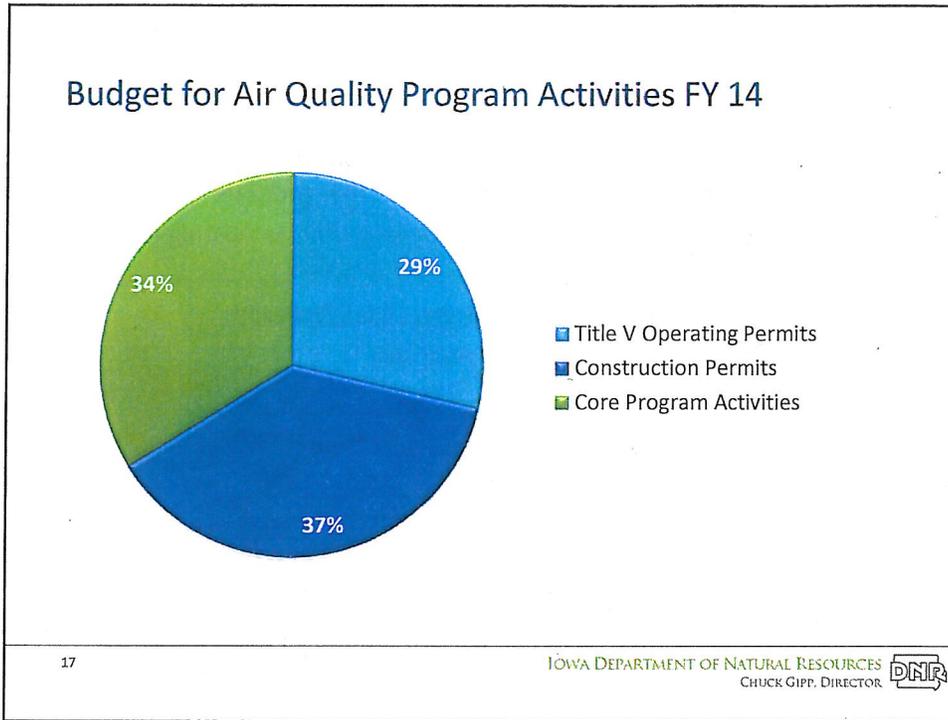


Total Budget: \$12,923,300

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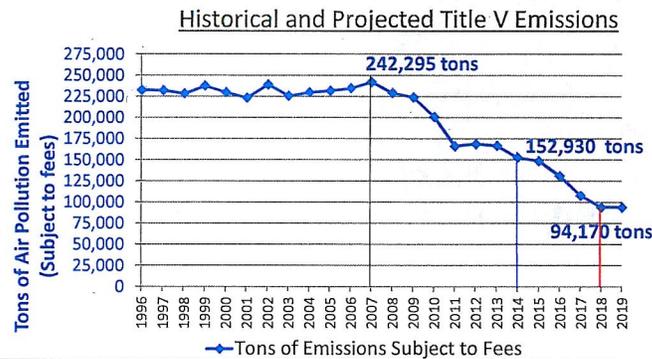
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Emission Reductions

- Large Facilities (Title V) pay fees on emissions (\$56/ton) to support Operating Permit, Construction Permit, other program expenses.
- Tons are projected to continue to decrease due to existing federal regulations.



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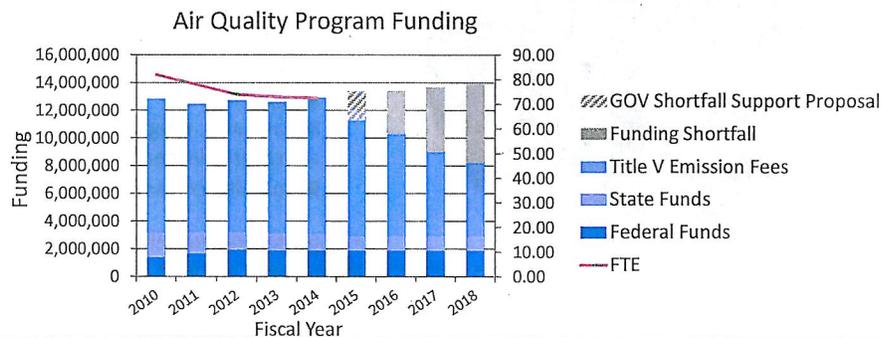
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\$2,072,000 General Funds for Air Quality:

- \$1,872,000 Targeted to continue to provide the same level of service to new, expanding, and existing industrial facilities.
- \$200,000 Added construction permitting program support.



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Questions?

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