

**ENVIRONMENTAL MANAGEMENT COMMISSION
FISCAL NOTE FOR PROPOSED AMENDMENTS TO PERMITTING RULES**

Rule Adoptions:	15A NCAC 02Q .0318, Changes Not Requiring Permit Revisions
Rule Amendments:	15A NCAC 02Q .0102, Activities Exempted From Permit Requirements 15A NCAC 02Q .0903, Emergency Generators and Stationary Reciprocating Internal Combustion Engines
Rule Repeals:	15A NCAC 02Q .0302, Facilities Not Likely To Contravene Demonstration (see Appendix for proposed rule text)
Rule Topic:	Streamlining of Permit Exemptions Rule (525)
DENR Division:	Division of Air Quality
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Impact Summary:	State government: Yes Local government: Yes Substantial impact: Yes
Statutory Authority:	G.S. 143-215.3(a)(1); 143-215.107(a)(4); 143-215.107(a)(10); 143-215.108
Necessity:	To improve the non-Title V permitting program in a way that balances the level of effort for administrative tasks with environmental impact.

I. Executive Summary

The purpose of this document is to conduct an evaluation of the costs and benefits associated with amendments to two rules and the adoption of one rule pertaining to non-Title V permitting. Rule 15A NCAC 02Q .0102 will be amended to add to new exemptions to permitting. Facilities with actual emissions less than five tons per year of each specified pollutant and total aggregate actual emissions of 10 tons per year would be exempt from permitting. Facilities that are not exempt and have total aggregate actual emissions less than 25 tons per year would be eligible for registration instead of obtaining a permit. Rule 15A NCAC 02Q .0903 will be amended to add an exemption from permitting for stationary reciprocating internal combustion engines if the engine

is the only source of emissions at the facility. 15A NCAC 02Q .0318 is a new rule to allow facilities to make minor changes without first modifying their permit.

Table 1, Estimate Impacts of the Proposed Amendments, presents the economic impacts, mostly in the form of regulatory relief, that result from avoided cost to privately owned facilities and local government facilities due to these rule amendments. The regulatory relief comes from a partial reduction in fees from consulting firms to prepare permit applications for facilities that the rules would no longer require to be permitted. There is also cost savings to affected private and local facilities in the elimination of permit application fees and annual permit fees.

The local government impacts are the direct fiscal impacts to local government facilities. The impact to the three local air permitting programs is not included because the DAQ cannot determine how the local programs would change their regulatory structure as a result of the changes to the DAQ permitting program.

The fiscal impact to State government is the revenue loss from permit application and annual permit fees and the opportunity cost represents the value of the staff time that was used for permitting activities that can now be used for other activities.

The 8-year net present value of the estimated net savings to all parties involved is about \$5 million (computed as of July 1, 2015 using a 7% discount rate).

Table 1. Estimated Impacts of the Proposed Amendments

Fiscal Year	Private Sector	Local Government	State Government		Net Savings
	Net Savings	Net Savings	Opportunity Cost Savings	Permit Fee Losses	
2017	\$673,425	\$6,800	\$ 154,100	(\$280,425)	\$553,900
2018	\$768,225	\$6,800	\$ 162,500	(\$280,425)	\$657,100
2019	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100
2020	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100
2021	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100
2022	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100
2023	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100
2024	\$768,225	\$6,800	\$162,500	(\$280,425)	\$657,100

II. Reason for Proposed Change

Rule 15A NCAC 02Q .0102 governs activities that do not require an air quality permit for non-Title V (small and synthetic minor) facilities. The agency has amended the rule several times through the years to address specific issues. As a result, the overall size and structure of the rule has evolved in a way that makes it difficult to read, understand and implement, and it has

become a source of frustration for both Division of Air Quality (DAQ) staff and the regulated community. To address this issue, the DAQ formed an internal subcommittee of its existing Permits Workgroup to review and recommend revisions to the rule to make it easier to understand and use by affected facilities and DAQ staff. Simultaneously, DAQ looked to new ways to reduce regulatory burden while not impacting air quality. The resulting proposed rule changes from that review process should provide regulatory relief to a large number of small facilities that have very low emissions.

III. Background

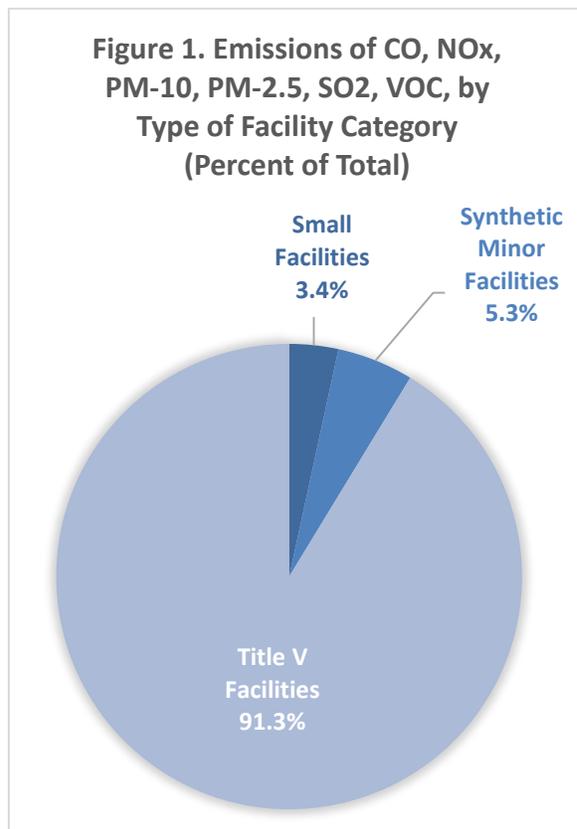
As the process of simplifying the permit exemptions rule progressed, the DAQ decided to look at the whole non-Title V permitting program. The administrative effort is relatively high for a large number of facilities with very low emissions. There are 1,601 small permitted facilities, 648 synthetic minor permitted facilities and 301 Title V permitted facilities. The small permitted facilities make up 63% of the total number of permitted facilities but contribute only 3.4% of the total emissions (see Figure 1).

To prepare the proposed rule change, the DAQ had a number of strategic thinking sessions and reviewed available data, including emissions profiles, compliance history, regulatory framework and complexity. Permit engineers from the regional offices also provided their input based on years of small facility permitting.

The DAQ sought external stakeholder input on the initial draft amendments on November 6, 2014. The Division received by February comments suggesting additional approaches, including tiered approaches with alternative exemption thresholds and a registration option for certain levels of emissions. The DAQ reviewed that feedback and considered alternatives to its initial approach. The DAQ discussed the feedback received and its considerations with the Air Quality Committee (AQC) at its May 6, 2015 meeting. Using feedback from commissioners at the AQC meeting, the DAQ presented updated draft rules to the AQC at its July 8, 2015 meeting.

Staff in the seven DAQ Regional Offices is responsible for issuing non-Title V permits for facilities operating in the 97 counties within DAQ's jurisdiction. In the other three counties in North Carolina, the local program offices of the respective jurisdictions are responsible for issuing both Title V and non-Title V permits, namely:

- Forsyth County Environmental Assistance and Protection,
- Mecklenburg County Air Quality, and



- Western North Carolina Regional Air Quality Agency (for Buncombe County and the City of Asheville).

The permitting staff handle several types of permitting actions. These actions include new permits, permit modifications, and permit renewals. Permit renewals are permits that have the terms of their permit renewed every 8 years.

In the context of permitting, a new facility is defined as one that was not previously permitted. The resources needed to prepare a permit application for a new facility are greater than a renewal because much of the information required for a new permit application can be re-used without change in its renewal application. The term ‘modification’ means any physical change or change in method of facility operation that results in a change in emissions or affects compliance status of the source or facility. Such a modification would need to be incorporated into a revised permit while maintaining the same permit expiration date. Sometimes modifications coincide with permit renewals. Normally the facility will hire a consultant to collect the requisite information and submit the permit application. There is no application fee assessed for permit renewals, but there are application fees for new permits and permit modifications. Also, permitted facilities are required to pay an annual fee to maintain the permit.

Depending on the type of permit and the complexity of the emission sources and controls, the development of the draft permit may be brief and straightforward, or may require more extensive analysis and time. Once the facility is in operation, regular emissions reporting and any compliance or enforcement activity associated with the permit are also recorded. The permit will stay in effect until its expiration date, or until any number of circumstances and considerations would change the permit’s integrity warranting a significant modification in the permit.

The proposed rules would remove the administrative process of getting a permit for small facilities that have emissions below the levels specified in the rule. Small facilities are still required to comply with all state and federal requirements. Small facilities are also required to maintain documentation that the facility is qualified for that exemption.

A compliance presence would continue and DAQ would maintain a database of active facilities with federal regulatory requirements. Staff time used for permitting could be redirected to compliance assurance activities aimed at maintaining compliance rates. Compliance assurance visits would address all requirements of the rules, address recordkeeping and monitoring requirements of the rules, discuss any new regulatory requirements the facility of which it should be aware and share best practices. The DAQ retains the compliance history of the facilities and can use this experience to focus its efforts on those facilities with the most compliance issues. The DAQ expects facilities to comply with all state and federal requirements. If compliance becomes an issue with an unpermitted facility, the DAQ would have several options available to increase compliance, including enforcement action and requiring a facility to obtain a permit.

