

	AIR QUALITY DIVISION POLICY AND PROCEDURE		DEPARTMENT OF ENVIRONMENTAL QUALITY
Original Effective Date: August 15, 1995 Revised Date: July 1, 2003 and February 24, 2017 Reformatted Date: January 29, 2014	Subject: Mechanisms for Limiting the Applicability of Michigan's Renewable Operating Permit Program Program Name: Renewable Operating Permit (ROP) Program		Category: <input type="checkbox"/> Internal/Administrative <input checked="" type="checkbox"/> External/Non-Interpretive <input type="checkbox"/> External/Interpretive
	Number: AQD-004	Page: 1 of 5	Type: <input type="checkbox"/> Policy <input type="checkbox"/> Procedure <input checked="" type="checkbox"/> Policy and Procedure

A Department of Environmental Quality (DEQ) Policy and Procedure cannot establish regulatory requirements for parties outside of the DEQ. This document provides direction to DEQ staff regarding the implementation of rules and laws administered by the DEQ. It is merely explanatory; does not affect the rights of or procedures and practices available to the public; and does not have the force and effect of law. DEQ staff shall follow the directions contained in this document.

INTRODUCTION:

Title V of the federal Clean Air Act requires the development of a renewable operating permit (ROP) program for all major sources and certain non-major sources. The U.S. Environmental Protection Agency (EPA) has granted approval of Michigan's ROP program. Michigan's program implementation is decentralized with the Air Quality Division (AQD) District Offices as the primary contacts. (The district office locations and contact information are available through the DEQ Internet webpage <http://www.michigan.gov/deqair> under "District Information".)

In the ROP program, the definition of a "major source" is based on a stationary source's "potential to emit" (PTE) of an air contaminant. Without enforceable restrictions to the contrary, a source's PTE is based on operation at maximum design capacity on a continuous schedule throughout the year. All major sources (see Appendix A) must submit an ROP application within 12 months of becoming subject to the ROP program.

A facility can become exempt from the definition of major source of "criteria pollutants" by obtaining limits on the source's PTE through a legally enforceable mechanism. An owner/operator of a major source of criteria pollutants wishing to avoid the requirement to obtain an ROP must obtain these legally enforceable limits.

Facilities that are major sources of Hazardous Air Pollutants (HAPs) are also subject to the ROP program. To avoid the ROP requirement, a limit must be obtained on the source's PTE for all HAPs. For sources subject to an EPA standard promulgated pursuant to Section 112 of the federal Clean Air Act, this must be done before the first compliance date specified within the standard.

This policy delineates the legally enforceable mechanisms available for sources to avoid being subject to Michigan's ROP program.

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STAKEHOLDER INVOLVEMENT:

The DEQ's AQD Operational Memorandum No. 4 was initially developed after extensive input from industry, the EPA, and citizens through a workgroup process. It was approved by the 1995 Clean Air Advisory Board that included leaders representing all affected parties. Subsequent necessary minor revisions were made widely available for review and comment.

POLICY:

For smaller sources of air pollution that have a high PTE, but that consistently maintain actual emissions significantly below major source thresholds, relatively few benefits would be gained by making them subject to major source requirements under Title V of the Clean Air Act.

There are two options available that allow smaller sources to avoid Michigan's ROP requirements.

Option A: General Permits to Install (PTI)

A General PTI can be used to provide a source with emission and operational limits for criteria pollutants that allow the source to "opt-out" of the ROP program. Rule 201a specifically allows for the development and use of General PTIs to establish legally enforceable limits to restrict the PTE to below the major source thresholds listed in Appendix A. General PTIs have been developed when a source type or category will have variables and parameters that are typical/characteristic of its processes and would distinguish it from other sources.

Once a General PTI category has been established, an owner or operator responsible for a facility with operations that meet the applicability criteria can review the general permit requirements and determine if their facility operates within the terms of the permit. If the owner/operator determines that the source can comply with the conditions of the PTI, they may apply to the AQD for issuance of the general permit to the source. If the AQD approves the application, the terms and conditions of the general permit would apply to the source and would be enforceable by the EPA and/or the AQD.

