



**GUIDANCE FOR A TITLE V OPT-OUT PERMIT**

Title V of the federal Clean Air Act requires a renewable operating permit (ROP) for all major sources. The definition of a major source for ROP purposes is based on a stationary source's potential to emit (PTE) various air contaminants. The following table lists the major source thresholds for the ROP program:

<u>Air Pollutant</u> <sup>1</sup>	<u>Major Source Threshold</u>
Sulfur Dioxide (SO <sub>2</sub> )	100 tons per year
Nitrogen Oxides (NO <sub>x</sub> )	100 tons per year
Particulates (PM-10) <sup>2</sup>	100 tons per year
Volatile Organic Compounds (VOC) <sup>2</sup>	100 tons per year
Carbon Monoxide (CO)	100 tons per year
Lead/Lead Compounds <sup>3</sup>	(See footnote 3)
Class I & II CFCs <sup>1</sup>	100 tons per year
NSPS Pollutants <sup>1,2</sup>	100 tons per year
HAPs* (any single) <sup>1,2</sup>	10 tons per year
HAPs* (all combined) <sup>1,2</sup>	25 tons per year

<sup>1</sup> The document entitled "Renewable Operating Permit Program: Guidebook for Determining Applicability" contains a complete listing of Chlorofluorocarbons (CFCs), New Source Performance Standard (NSPS) pollutants and Hazardous Air Pollutants (HAPs). This document can be obtained by contacting the Clean Air Assistance Program of the Environmental Science & Services Division, Michigan Department of Environmental Quality, at 1-800-662-9278.

<sup>2</sup> If a pollutant is both a NSPS pollutant and a HAP (such as dioxins and furans), only 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.

<sup>3</sup> Although elemental lead is a criteria pollutant with a major source threshold of 100 tons per year, lead compounds are listed in Section 112(b) of the Clean Air Act as HAPs, with the single and combined thresholds listed above. Lead emissions will generally be assumed to be lead compounds unless demonstrated otherwise.

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 (i.e., 8,760 hours per year.) A person may choose to limit a stationary source's PTE to a level below the major source thresholds to avoid ROP program applicability. An opt-out permit is a permit to install which establishes legally enforceable operational and/or production limits that restrict the source's PTE and enables the source to opt-out of the ROP requirements. This type of permit is also referred to as a synthetic minor permit. Because the ROP program applies to an entire stationary source, the limits will be applied to the entire stationary source.

**Application for an Opt-Out Permit**

The person owning or operating the source is responsible for calculating the PTE and determining applicability of the ROP program. To opt-out of the ROP program, a complete application for a permit to install to limit the source's PTE to below applicable major source thresholds should include the following:

1. A cover letter with the permit application clearly stating the intent of the application is to reduce the PTE of the source to below applicable major source thresholds to avoid applicability and opt-out of the ROP program.
2. Current PTE calculations for all processes and process equipment located at the stationary source. Potential emissions should be calculated for all permitted, grandfathered and exempt processes and

process equipment. If the process or equipment is subject to legally enforceable limitations (i.e., special conditions or regulations) use them in your PTE calculations. Refer to the *Potential to Emit Workbook* for additional assistance. This document may be obtained by contacting the Clean Air Assistance Program of the Environmental Science & Services Division, Michigan Department of Environmental Quality, at 1-800-662-9278.

3. A proposed plan, in narrative form, which outlines the actions to be taken and the dates such actions will be taken, to limit the stationary source's PTE.
4. Revised PTE calculations for the stationary source showing the intended effect of the proposed plan on the source's PTE. If the process or equipment will be subject to legally enforceable limitations (i.e., special conditions or regulations) use them in your PTE calculations.
5. Proposed enforceable limits, including monitoring and recordkeeping, consistent with the narrative plan, to be included in the permit to install which the person believes are sufficient to comply with the requirements of EPA guidance as incorporated in Rule 205. If possible, a limit should be proposed for each air contaminant emitted from the source, particularly those which are emitted near major source levels.
  - Rule 205 establishes the criteria necessary for an opt-out permit to be considered legally enforceable. These criteria include emission limits which restrict the amount of an air contaminant that may be emitted over some period of time, not to exceed an annual time period rolled on a monthly basis. If the emission limit does not reflect the maximum emissions of the process or process equipment operating at full design capacity without air pollution control equipment, then the permit shall contain either (i) a production limit, (ii) an operational limit, or (iii) for VOC surface coating operations where an add-on control is not employed, an emission or usage limit coupled with a requirement to calculate or demonstrate daily compliance. Refer to Rule 205 for additional details.
  - Rule 205(3) specifies that a permit with a synthetic minor limit, which is greater than 90 percent of the applicability threshold, will be subject to the public participation procedures.

For additional assistance or technical questions pertaining to this document, contact the AQD Permit Section at 517-373-7074.