IV. Proposed Rule Changes

Rule 15A NCAC 02Q .0102, Activities Exempted From Permit Requirements, is proposed for amendment to simplify the rule to make it easier to understand. New exemption requirements are

also added. Facilities with actual emissions less than five tons per year of each specified pollutant and total aggregate actual emissions of 10 tons per year would be exempt from permitting. Facilities that are not exempt and have total aggregate actual emissions less than 25 tons per year would be eligible for registration instead of obtaining a permit.

Rule 15A NCAC 02Q .0302, Facilities Not Likely To Contravene Demonstration, is proposed for repeal since the rule is duplicative of the requirements contained in the revised Rule 15A NCAC 02Q .0102.

15A NCAC 02Q .0318, Changes Not Requiring Permit Revisions, is proposed for adoption to allow facilities to make minor changes without first modifying their permit.

Rule 15A NCAC 02Q .0903, Emergency Generators And Stationary Reciprocating Internal Combustion Engines, is proposed for amendment to add an exemption from permitting for stationary reciprocating internal combustion engines if the engine is the only source of emissions at the facility.

V. Changes from the Regulatory Baseline

The current permitting requirements in Rules 15A NCAC 02Q .0102, .0302 and .0903 form the basis of the regulatory baseline. This analysis uses the number of currently permitted facilities in the DAQ's iBeam and emissions inventory databases to project future impacts due to the proposed rule changes.

VI. Identification of Affected Sources

Facilities with air pollutant emissions fall into one of four categories:

1. Title V – those which emit or have the potential-to-emit (PTE) 100 tons per year (ton/year) or more of any criteria air pollutant, or more than 10 ton/year of any single hazardous air pollutant (HAP), or 25 ton/year of total HAPs,
2. Synthetic Minors – those facilities with federally enforceable limits restricting their process/production rates and corresponding emissions or PTE to less than Title V levels,
3. Smalls – those facilities with emissions or PTE less than Title V levels without synthetic limits, or
4. Unpermitted – currently, those with actual emissions less than five ton/year of criteria pollutant emissions that are exempt from permit requirements.

Rule 15A NCAC 02Q .0102

This amended rule would affect the permitting requirements of small facilities. It would not affect the Title V, synthetic minor or unpermitted facilities. The amended rule would provide regulatory relief to a large number of small, currently permitted facilities that have very low emissions by allowing them either to be exempt from needing an air quality permit or to register their facility with the DAQ in lieu of an air quality permit. This proposed rule would use a facility's actual emissions of regulated air pollutant to determine if it is eligible for regulatory relief as follows:

- Facilities with actual emissions less than five tons per year of each regulated pollutant and total aggregate actual emissions of 10 tons per year would be exempt from permitting; and
- Facilities that are not exempt from permitting under the new proposed exemption levels and have total aggregate actual emissions less than 25 tons per year would be eligible for registration instead of obtaining a permit.

The current rule has a facility-wide permit exemption of actual emissions **before control** less than five tons per year of each regulated pollutant. The proposed rule increases the number of affected facilities that may be exempt from permitting by setting the level of emissions to actual emissions **after control** and setting a new exemption for aggregate total emissions of 10 tons per year.

Small facilities are currently required to report to the DAQ their actual emissions of regulated air pollutant when they renew the permit every 8 years. Facilities reporting emission inventories to DAQ are required to use the “best available information” when estimating emissions for their emission inventory submittal. DAQ staff review these emission inventory reports. The emissions inventory represents the best available data for determining the number of facilities affected by the rule amendment. The emissions inventories are available at <http://www.ncair.org/inventory/>.

For this fiscal note, DAQ queried the emissions inventory in April 2015 and removed data regarding Title V and synthetic minor facilities. DAQ then filtered the data to determine which currently permitted facilities in the emissions inventory would be exempt or registered under the proposed rule. Table 2 summarizes the number of facilities affected and the total tons per year of emissions for those facilities in each category.

Table 2. Estimated Number of Affected Existing Facilities from Emission’s Inventory

	Number of Facilities	Total Annual Tons of Actual Emissions
Total number of small facilities	1,323	10,820
Exempt	989	2,160
Registered	196	2,878
Remain Permitted	138	5,782

The DAQ also tracks the number of permitted facilities in its iBeam database. A query of the iBeam database on March 26, 2015 lists 1,601 small permitted facilities. The difference in the number of facilities in the emissions inventory and iBeam databases is 278 small permitted facilities. This difference in number of facilities is due to the emissions reporting requirement for small facilities. New facilities are not required to submit an emission’s inventory until their first renewal date. Facilities must renew their permits every eight years.

The DAQ emissions inventory shows that close to 74.8% (989 of 1,323) of the facilities would be exempt and 14.8% (196 of 1,323) of the facilities would become registered. Table 3 shows the

estimated total number of existing facilities that the proposal would affect after applying these percentages to the iBeam database of currently permitted facilities.

Table 3. Estimated Number of Affected Existing Facilities from iBeam database

	Number of existing facilities
Total number of small facilities	1,601
Exempt	1,196
Registered	237
Remain Permitted	168

The DAQ also receives and processes permit applications from new facilities each year. New facilities will receive the same regulatory relief from permitting as existing facilities. To estimate the number of new facilities for the next five years, the DAQ queried the iBeam database for new small permits issued during the 2010 through 2014 timeframe. Table 4 summarizes the number of new small permits issued by the DAQ for the last five years.

Table 4. New Small Permits Issued from Years 2010 through 2014

Year	Number of New Permits
2010	57
2011	50
2012	33
2013	36
2014	35
5-year average	42

The agency assumes that this time period is representative of the number of future permit applications that would have been received if the rule were not amended. The number of new permits received by the DAQ each year could be dependent on a number of economic factors. For estimating the fiscal impact, the analysis will use the average of permits issued for years 2010 through 2014, which was 42, to estimate the number of affected facilities in future years.

When the amended rule becomes effective, the DAQ will contact facilities to inform them of the rule change and their potential to be exempt from permitting. The Division expects that most, if not all, facilities that are eligible to be exempt from permitting or to be registered, an estimated maximum of 1,433 (= 1,196 exemptions + 237 registrations) will request the Division rescind their permit. For this fiscal note, it is assumed all existing facilities below or within the amended emission thresholds for exemption or registration will use that option. It is also assumed that of the estimated 42 new permits that DAQ would have received under the current rule, 31 (74.8% of 42) new facilities would be exempt and six (14.8% of 42) new facilities may register on an annual basis. Table 5 summarizes the estimated total number of existing and new facilities affected by the amendments to Rule 15A NCAC 02Q .0102 in the years 2017 through 2024.

Table 5. Estimated New and Existing Facilities Eligible for Permit Exemption or Registration

Fiscal Year	Exempt from Permitting	Registration
2017	1,227	243
2018 through 2024	31	6

Rule 15A NCAC 02Q .0302

The agency is proposing to repeal this rule because it determine the rule not to be necessary. The current rule provided for a case-by-case permit determination that is also available in Rule 15A NCAC 02Q .0102.

Rule 15A NCAC 02Q .0318

This new rule will affect the permitting requirements of both small facilities and synthetic minor facilities. This rule adoption provides some regulatory relief to permitted facilities by allowing them to make some changes to their sources without requiring a revision to their permit. Paragraph (b) of the proposed rule specifies the type of changes a facility may make without modifying their permit.

The agency estimates that 168 small facilities would remain permitted after the amendments to 15A NCAC 02Q .0102 become effective. The DAQ iBeam database shows that there are 648 synthetic minor permitted facilities. Therefore, 816 small and synthetic minor facilities may be able to make modifications to their facility without making a revision to their current permit.

The DAQ iBeam database contains data on all permit modifications. The analysis will use the number of permit modifications from 2010 through 2014, see Table 4, to estimate the number of modifications that may not need a permit revision in future years. The annual average number of small and synthetic minor facilities from 2010 through 2014 was 2,249. The number of permit modification processed by the regional offices do not appear to have an increasing or decreasing trend over the five-year period chosen. The average number of modifications is 116.

Table 6. Permit Modifications from Years 2010 through 2014

Year	Number of Permit Modifications
2010	126
2011	114
2012	125
2013	111
2014	103
5-year average	116

The staff that issues small and synthetic minor permits are permit engineers located in the DAQ seven regional offices. For this fiscal note, the permit coordinator in each regional office estimated the number of modifications based on their experience that would be eligible for regulatory relief under Paragraph (b) of the rule. The estimates range from 33% to 50% of modifications on an annual basis would not require a permit revision. For the purposes of this fiscal note, the agency will use an estimate of 40% for the number of annual modifications that would not require a permit revision.