General PTI program description, submittal requirements, and source categories are available through the DEQ Internet webpage <http://www.michigan.gov/deqair> under "Permits", "Permits to Install (PTI) / New Source Review", "General Permits to Install".

Please note that a General PTI cannot be used to limit the PTE of HAPs.

Option B: Case-By-Case Synthetic Minor "Opt-Out" PTI

The owner/operator of the source may choose to work with AQD staff to develop a permit that is specifically designed for their source. This PTI can be used to establish legal operational and/or production limits that restrict the source's PTE to a level below all major source thresholds and, as a result, enable the source to opt-out from the ROP requirements.

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The DEQ's AQD "Guidance for a Title V Opt-Out Permit" is available through the DEQ Internet or upon request from the AQD. The document specifies the procedure for a source to obtain emission and operational limits enforceable by the AQD and/or the EPA to avoid the requirements of the ROP program.

PROCEDURES:

Option A - Opt-out General PTI

Step	Who	Does What
1	Owner/Operator	If the facility operates within the terms of the permit categories and the criteria that must be met to qualify for a General PTI and the source can comply with the conditions of the PTI, apply to the AQD for issuance of the General PTI to the source.
2	AQD Staff	Evaluate and determine if the application can be approved. If so, AQD issues the General PTI.
3	Owner/Operator	Keep and maintain records for each process sufficient to demonstrate that the source is complying with all of the requirements of the General PTI. These records shall be kept on file for the most recent 5-year period and made available to the AQD upon request.

Option B - Opt-out Synthetic Minor PTI

Step	Who	Does What
1	Owner/Operator	Calculate the source's PTE and determine applicability of the ROP program.
2	Owner/Operator	Submit a complete application for a PTI to limit the source's PTE. As described in the "Guidance for a Title V Opt-Out Permit", the application must include a cover letter, PTE calculations, proposed plan for actions and dates to limit the source's PTE, revised calculations showing the intended effect of the proposed plans on the source's PTE, and proposed enforceable limits which the applicant believes are sufficient to comply with the requirements of Rule 205.
3	AQD Staff	Evaluate and determine if the application can be approved. If so, AQD issues the opt-out PTI.
4	Owner/Operator	Keep and maintain records for each process sufficient to demonstrate that the source is complying with all of the requirements of the Opt-Out PTI. These records shall be kept on file for the most recent 5-year period and made available to the AQD upon request.

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**For more information or assistance, contact the DEQ Outreach and Training Unit at
800-662-9278.**

APPENDICES:

Appendix A – Major Source Thresholds

DIVISION DIRECTOR APPROVAL:



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Appendix A

MAJOR SOURCE THRESHOLDS¹

<u>Criteria</u>	<u>Major Source</u>
<u>Air Pollutant²</u>	<u>Threshold¹</u>
Sulfur Dioxide (SO ₂)	100 tons per year
Nitrogen Oxides (NO _x)	100 tons per year
Particulates (PM-10) ³	100 tons per year
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Volatile Organic Compounds (VOCs) ³	100 tons per year
Carbon Monoxide (CO)	100 tons per year
Lead/Lead Compounds ⁴	(See footnote 4)
Class I & II CFCs ²	100 tons per year
NSPS Pollutants ^{2,3}	100 tons per year
 <u>Hazardous Air Pollutants</u>	
HAPs (any single) ^{2,3}	10 tons per year
HAPs (all combined) ^{2,3}	25 tons per year

¹ Major Source Thresholds are based on a source's "potential to emit." The potential to emit is determined by calculating what the source's emissions could be if all processes and process equipment was operated at full capacity at all times.

² The document entitled "Potential to Emit Workbook - A Practical Guide to Calculating and Evaluating Your Potential to Emit Air Contaminants" contains a complete listing of Chloroflourocarbons (CFCs), New Source Performance Standards (NSPS) pollutants and Hazardous Air Pollutants (HAPs).

³ If a pollutant is both an NSPS pollutant and a HAP (such as dioxins and furans), the HAP thresholds apply. If a pollutant is a particulate or a VOC and is also a HAP, both the particulate or VOC and the HAP thresholds apply.

⁴ Lead emissions will generally be assumed to be "lead compounds" unless demonstrated otherwise.