Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To:	All Air Permits Division Staff	Date:	May 18, 2005
Thru:	Dan Eden, Deputy Director Office of Permitting, Remediation and Reg	gistration	
From:	Richard A. Hyde, P.E., Director Air Permits Division Office of Permitting, Remediation and Reg	gistration	
Subject:	Permit By Rule Incorporation Into Permits		

Introduction: Current air statutes and rules allow permitted facilities and processes to be modified if the changes will meet a permit by rule. The rule also requires that these permit by rule claims "be incorporated" when the permit is next amended or renewed. This memo focuses on the complexity of mechanisms to "incorporate" permits by rule into permits.

Issue: §116.116(d) Permits by rule under Chapter 106 of this title (relating to Permits by Rule) [may be used] in lieu of [a] permit amendment or alteration. (1) A permit amendment or alteration is not required if the changes to the permitted facility qualify for an exemption from permitting or permit by rule under Chapter 106 of this title unless prohibited by permit condition as provided in §116.115 of this title (relating to General and Special Conditions). (2) All changes authorized under Chapter 106 of this title to a permitted facility

(2) All changes authorized under Chapter 106 of this title to a permitted facility shall be incorporated into that facility's permit when the permit is amended or renewed.

Permits by rule (PBR), previously known as standard exemptions, are claimed for a myriad of facilities, processes, and production changes at permitted sites. Some of these PBR claims authorize changes in the type and quantity of emissions from permitted facilities. Other PBR claims indirectly affect or are related to the operation of permitted facilities. Finally, a number of PBR claims occur at a site with an air permit, but the PBR facilities are independent and unrelated in any way to permitted units. Each of these circumstances meet the requirements of §116.116(d) in different ways.

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> \$116.615(3) Standard permit in lieu of permit amendment. All changes authorized by standard permit to a facility previously permitted under \$116.110 of this title (relating to Applicability) shall be administratively incorporated into that facility's permit at such time as the permit is amended or renewed.

Standard Permit (SP) registrations may also fall into the same categories as PBRs and this memo is also intended to cover their "incorporation".

Action: There are three different scenarios that will dictate whether and how a PBR or SP is incorporated into a permit. Certain PBR/SP incorporations will be <u>mandatory</u> and referred to as *rolled* into a permit. Other PBR/SP incorporations will be <u>voluntary</u>, but follow the same requirements as *rolled in*. Finally, some PBR/SP will be incorporated by *reference*. This memorandum supercedes all previous memos on this subject and is effective immediately.

Rolling Into Permit

PBR/SPs which are *rolled* into permits following §§116.116 and 116.615 will be voided and the facilities will become authorized by the permit, including limitations in permit conditions and maximum allowable emission rate table (MAERT), as appropriate. Reference to these voided PBR/SP registrations will also be included in the Technical Review Summary and final action letters. The PBR/SP can only be rolled into a permit during an amendment or renewal review. PBR/SP registrations which authorized new facilities or changes in method of control to existing facilities can only be rolled into a permit during an amendment. All other PBR/SP will be rolled into the permit during renewal or amendment.

Facilities authorized by PBR/SP which are rolled into permits will be subject to an impacts review based on the agency's Effects Evaluation Flowchart and "Air Quality Modeling Guidelines". These facilities will also be subject to a best available control technology (BACT) evaluation. Rolling in a PBR will not be required to meet the public notice requirements listed in §39.402 since this rule is intended for emission increases which are not previously authorized. Rolling in a SP will not be considered for public notice requirements since there will not be an increase in emissions since representations and allowable emissions are enforceable limits. No additional amendment or renewal fees will be charged when rolling in a PBR/SP, as these facilities are previously authorized.

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Referenced in Permit

PBR/SPs which are included by *reference* into permits will remain authorized by the PBR or SP, however the permit will identify the facilities and reference the registration or claim in the permit conditions and MAERT. The facilities will be listed by registration number (if assigned), hourly and annual emissions type and amount, effective date of PBR/SP, and any other unique historical information. Registrations for these PBR/SP will not be voided and no additional review is required. These PBR/SP registrations/claims will also be referenced the Technical Review Summary and company final action letter.

Mandatory vs. Voluntary

The following are three scenarios which describe when rolling in and referencing PBR/SP should occur:

- Mandatory Roll-in: Facilities authorized by any PBR that directly modified or increased the emissions of a permitted facility, including but not limited to §§106.261 or 106.262, must be rolled into the permit during any amendment or renewal. Facilities which were constructed under PBR/SP or changes to the method of emissions control must also be rolled into the permit during any amendment.
 Voluntary Roll-in: Any PBR/SP which does not directly modify or increase the emissions of a permitted facility can be rolled into a permit at the company's request during an amendment or renewal review. Voluntary rolling in of PBR/SP
- during an amendment or renewal review. Voluntary rolling in of PBR/SP must meet the requirements for mandatory roll-in as described above. These PBR/SP may include addition of new facilities that does not directly modify or increase the emissions from a permitted facility, but does affect permitted operations. At a minimum, the facilities authorized by these PBR/SP must be referenced in the permit that is being amended or renewed.
- Voluntary Reference: There are PBR/SP that authorize stand-alone, independent facilities and processes. These PBR/SP do not directly modify or in any way affect permitted facilities. In these cases, it is completely voluntary to roll-in or reference these PBR/SP in the permit during amendment or renewal. In most cases, these PBR/SP may be referenced, following the procedures mentioned above.