To project future annual permit modifications, a correction factor of 0.36 (= 816/2,249) was applied to the average of 116 modification on an annual basis to account for the facilities that will now be exempt under 15A NCAC 02Q .0102. Therefore, the estimated average number of modifications that would no longer require a permit revision is 40% of the 42 annual permit modifications, or approximately 17 modifications per year. Synthetic minors would avoid 13 permit revisions and small facilities would avoid 4 permit revisions (see Table 7). The analysis uses these averages to estimate future fiscal impacts.

Table 7. Estimated number of facilities annually exempt from permit modifications

Average Annual Modifications	Total Exempt Modifications	Exempt Synthetic Minor Facilities	Exempt Small Facilities
116	17	13	4

Rule 15A NCAC 02Q .0903

This rule is part of a set of rules in Section .0900 of Subchapter 02Q. Rules in this section are commonly called “permit by rule.” These rules contain qualifying criteria, conditions for operation of the emission source and record-keeping and reporting requirements. Many of these rule requirements are similar to those found in a typical permit. Facilities can be exempt for needing a permit if they comply with the requirements in the rule.

This rule amendment adds an exemption from permitting for stationary reciprocating internal combustion engines if the engine is the only source of emissions at the facility. To qualify for the rule, facility-wide actual emissions must be less than 100 tons per calendar year of any regulated pollutant, 10 tons per calendar year of any hazardous air pollutant or 25 tons per calendar year of any combination of hazardous air pollutants.

This rule amendment will affect the permitting requirements for the large peak shaver generating units. Permitted peak shavers that are the only source of emissions at a facility can have their permits rescinded and have their units covered by this rule. Currently, there are 24 permitted facilities with peak shavers, where 15 are owned by a local municipality. This fiscal note assumes that the impact of avoiding the costs of a permit renewal will be distributed evenly over the 8 year permitting cycle. Also, given that there have been no new large peak shaver facilities in the last few years or modification to old ones, the analysis assumes a constant number for the period under consideration and modifications.

VII. Estimating the Fiscal Impacts to Affected Sources

Small facilities renew their permits every eight years. For this fiscal note, the estimated impacts were calculated for fiscal years 2017 through 2024 to account for the impacts to all small facilities that currently hold a permit. Existing facilities with permits issued in 2016 would require a permit renewal and emissions inventory in 2024.

Permit Fees

The permit fees that the DAQ collects are specified in Rule 15A NCAC 02Q .0203. The permit application fee for a new or modified permit is \$50 for small facilities and \$400 for synthetic minor facilities. The annual permit fee is \$250 for small facilities. Given little change in these fees over the years, the analysis assumes these fees would stay constant over the next 8 years.

In Section VI, the agency estimated that annually 31 new facilities would be exempt from permitting and six facilities would register instead of applying for a new permit. Therefore, there would be 37 new facilities every year that would avoid the \$50 application fee for total of \$1,850 annually. Also, in Section VI, annually 13 synthetic minor facilities would avoid the \$400 permit modification fee (\$5,200/year) and 4 small facilities would avoid the \$50 permit modification fee (\$200/year). The total permit modification fees saved by the private sector would be \$5,400 annually.

Additionally, in Section VI, the agency estimated that 1,433 existing private facilities would have their permits rescinded because of changes to rule 15A NCAC 02Q .0102 and another 24 due to proposed changes to rule .0903. For the purpose of simplicity, the agency assumes that the number of facilities that would no longer require renewing their permit would stay constant at 1,457 throughout the period in consideration. The agency is making this assumption because the number of permitted facilities has been relatively stable throughout the years as new facilities obtain a permit and others close.

Rule 15A NCAC 02Q .0205 provides a 25% discount on the annual permit fee for facilities that are in compliance the previous year. For this fiscal note, the agency assumed that all facilities would have remained in compliance with state and federal regulations when the facility is exempt or registered. Therefore, for this fiscal note, it is assumed all 1,457 existing facilities would have been eligible for the 25% discount on their \$250 annual permit fee. Thus, the annual permit fees saved by facilities is close to \$273,000. Local governments would incur close to \$2,800 of these estimated annual fee savings as they operate 15 of the 24 facilities that would register instead of obtaining a permit due to the amendments to Rule 15A NCAC 02Q .0903.

The reduction in fee revenue to the DAQ would be the sum of the annual private sector permit fees savings (\$275,200) and annual local government permit fees savings (\$2,800 in local impacts section). The reduction in annual total annual revenue by the DAQ would be \$278,500. The loss in permit fees due to the proposed rule change represents about a 1.3% decrease in estimated total annual revenues for DAQ. The DAQ will absorb the loss in permit fees through a combination of measures, including the use of the available balance in the permit fee fund for small facilities. Additionally, DAQ will absorb a small amount of the loss through attrition.

Table 8. Summary of Reduction in State Government Permit Fees

Fiscal Year	Private Application Fees	Private Modification Fees	Private Permit Fees	Subtotal Private Fees	Local Permit Fees	Total Fees
2017	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2018	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2019	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2020	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2021	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2022	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2023	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425
2024	\$1,850	\$5,400	\$270,375	\$277,625	\$2,800	\$280,425

Private Sector

Facility owners can either hire a third-party consultant or direct one of their employees qualified to provide the information and forms requisite for a new permit, permit modification or permit renewal application. For the purpose of this fiscal note, the agency assumed that outsourcing to a consultant the preparation of a new permit, permit modification or permit renewal application would cost the same as the value of an employee's time if the facility decide to prepare those applications in-house. There is little to no cost associated with making the annual permit fee payment.

This analysis uses estimates for application costs based on those from another fiscal note. The DAQ revised its permitting rules in 2014 to extend the permit term for non-Title V permits from five to eight years. OSBM approved that fiscal note for that rulemaking on June 20, 2014.¹ The agency consulted again the three consultants that provided cost estimates for permit renewal fiscal note to confirm the previous estimates for the permit renewals along with estimates for new permits and permit modifications. Each consultant emphasized that the cost is variable with factors that include type of process, type of control equipment and emitted pollutants. The consultants provided an average estimate for each permitting action. Given the nature of these estimates, the analysis assumes that these costs would stay constant for the period this analysis considers.

For new permits, the consultants provided an estimate of \$5,000 per facility. This fee would include determining the rules that apply to the facility, determine which requirements apply, data collection and the administrative process of completing the permit application. According to the consultants, approximately, 50% of the fee would be for the administrative process. The proposed rules require facilities to continue to comply with all state and federal requirement and it only removes the administrative process of obtaining a permit for the smallest emitters.

¹ The approved fiscal note is available on OSBM's website at http://osbm.nc.gov/files/pdf_files/DENR06202014.pdf.

Therefore, the agency estimates that each facility would reduce its fee to a consultant by \$2,500 if the facility becomes exempt from permitting under the proposed rules. In Section VI, the agency estimated there would be 31 new facilities on an annual basis that would no longer need permitting. The annual savings to the private sector would be \$77,500 in avoided costs of submitting a new permit application.

For permit renewals, the consultants provided an estimate of \$2,000 per facility. This fee would include the renewal application and an emissions inventory. Most of this fee is for the emission inventory that accompanies the permit renewal. Facilities are required to renew their permits every eight years. For the purposes of this fiscal note, the agency assumed that the permit renewals are evenly distributed over the eight-year renewal cycle. Therefore, 12.5% of existing facilities would renew their permits each year. As discussed in Section VI, 1,196 existing small facilities and 9 private facilities with peak shavers would become exempt from permitting, or about 150 facilities annually for the eight-year permit cycle. As mentioned in the subsection above, the analysis assumes this number is constant over the years as new facilities come online and others close. The annual savings to the private sector would be \$300,000 in avoided costs of submitting a permit renewal and emissions inventory.

For permit modifications, the consultants provided an estimate of \$5,000 per facility. This fee would include determining the rules that apply to the modification at the facility, determine which requirements apply, data collection and the administrative process of completing the permit application. According to the consultants, approximately, 50% of the fee would be for the administrative process of submitting an application for a permit modification. In Section VI, the agency estimated that approximately 17 permit modifications would not require a permit revision on an annual basis. The annual savings to the private sector would be approximately \$42,500.

The DAQ has not been using the registration process under Rule 15A NCAC 02D .0202 so it is difficult to assign a cost estimate for a facility to register instead of obtaining a permit. DAQ staff with previous consulting experience estimated a facility may require approximately eight hours to complete the registration form if the facility does this task itself. At an opportunity cost of approximately \$50 per hour (based on the consultant's hourly cost estimate), a facility may spend approximately \$400 to register. Under the current rules, the affected facilities would have been required to obtain a new permit instead of registering their facility at a cost of \$5,000 per facility. The net savings per facility would be \$2,100, assuming only 50% of the cost is really saved (see discussion above). In Section VI, the agency estimated there could be six new facilities that may register on an annual basis. The annual savings to the private sector would be \$12,600.

The agency also assumed in Section VI that all the currently permitted facilities that would be eligible for registration would have their permits rescinded in favor of registration. Therefore, there would be a cost of \$94,800 (at \$400 to fill out registration forms) in 2017 for the 237 existing permitted facilities that would be eligible for registration. However, these facilities would also save \$2,000 in renewal fees every 8 years (again, the analysis assumes the number of facilities is constant as some come online and others close). Therefore, the registration cost in 2017 could be offset by annual savings of \$58,000, assuming again an even distribution of facilities that would require a permit renewal in the next 8 years absent this rule change.

See the subsection of Permit Fees above for the computation of the \$279,000 savings in permit fees the private sector would incur. Table 9 presents a summary of all the impacts on the private sector.

Table 9. Summary of Private Sector Fiscal Impacts

Fiscal Year	New Permits	Permit Renewals	Modifications	Registrations	Total Permit Fees	Total Impact
2017	\$77,500	\$300,000	\$42,500	(\$24,200)	\$277,675	\$673,425
2018	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2019	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2020	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2021	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2022	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2023	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225
2024	\$77,500	\$300,000	\$42,500	\$70,600	\$277,675	\$768,225

State Government

The impacts to the DAQ would be in the form of lost permit fees and opportunity cost of staff time to review permit applications, emissions inventories, registrations and avoided permit revisions for modifications. The time spent on processing annual permit fees is minimal and therefore not included in this analysis.

In the 2014 approved fiscal note mentioned above,² the estimated opportunity costs to DAQ were \$640 per permit renewal. This estimate assumes an average of approximately 18 hours of staff time to review each permit renewal and an engineer's total compensation (salary and benefits) of \$73,475. Given little change in state employee total compensation, this fiscal note will use the same estimate for the exempted small facilities and peak shavers that would no longer require renewals every 8 years. Again, the fiscal note assumes an even distribution of renewal requests during the next 8 years.

The regional offices provided an estimate of 25 hours per permit to review a new permit or permit modification. Multiplying by a permit engineer's average annual salary and benefits, the agency estimates the opportunity costs to be \$890 per new permit, or about \$27,600 annually.

For facilities that submit a notification form to avoid a permit revision for a permit modification, the DAQ staff review time is approximately two hours; therefore, the net time saved by the DAQ staff on avoided permit modifications is 23 hours per facility. This results in an estimated opportunity cost of approximately \$820 per facility, or approximately \$37,700 per year.

DAQ staff estimates that the review time of a registration will be minimal, at approximately one hour per registration. For new facilities that may register their facility, the DAQ staff saves

² Ibid.

approximately 24 hours per registration. This is the net time saved of 25 hours to review a new permit and one hour to review a registration. The opportunity costs for registrations from new facilities are estimated to be approximately \$850 per permit, or approximately \$5,100 per year.

As mentioned above, the review for registration would take one hour, so the agency estimates that the opportunity costs for registrations from existing permitted facilities are \$36 per permit, for a total of about \$8,400. The analysis assumes that the total cost of registration would occur in 2017 as existing permitted facilities switch to registration. However, there would also be annual saving of time, an estimate of \$640 per renewal, resulting from these facilities no longer requiring renewals every 8 years (again, the analysis assumes an even distribution of renewal requests during the next 8 years).

The agency expects little to know change in staff total compensation; therefore, this analysis assumes the estimates discussed in this subsection would stay constant for the next 8 years.

It is important to note that while Table 10 shows more than \$150,000 in annual savings to DAQ related to staff, DAQ would redirect those staff hours toward other activities, such as compliance assurance for the facilities exempt from permitting.

Table 10. Summary of State Government Opportunity Cost Savings and Fee Revenue Losses

Fiscal Year	New Permits	Permit Renewals	Modifications	Registrations	Fee Revenue	Total Impact
2017	\$27,600	\$97,300	\$13,900	\$15,300	(\$280,425)	(\$126,425)
2018	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2019	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2020	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2021	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2022	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2023	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)
2024	\$27,600	\$97,300	\$13,900	\$23,700	(\$280,425)	(\$117,925)

Local Impacts

There are two local impacts. The first impact is the exemption from permitting for peak shavers located at municipal owned facilities. In Section VI, the agency estimated that 15 peak shavers owned by a municipality would be exempt from permitting. It is assumed that there would not be any new municipally owned peak shavers during the period of time chosen for this fiscal note. For an eight-year permit cycle, approximately two peak shavers would avoid a permit renewal and emissions inventory activities annually. The annual savings to the local sector would be \$4,000 (2 peak shavers at \$2,000 per permit renewal as above for private sector). The peak shavers would also avoid the annual permit fee. The annual fees saved by the local sector is approximately \$2,800 (15 peak shavers times \$187.50) annually when the 25% discount on the annual permit fee is applied.

The second local impact is to potential amendments to the permitting rules for the three local air programs. Representatives from each local air program were included in the strategic thinking sessions and stakeholder process. However, impacts to the three local air permitting programs is not included in this fiscal note because the DAQ cannot determine how the local programs will change their regulatory structure as a result of the changes to the DAQ permitting rules.

Table 11. Summary of Local Government Fiscal Impacts

Fiscal Year	Permit Renewal	Permit Fees	Total Impact
2017	\$4,000	\$2,800	\$6,800
2018	\$4,000	\$2,800	\$6,800
2019	\$4,000	\$2,800	\$6,800
2020	\$4,000	\$2,800	\$6,800
2021	\$4,000	\$2,800	\$6,800
2022	\$4,000	\$2,800	\$6,800
2023	\$4,000	\$2,800	\$6,800
2024	\$4,000	\$2,800	\$6,800

VIII. Uncertainty in Fiscal Impacts

This economic analysis relies upon several estimates and assumptions of cost, growth, and level of effort that could contribute to error in the resulting projection. To the extent that deviations occurred in the underlying estimate and assumption, the projection will be off accordingly.

The estimates in the level of effort for State government engineers to review non-Title V new permit applications, permit renewal applications and their accompanying emissions inventory, or permit modifications before issuing a permit have a certain degree of uncertainty. Although these level of effort estimates are based on judgment made by each jurisdictional office, there was a difference between the lowest and highest estimates. While records of the number of facilities with non-Title V permits are maintained systematically and accurately, there is no systematic, precise reporting mechanism for the level of effort applied for permit renewals as a separate line item. Moreover, the analysis assumed no growth in state employee total compensation, while in reality there may be some small annual growth (1%) in the future. Consequently, these estimates could be a small source of uncertainty.

The cost estimates provided by the consultants for preparing non-Title V permit applications have a certain degree of uncertainty. These estimates were made largely from consultant's experience with a long history in permitting but without a rigorous review of past contracts. It is assumed that the costs of a typical permit application in the recent past will apply to those in the future, which could be a source of uncertainty. The type of facilities, type of emission sources and control equipment, and makeup of pollutants emitted leads to a range of fees a consultant may charge a facility for a completed permit application. The selection of an average consulting fee introduces an uncertainty in the final cost estimates. For example, if the estimate of the

permit renewal application cost of \$2,000 or of the permit revision for modifications of \$5,000 were understated, then the cost savings estimates to affected facilities would be underestimated accordingly, as seen in Table 12. Additionally, the fiscal note does not include any potential annual growth in these costs, which may affect the estimates as well.

Table 12. Sensitivity Analysis for Assumption on Cost of Permit Renewals and Revisions

8-Year Net Present Value of Savings		Assumption on Cost of Permit Revision				
		\$4,000	\$4,500	\$5,000	\$5,500	\$6,000
Assumption on Cost of Permit Renewal	\$1,000	\$3.7	\$3.9	\$4.0	\$4.1	\$4.3
	\$1,500	\$4.3	\$4.4	\$4.5	\$4.7	\$4.8
	\$2,000	\$4.8	\$5.0	\$5.1	\$5.2	\$5.4
	\$2,500	\$5.4	\$5.5	\$5.6	\$5.8	\$5.9
	\$3,000	\$5.9	\$6.0	\$6.2	\$6.3	\$6.4

Records on the current number of facilities with non-Title V permits in the DAQ are maintained in databases and updated on a timely basis as a high priority. However, emissions inventories are reported at permit renewal, which is every eight years. It is a snapshot of one year of actual emissions. It is the best data available for determining affected facilities for this fiscal note but it does not capture any variability of emissions over the eight-year permitting cycle.

Additionally, the analysis assumes a constant number of facilities throughout the year as some come online and other close. Table 13 below presents how the net present value of the proposed change would differ if the analysis had assumes a positive or negative annual growth in the number of facilities (aside from peak shavers).

Table 13. Sensitivity Analysis for Assumption on Annual Growth in Number of Facilities

Assumption on Annual Growth in Number of Facilities	8-Year Net Present Value of Savings
-3%	\$3.63
-2.00%	\$3.69
-1.00%	\$3.76
0%	\$3.83
1.00%	\$3.90
2%	\$3.97
3%	\$4.05

IX. Public Health

The proposed rule amendments do not change any emission limits or required control equipment. The amendments provide regulatory relief in the form of a reduction in the administrative process of obtaining a permit. Facilities that the rules would exempt from permitting are still required to comply with all state and federal regulations. If compliance becomes an issue at any

exempt facility, DAQ retains all tools to help correct the deficiency including, enforcement actions and requiring the facility to get an air quality permit. Based on the agency's experience with facilities currently exempt from permitting, it would happen rarely, if ever, that a facility would be in non-compliance and would require permitting. DAQ would rely on its compliance database to ensure that facilities closer to the threshold for exemption receive more frequent compliance assurance visits.

Additionally, these rules affect the facilities with the lowest level of emissions, and therefore lowest potential to impact air quality. Small facilities with permits currently represent 3.4% of the total emissions in North Carolina. Therefore, it is not expected that public health will be affected by the rule changes.

X. Consideration of Alternatives

An alternative considered was not to amend the rules. This alternative would be contrary to the requirements of G.S 150B-19.1, which directs agencies to seek to reduce the burden upon those persons or entities who must comply with the rule. The small permitted facilities make up 63% of the total number of permitted facilities but contribute only 3.4% of the total emissions. The current rule has a facility-wide permit exemption if actual emissions **before control** are less than five tons per year of each regulated pollutant. The proposed rule increases the number of facilities that may be exempt from permitting by setting the level of emissions to actual emissions **after control** and setting a new exemption for aggregate total emissions of 10 tons per year. The exempt facilities under the proposed rule contribute only 0.6% of the total emissions. The proposed rule amendments are designed to achieve the regulatory objective in a cost-effective and timely manner while protecting public health.

A second alternative considered was to not adopt the new rule 15A NCAC 02Q .0318 that provides some regulatory relief to permitted facilities by allowing them to make some changes to their sources without requiring a revision to their permit. Title V permitted facilities are already afforded this opportunity under provisions in Section 502 of the Clean Air Act. Those provisions are reflected in Rule 15A NCAC 02Q .0523. Rule NCAC 02Q .0318 was written to provide similar regulatory relief to small and synthetic minor facilities. The proposed rule adoption is designed to achieve the regulatory objective in a cost-effective and timely manner.

APPENDIX
Proposed Rule Text

15A NCAC 02Q .0102 is proposed for amendment as follows:

15A NCAC 02Q .0102 ACTIVITIES EXEMPTED FROM PERMIT REQUIREMENTS

~~(a) This Rule does not apply to facilities required to have a permit under Section .0500 of this Subchapter. This Rule applies only to permits issued under Section .0300 of this Subchapter.~~

~~(b) If a source is subject to any of the following rules, then the source is not exempted from permit requirements:~~

~~(1) — new source performance standards under Rule 15A NCAC 02D .0524 or 40 CFR Part 60, except when the following activities are eligible for exemption under Paragraph (c) of this Rule:~~

~~(A) — 40 CFR Part 60, Subpart Dc, industrial, commercial, and institutional steam generating units;~~

~~(B) — 40 CFR Part 60, Subparts K, Ka, or Kb, volatile organic liquid storage vessels;~~

~~(C) — 40 CFR Part 60, Subpart AAA, new residential wood heaters;~~

~~(D) — 40 CFR Part 60, Subpart JJJ, petroleum dry cleaners;~~

~~(E) — 40 CFR Part 60, Subpart WWW, municipal solid waste landfills;~~

~~(F) — 40 CFR Part 60, Subpart IIII, stationary compression ignition internal combustion engines;~~

~~or~~

~~(G) — 40 CFR Part 60, Subpart JJJJ, stationary spark ignition internal combustion engines;~~

~~(2) — national emission standards for hazardous air pollutants under Rule 15A NCAC 02D .1110 or 40 CFR Part 61, except asbestos demolition and renovation activities, which are eligible for exemption under Paragraph (c) of this Rule;~~

~~(3) — prevention of significant deterioration under Rule 15A NCAC 02D .0530;~~

~~(4) — new source review under Rule 15A NCAC 02D .0531 or .0532;~~

~~(5) — sources of volatile organic compounds subject to the requirements of Section .0900, Volatile Organic Compounds, that are located in Mecklenburg County according to Rule 15A NCAC 02D .0902(f);~~

~~(6) — sources required to apply maximum achievable control technology (MACT) for hazardous air pollutants under Rule 15A NCAC 02D .1109, .1111, .1112, or 40 CFR Part 63 that are required to have a permit under Section .0500 of this Subchapter;~~

~~(7) — sources at facilities subject to Section .1100 of Subchapter 02D. (If a source qualifies for an exemption in Subparagraphs (a)(1) through (a)(24) of 15A NCAC 02Q .0702, or does not emit a toxic air pollutant for which the facility at which it is located has been modeled, it shall be exempted from needing a permit if it qualifies for one of the exemptions in Paragraph (c) of this Rule).~~

~~(c) The following activities do not require a permit or permit modification under Section .0300 of this Subchapter. The Director may require the owner or operator of these activities to register them under 15A NCAC 02D .0200:~~

- 1 ~~(1) categories of exempted activities:~~
- 2 ~~(A) maintenance, upkeep, and replacement:~~
- 3 ~~(i) maintenance, structural changes, or repairs which do not change the capacity of~~
- 4 ~~such process, fuel burning, refuse burning, or control equipment, and do not~~
- 5 ~~involve any change in quality or nature or increase in quantity of emission of~~
- 6 ~~regulated air pollutants;~~
- 7 ~~(ii) housekeeping activities or building maintenance procedures, including painting~~
- 8 ~~buildings, resurfacing floors, roof repair, washing, portable vacuum cleaners,~~
- 9 ~~sweeping, use and associated storage of janitorial products, or insulation removal;~~
- 10 ~~(iii) use of office supplies, supplies to maintain copying equipment, or blueprint~~
- 11 ~~machines;~~
- 12 ~~(iv) use of fire fighting equipment;~~
- 13 ~~(v) paving parking lots; or~~
- 14 ~~(vi) replacement of existing equipment with equipment of the same size, type, and~~
- 15 ~~function that does not result in an increase to the actual or potential emission of~~
- 16 ~~regulated air pollutants and that does not affect the compliance status, and with~~
- 17 ~~replacement equipment that fits the description of the existing equipment in the~~
- 18 ~~permit, including the application, such that the replacement equipment can be~~
- 19 ~~operated under that permit without any changes in the permit;~~
- 20 ~~(B) air conditioning or ventilation: comfort air conditioning or comfort ventilating systems that~~
- 21 ~~do not transport, remove, or exhaust regulated air pollutants to the atmosphere;~~
- 22 ~~(C) laboratory activities:~~
- 23 ~~(i) bench scale, on site equipment used exclusively for chemical or physical analysis~~
- 24 ~~for quality control purposes, staff instruction, water or wastewater analyses, or~~
- 25 ~~non production environmental compliance assessments;~~
- 26 ~~(ii) bench scale experimentation, chemical or physical analyses, training or~~
- 27 ~~instruction from not for profit, non production educational laboratories;~~
- 28 ~~(iii) bench scale experimentation, chemical or physical analyses, training or~~
- 29 ~~instruction from hospitals or health laboratories pursuant to the determination or~~
- 30 ~~diagnoses of illness; or~~
- 31 ~~(iv) research and development laboratory activities provided the activity produces no~~
- 32 ~~commercial product or feedstock material;~~
- 33 ~~(D) storage tanks:~~
- 34 ~~(i) storage tanks used solely to store fuel oils, kerosene, diesel, crude oil, used motor~~
- 35 ~~oil, lubricants, cooling oils, natural gas or liquefied petroleum gas;~~
- 36 ~~(ii) storage tanks used to store gasoline or ethanol based fuels for which there are no~~
- 37 ~~applicable requirements except Stage I controls under 15A NCAC 02D .0928;~~

- 1 ~~(iii) — storage tanks used solely to store inorganic liquids; or~~
- 2 ~~(iv) — storage tanks or vessels used for the temporary containment of materials resulting~~
- 3 ~~from an emergency response to an unanticipated release of hazardous materials;~~
- 4 ~~(E) — combustion and heat transfer equipment:~~
- 5 ~~(i) — space heaters burning distillate oil, kerosene, natural gas, or liquefied petroleum~~
- 6 ~~gas operating by direct heat transfer and used solely for comfort heat;~~
- 7 ~~(ii) — residential wood stoves, heaters, or fireplaces;~~
- 8 ~~(iii) — hot water heaters which are used for domestic purposes only and are not used to~~
- 9 ~~heat process water;~~
- 10 ~~(F) — wastewater treatment processes: industrial wastewater treatment processes or municipal~~
- 11 ~~wastewater treatment processes for which there are no applicable requirements;~~
- 12 ~~(G) — gasoline distribution: gasoline service stations or gasoline dispensing facilities;~~
- 13 ~~(H) — dispensing equipment: equipment used solely to dispense diesel fuel, kerosene, lubricants~~
- 14 ~~or cooling oils;~~
- 15 ~~(I) — solvent recycling: portable solvent distillation systems used for on-site solvent recycling~~
- 16 ~~if:~~
- 17 ~~(i) — the portable solvent distillation system is not:~~
- 18 ~~(I) — owned by the facility, and~~
- 19 ~~(II) — operated at the facility for more than seven consecutive days; and~~
- 20 ~~(ii) — the material recycled is recycled at the site of origin;~~
- 21 ~~(J) — processes:~~
- 22 ~~(i) — electric motor burn-out ovens with secondary combustion chambers or~~
- 23 ~~afterburners;~~
- 24 ~~(ii) — electric motor bake-on ovens;~~
- 25 ~~(iii) — burn-off ovens for paint line hangers with afterburners;~~
- 26 ~~(iv) — hosiery knitting machines and associated lint screens, hosiery dryers and~~
- 27 ~~associated lint screens, and hosiery dyeing processes where bleach or solvent dyes~~
- 28 ~~are not used;~~
- 29 ~~(v) — blade wood planers planing only green wood;~~
- 30 ~~(K) — solid waste landfills: municipal solid waste landfills. This does not apply to flares and other~~
- 31 ~~sources of combustion at solid waste landfills; these flares and other combustion sources~~
- 32 ~~are required to be permitted under Section .0300 of this Subchapter unless they qualify for~~
- 33 ~~another exemption under this Paragraph;~~
- 34 ~~(L) — miscellaneous:~~
- 35 ~~(i) — motor vehicles, aircraft, marine vessels, locomotives, tractors or other self-~~
- 36 ~~propelled vehicles with internal combustion engines;~~

- 1 ~~(ii) non self propelled non road engines, except generators, regulated by rules~~
2 ~~adopted under Title II of the Federal Clean Air Act (Generators are required to be~~
3 ~~permitted under Section .0300 of this Subchapter unless they qualify for another~~
4 ~~exemption under this Paragraph.);~~
- 5 ~~(iii) portable generators regulated by rules adopted under Title II of the Federal Clean~~
6 ~~Air Act;~~
- 7 ~~(iv) equipment used for the preparation of food for direct on site human consumption;~~
- 8 ~~(v) a source whose emissions are regulated only under Section 112(r) or Title VI of~~
9 ~~the Federal Clean Air Act;~~
- 10 ~~(vi) exit gases from in line process analyzers;~~
- 11 ~~(vii) stacks or vents to prevent escape of sewer gases from domestic waste through~~
12 ~~plumbing traps;~~
- 13 ~~(viii) refrigeration equipment that is consistent with Section 601 through 618 of Title~~
14 ~~VI (Stratospheric Ozone Protection) of the Federal Clean Air Act, 40 CFR Part~~
15 ~~82, and any other regulations promulgated by EPA under Title VI for stratospheric~~
16 ~~ozone protection, except those units used as or in conjunction with air pollution~~
17 ~~control equipment (A unit used as or in conjunction with air pollution control~~
18 ~~equipment is required to be permitted under Section .0300 of this Subchapter~~
19 ~~unless it qualifies for another exemption under this Paragraph);~~
- 20 ~~(ix) equipment not vented to the outdoor atmosphere with the exception of equipment~~
21 ~~that emits volatile organic compounds (Equipment that emits volatile organic~~
22 ~~compounds is required to be permitted under Section .0300 of this Subchapter~~
23 ~~unless it qualifies for another exemption under this Paragraph);~~
- 24 ~~(x) equipment that does not emit any regulated air pollutants;~~
- 25 ~~(xi) facilities subject only to a requirement under 40 CFR Part 63 (This Subpart does~~
26 ~~not apply when a control device is used to meet a MACT or GACT emission~~
27 ~~standard; a control device used to meet a MACT or GACT emission standard is~~
28 ~~required to be permitted under Section .0300 of this Subchapter unless it qualifies~~
29 ~~for another exemption under this Paragraph);~~
- 30 ~~(xii) sources for which there are no applicable requirements;~~
- 31 ~~(xiii) animal operations not required to have control technology under Section .1800 of~~
32 ~~the Subchapter 02D (If an animal operation is required to have control technology,~~
33 ~~it shall be required to have a permit under this Subchapter).~~
- 34 ~~(2) categories of exempted size or production rate:~~
- 35 ~~(A) storage tanks:~~

1 ~~(i) — above ground storage tanks with a storage capacity of no more than 1100 gallons~~
2 ~~storing organic liquids with a true vapor pressure of no more than 10.8 pounds per~~
3 ~~square inch absolute at 70°F; or~~

4 ~~(ii) — underground storage tanks with a storage capacity of no more than 2500 gallons~~
5 ~~storing organic liquids with a true vapor pressure of no more than 10.8 psi absolute~~
6 ~~at 70°F;~~

7 ~~(B) — combustion and heat transfer equipment:~~

8 ~~(i) — fuel combustion equipment, except for internal combustion engines, firing~~
9 ~~exclusively kerosene, No. 1 fuel oil, No. 2 fuel oil, equivalent unadulterated fuels,~~
10 ~~or a mixture of these fuels or one or more of these fuels mixed with natural gas or~~
11 ~~liquefied petroleum gas with a heat input of less than:~~

12 ~~(I) — 10 million Btu per hour for which construction, modification, or~~
13 ~~reconstruction commenced after June 9, 1989; or~~

14 ~~(II) — 30 million Btu per hour for which construction, modification, or~~
15 ~~reconstruction commenced before June 10, 1989;~~

16 ~~Internal combustion engines are required to be permitted under Section .0300 of this~~
17 ~~Subchapter unless they qualify for another exemption under this Paragraph;~~

18 ~~(ii) — fuel combustion equipment, except for internal combustion engines, firing~~
19 ~~exclusively natural gas or liquefied petroleum gas or a mixture of these fuels with~~
20 ~~a heat input rating less than 65 million Btu per hour (Internal combustion engines~~
21 ~~are required to be permitted under Section .0300 of this Subchapter unless they~~
22 ~~qualify for another exemption under this Paragraph);~~

23 ~~(iii) — space heaters burning waste oil if:~~

24 ~~(I) — the heater burns only oil that the owner or operator generates or used oil~~
25 ~~from do it yourself oil changers who generate used oil as household~~
26 ~~wastes;~~

27 ~~(II) — the heater is designed to have a maximum capacity of not more than~~
28 ~~500,000 Btu per hour; and~~

29 ~~(III) — the combustion gases from the heater are vented to the ambient air;~~

30 ~~(iv) — fuel combustion equipment with a heat input rating less than 10 million Btu per~~
31 ~~hour that is used solely for space heating except:~~

32 ~~(I) — space heaters burning waste oil; or~~

33 ~~(II) — internal combustion engines;~~

34 ~~(v) — emergency use generators and other internal combustion engines not regulated by~~
35 ~~rules adopted under Title II of the Federal Clean Air Act, except self propelled~~
36 ~~vehicles, that have a rated capacity of no more than:~~

37 ~~(I) — 680 kilowatts (electric) or 1000 horsepower for natural gas fired engines;~~

- 1 ~~(II) — 1800 kilowatts (electric) or 2510 horsepower for liquefied petroleum~~
2 ~~gas fired engines;~~
- 3 ~~(III) — 590 kilowatts (electric) or 900 horsepower for diesel fired or kerosene~~
4 ~~fired engines; or~~
- 5 ~~(IV) — 21 kilowatts (electric) or 31 horsepower for gasoline fired engines;~~
6 ~~(Self propelled vehicles with internal combustion engines are exempted under~~
7 ~~Subpart (1)(c)(L)(i) of this Paragraph.)~~
- 8 ~~(vi) — portable generators and other portable equipment with internal combustion~~
9 ~~engines not regulated by rules adopted under Title II of the Federal Clean Air Act,~~
10 ~~except self propelled vehicles, that operate at the facility no more than a combined~~
11 ~~350 hours for any 365 day period provided the generators or engines have a rated~~
12 ~~capacity of no more than 750 kilowatt (electric) or 1100 horsepower each and~~
13 ~~provided records are maintained to verify the hours of operation. Self propelled~~
14 ~~vehieles with internal combustion engines are exempted under Subpart~~
15 ~~(1)(c)(L)(i) of this Paragraph;~~
- 16 ~~(vii) — peak shaving generators that produce no more than 325,000 kilowatt hours of~~
17 ~~electrical energy for any 12 month period provided records are maintained to~~
18 ~~verify the energy production on a monthly basis and on a 12 month basis;~~
- 19 ~~(C) — gasoline distribution: bulk gasoline plants with an average daily throughput of less than~~
20 ~~4000 gallons;~~
- 21 ~~(D) — processes:~~
- 22 ~~(i) — graphic arts operations, paint spray booths or other painting or coating operations~~
23 ~~without air pollution control devices (water wash and filters that are an integral~~
24 ~~part of the paint spray booth are not considered air pollution control devices), and~~
25 ~~solvent cleaning operations located at a facility whose facility wide actual~~
26 ~~emissions of volatile organic compounds are less than five tons per year (Graphic~~
27 ~~arts operations, coating operations, and solvent cleaning operations are defined in~~
28 ~~Rule 15A NCAC 02Q .0803);~~
- 29 ~~(ii) — sawmills that saw no more than 2,000,000 board feet per year, provided only~~
30 ~~green wood is sawed;~~
- 31 ~~(iii) — perchloroethylene dry cleaners that emit less than 13,000 pounds of~~
32 ~~perchloroethylene per year;~~
- 33 ~~(iv) — electrostatic dry powder coating operations with filters or powder recovery~~
34 ~~systems, including electrostatic dry powder coating operations equipped with~~
35 ~~curing ovens with a heat input of less than 10,000,000 Btu per hour;~~
- 36 ~~(E) — miscellaneous:~~

- 1 ~~(i) — any source whose emissions would not violate any applicable emissions standard~~
2 ~~and whose potential emissions of particulate, sulfur dioxide, nitrogen oxides,~~
3 ~~volatile organic compounds, and carbon monoxide before air pollution control~~
4 ~~devices, such as potential uncontrolled emissions, would each be no more than~~
5 ~~five tons per year and whose potential emissions of hazardous air pollutants would~~
6 ~~be below their lesser quantity cutoff except:~~
- 7 ~~(I) — storage tanks;~~
 - 8 ~~(II) — fuel combustion equipment;~~
 - 9 ~~(III) — space heaters burning waste oil;~~
 - 10 ~~(IV) — generators, excluding emergency generators, or other non-self-propelled~~
11 ~~internal combustion engines;~~
 - 12 ~~(V) — bulk gasoline plants;~~
 - 13 ~~(VI) — printing, paint spray booths, or other painting or coating operations;~~
 - 14 ~~(VII) — sawmills;~~
 - 15 ~~(VIII) — perchloroethylene dry cleaners; or~~
 - 16 ~~(IX) — electrostatic dry powder coating operations, provided that the total~~
17 ~~potential emissions of particulate, sulfur dioxide, nitrogen oxides,~~
18 ~~volatile organic compounds, and carbon monoxide from the facility are~~
19 ~~each less than 40 tons per year and the total potential emissions of all~~
20 ~~hazardous air pollutants are below their lesser quantity cutoff emission~~
21 ~~rates or provided that the facility has an air quality permit. A source~~
22 ~~identified in Sub-subpart (I) through (IX) of this Part is required to be~~
23 ~~permitted under 15A NCAC 02Q .0300 unless it qualifies for another~~
24 ~~exemption under this Paragraph;~~
- 25 ~~(ii) — any facility whose actual emissions of particulate, sulfur dioxide, nitrogen oxides,~~
26 ~~volatile organic compounds, and carbon monoxide before air pollution control~~
27 ~~devices, such as uncontrolled emissions, would each be less than five tons per~~
28 ~~year, whose potential emissions of all hazardous air pollutants would be below~~
29 ~~their lesser quantity cutoff emission rate, and none of whose sources would violate~~
30 ~~an applicable emissions standard;~~
- 31 ~~(iii) — any source that only emits hazardous air pollutants that are not also a particulate~~
32 ~~or a volatile organic compound and whose potential emissions of hazardous air~~
33 ~~pollutants are below their lesser quantity cutoff emission rates; or~~
- 34 ~~(iv) — any incinerator covered under Subparagraph (c)(4) of Rule 15A NCAC 02D~~
35 ~~.1201;~~
- 36 ~~(F) — case by case exemption: activities that the applicant demonstrates to the satisfaction of the~~
37 ~~Director:~~

- 1 (i) ~~to be negligible in their air quality impacts;~~
 2 (ii) ~~not to have any air pollution control device; and~~
 3 (iii) ~~not to violate any applicable emission control standard when operating at~~
 4 ~~maximum design capacity or maximum operating rate, whichever is greater.~~

5 ~~(d) An activity that is exempt from the permit or permit modification process is not exempted from other applicable~~
 6 ~~requirements. The owner or operator of the source is not exempt from demonstrating compliance with any applicable~~
 7 ~~requirement.~~

8 ~~(e) Emissions from stationary source activities identified in Paragraph (c) of this Rule shall be included in determining~~
 9 ~~compliance with the toxic air pollutant requirements under 15A NCAC 02D .1100 or 02Q .0700 according to Rule~~
 10 ~~15A NCAC 02Q .0702 (exemptions from air toxic permitting).~~

11 ~~(f) The owner or operator of a facility or source claiming an exemption under Paragraph (c) of this Rule shall provide~~
 12 ~~the Director documentation upon request that the facility or source is qualified for that exemption.~~

13 ~~(g) If the Director finds that an activity exempted under Paragraph (c) of this Rule is in violation of or has violated a~~
 14 ~~rule in 15A NCAC 02D, he shall revoke the permit exemption for that activity and require that activity to be~~
 15 ~~permitted under this Subchapter if necessary to obtain or maintain compliance.~~

16 (a) For the purposes of this rule, the definitions listed in 15A NCAC 02D .0101 and 02Q .0103 shall apply.

17 (b) This Rule does not apply to:

18 (1) facilities whose potential emissions require a permit under 15A NCAC 02Q .0500 (Title V
 19 Procedures); or

20 (2) a source emitting a pollutant that is part of the facility's 15A NCAC 02D .1100 (Control of Toxic
 21 Air Pollutants) modeling demonstration if that source is not exempted under 15A NCAC 02Q
 22 .0702.

23 (c) The owner or operator of an activity exempt from permitting shall not be exempt from demonstrating
 24 compliance with any state or federal requirement.

25 (d) Any facility whose actual emissions of particulate matter (PM10), sulfur dioxide, nitrogen oxides, volatile
 26 organic compounds, carbon monoxide, hazardous air pollutants and toxic air pollutants are each less than five tons
 27 per year and whose actual total aggregate emissions are less than 10 tons per year shall not require a permit under
 28 Section 15A NCAC 02Q .0300. This Paragraph shall not apply to synthetic minor facilities that are subject to Rule
 29 .0315 of this Subchapter.

30 (e) Any facility that is not exempted from permitting under Paragraph (d) and whose actual total aggregate
 31 emissions of particulate matter (PM10), sulfur dioxide, nitrogen oxides, volatile organic compounds, carbon
 32 monoxide, hazardous air pollutants and toxic air pollutants are greater than or equal to five tons per year and less
 33 than 25 tons per year may register their facility under Rule 15A NCAC 02D .0202 instead of obtaining a permit
 34 under Section 02Q .0300. This Paragraph shall not apply to any facility as follows:

35 (1) synthetic minor facilities that are subject to Rule .0315 of this Subchapter;

36 (2) facilities with a source subject to MACT;

1 (3) facilities with sources of volatile organic compounds or nitrogen oxides that are located in a
2 nonattainment area; or

3 (4) facilities with a source subject to NSPS unless the source is exempted under Paragraph (g) or (h)
4 of this Rule.

5 (f) The Director may require the owner or operator of these activities to register them under Section 15A NCAC
6 02D .0200 or obtain a permit under Section 15A NCAC 02Q .0300 if necessary to obtain or maintain compliance.

7 (g) The following activities do not require a permit or permit modification under Section 15A NCAC 02Q .0300.

8 These activities are not included in determining applicability of any rule or standard which requires facility-wide
9 aggregation of source emissions, including Title V, Prevention of Significant Deterioration/New Source Review

10 (15A NCAC 02D .0530/.0531), and NC Air Toxics unless specifically noted below:

11 (1) maintenance, upkeep, and replacement:

12 (A) maintenance, structural changes, or repair activities which do not increase the capacity of
13 such process and do not involve any change in quality or nature or increase in quantity of
14 emission of any regulated air pollutant;

15 (B) housekeeping activities or building maintenance procedures, including painting buildings,
16 paving parking lots, resurfacing floors, roof repair, washing, portable vacuum cleaners,
17 sweeping, use and associated storage of janitorial products, or insulation removal;

18 (C) use of office supplies, supplies to maintain copying equipment, or blueprint machines;

19 (D) use of firefighting equipment (excluding engines subject to 40 CFR 63, Subpart ZZZZ);
20 or

21 (E) replacement of existing equipment with equipment of the same size (or smaller), type,
22 and function that does not result in an increase to the actual or potential emission of
23 regulated air pollutants and that does not affect the compliance status, and with
24 replacement equipment that fits the description of the existing equipment in the permit,
25 including the application, such that the replacement equipment can be operated under that
26 permit without any changes in the permit;

27 (2) air conditioning or ventilation: comfort air conditioning or comfort ventilating systems that do not
28 transport, remove, or exhaust regulated air pollutants to the atmosphere;

29 (3) laboratory/classroom activities:

30 (A) bench-scale, on-site equipment used for experimentation, chemical or physical analysis
31 for quality control purposes or for diagnosis of illness, training or instructional purposes;

32 (B) research and development activities that produce no commercial product or feedstock
33 material; or

34 (C) educational activities, including but not limited to wood working, welding, and
35 automotive;

36 (4) storage tanks with no applicable requirements other than Stage I controls under 15A NCAC 02D
37 .0928, Gasoline Service Stations Stage I;

- 1 (5) combustion and heat transfer equipment:
2 (A) heating units used for human comfort, excluding space heaters burning used oil, that have
3 a heat input of less than 10 million Btu per hour and that do not provide heat for any
4 manufacturing or other industrial process;
5 (B) residential wood stoves, heaters, or fireplaces; or
6 (C) water heaters which are used for domestic purposes only and are not used to heat process
7 water;
8 (6) wastewater treatment processes: industrial wastewater treatment processes or municipal
9 wastewater treatment processes for which there are no state or federal air requirements;
10 (7) dispensing equipment: equipment used solely to dispense gasoline, diesel fuel, kerosene,
11 lubricants or cooling oils;
12 (8) electric motor burn-out ovens with secondary combustion chambers or afterburners;
13 (9) electric motor bake-on ovens;
14 (10) burn-off ovens with afterburners for paint-line hangers;
15 (11) hosiery knitting machines and associated lint screens, hosiery dryers and associated lint screens,
16 and hosiery dyeing processes where bleach or solvent dyes are not used;
17 (12) woodworking operations processing only green wood;
18 (13) solid waste landfills: This does not apply to flares and other sources of combustion at solid waste
19 landfills; these flares and other combustion sources are required to be permitted under 15A NCAC
20 02Q .0300 unless they qualify for another exemption under this Paragraph; or
21 (14) miscellaneous:
22 (A) equipment that does not emit any regulated air pollutants;
23 (B) sources for which there are no applicable requirements;
24 (C) motor vehicles, aircraft, marine vessels, locomotives, tractors or other self-propelled
25 vehicles with internal combustion engines;
26 (D) engines subject to Title II of the Federal Clean Air Act (Emission Standards for Moving
27 Sources);
28 (E) equipment used for the preparation of food for direct on-site human consumption;
29 (F) a source whose emissions are regulated only under Section 112(r) or Title VI of the
30 Federal Clean Air Act;
31 (G) exit gases from in-line process analyzers;
32 (H) stacks or vents to prevent escape of sewer gases from domestic waste through plumbing
33 traps;
34 (I) refrigeration equipment that is consistent with Section 601 through 618 of Title VI
35 (Stratospheric Ozone Protection) of the Federal Clean Air Act, 40 CFR Part 82, and any
36 other regulations promulgated by EPA under Title VI for stratospheric ozone protection,
37 except those units used as or in conjunction with air pollution control equipment (A unit

1 used as or in conjunction with air pollution control equipment is required to be permitted
2 under 15A NCAC 02Q .0300 unless it qualifies for another exemption under this
3 Paragraph);

4 (J) equipment not vented to the outdoor atmosphere with the exception of equipment that
5 emits volatile organic compounds (Equipment that emits volatile organic compounds is
6 required to be permitted under 15A NCAC 02Q .0300 unless it qualifies for another
7 exemption under this Paragraph);

8 (K) animal operations not required to have control technology under 15A NCAC 02D .1800
9 (If an animal operation is required to have control technology, it shall be required to have
10 a permit under this Subchapter);

11 (L) any incinerator covered under 15A NCAC 02D .1201(c)(4); or

12 (M) dry cleaning operations regardless of NSPS or NESHAP applicability.

13 (h) The following activities do not require a permit or permit modification under 15A NCAC 02Q .0300. These
14 activities are included in determining applicability of any rule or standard which requires facility-wide aggregation
15 of source emissions, including Title V, Prevention of Significant Deterioration/New Source Review (15A NCAC
16 02D .0530/.0531), and NC Air Toxics:

17 (1) combustion and heat transfer equipment (includes direct-fired units that only emit regulated
18 pollutants from fuel combustion):

19 (A) fuel combustion equipment (excluding internal combustion engines) not subject to 40
20 CFR Part 60, NSPS, firing exclusively unadulterated liquid fossil fuel and/or wood or
21 approved equivalent unadulterated fuel as defined in 15A NCAC 02Q .0103;

22 (B) fuel combustion equipment (excluding internal combustion engines) firing exclusively
23 natural gas or liquefied petroleum gas or a mixture of these fuels; or

24 (C) space heaters burning waste oil if:

25 (i) the heater burns only oil that the owner or operator generates or used oil from
26 do-it-yourself oil changers who generate used oil as household wastes; and

27 (ii) the heater is designed to have a maximum capacity of not more than 500,000
28 Btu per hour;

29 (2) gasoline distribution: bulk gasoline plants as defined in 15A NCAC 02D .0926(a)(3), with an
30 average daily throughput of less than 4,000 gallons;

31 (3) paint spray booths or graphic arts operations, coating operations, and solvent cleaning operations
32 as defined in 15A NCAC 02Q .0803 located at a facility whose facility-wide actual uncontrolled
33 emissions of volatile organic compounds are less than five tons per year, except that such emission
34 sources whose actual uncontrolled emissions of volatile organic compounds are less than 100
35 pounds per year shall qualify for this exemption regardless of the facility-wide emissions (for the
36 purpose of this exemption water wash and filters that are an integral part of the paint spray booth
37 are not considered air pollution control devices);

1 (4) electrostatic dry powder coating operations with filters or powder recovery systems;

2 (5) miscellaneous: any source whose potential uncontrolled emissions of particulate matter (PM10),
3 sulfur dioxide, nitrogen oxides, volatile organic compounds, and carbon monoxide would each be
4 no more than five tons per year; or

5 (6) case-by-case exemption: activities that the applicant demonstrates to the Director to be negligible
6 in their air quality impacts.

7 (i) The owner or operator of a facility or source claiming an activity is exempt under Paragraphs (d), (e), (f) or (g)
8 of this Rule shall provide the Director documentation upon request that the facility or source is qualified for that
9 exemption.

10
11 *History Note: Authority G.S. 143-215.3(a)(1); 143-215.107(a)(4); 143-215.108;*
12 *Temporary Adoption Eff. March 8, 1994 for a period of 180 days or until the permanent rule*
13 *becomes effective, whichever is sooner;*
14 *Eff. July 1, 1994;*
15 *Amended Eff. April 1, 1999; July 1, 1998; July 1, 1997; November 1, 1996;*
16 *Temporary Amendment Eff. December 1, 1999;*
17 *Amended Eff. _____; May 1, 2013; January 1, 2009; July 1, 2007; June 29, 2006;*
18 *July 18, 2002; July 1, 2000.*

1 15A NCAC 02Q .0302 is proposed for repeal as follows:

2
3 **15A NCAC 02Q .0302 FACILITIES NOT LIKELY TO CONTRAVENE DEMONSTRATION**

4 ~~(a) This Rule applies only to this Section. It does not apply to Section .0500 (Title V Procedures) of this Subchapter.~~

5 ~~(b) If a facility is subject to any of the following rules, the facility is not exempted from permit requirements, and the~~
6 ~~exemptions in Paragraph (c) of this Rule do not apply:~~

7 ~~(1) new source performance standards under 15A NCAC 2D .0524 or 40 CFR Part 60, except new~~
8 ~~residential wood heaters;~~

9 ~~(2) national emission standards for hazardous air pollutants under 15A NCAC 2D .1110 or 40 CFR Part~~
10 ~~61, except asbestos demolition and renovation activities;~~

11 ~~(3) prevention of significant deterioration under 15A NCAC 2D .0530;~~

12 ~~(4) new source review under 15A NCAC 2D .0531 or .0532;~~

13 ~~(5) sources of volatile organic compounds subject to the requirements of 15A NCAC 2D .0900 that are~~
14 ~~located in Mecklenburg and Gaston Counties;~~

15 ~~(6) sources required to apply maximum achievable control technology for hazardous air pollutants~~
16 ~~under 15A NCAC 2D .1109, .1112 or under 40 CFR Part 63 or to apply generally available control~~
17 ~~technology (GACT) or work practice standards under 40 CFR Part 63;~~

18 ~~(7) sources at facilities subject to 15A NCAC 2D .1100; or~~

19 ~~(8) facilities subject to Title V permitting procedures under Section .0500 of this Subchapter.~~

20 ~~(c) The owner or operator of any facility required to have a permit under this Section may request the Director to~~
21 ~~exempt the facility from the requirement to have a permit. The request shall be in writing. Along with the request, the~~
22 ~~owner or operator shall submit supporting documentation to show that air quality and emission control standards will~~
23 ~~not be, nor are likely to be, contravened. This documentation shall include:~~

24 ~~(1) documentation that the facility has no air pollution control devices;~~

25 ~~(2) documentation that no source at the facility will violate any applicable emissions control standard~~
26 ~~when operating at maximum design or operating rate, whichever is greater; and~~

27 ~~(3) ambient modeling showing that the ambient impact of emissions from the facility will not exceed~~
28 ~~the levels in 15A NCAC 2D .0532(c)(5) when all sources at the facility are operated at maximum~~
29 ~~design or operating rate, whichever is greater.~~

30 ~~If the documentation shows to the satisfaction of the Director that air quality and emission control standards will not~~
31 ~~be, nor are likely to be, contravened, a permit shall not be required.~~

32
33 *History Note:* *Filed as a Temporary Adoption Eff. March 8, 1994 for a period of 180 days or until the permanent*
34 *rule becomes effective, whichever is sooner;*
35 *Authority G.S. 143-215.3(a)(1); 143-215.108;*
36 *Eff. July 1, 1994;*
37 *Amended Eff. July 1, 1998; July 1, 1996-1996;*
38 *Repealed Eff. _____.*

1 15A NCAC 02Q .0318 is proposed for adoption as follows:
2

3 **15A NCAC 02Q .0318 CHANGES NOT REQUIRING PERMIT REVISIONS**

4 (a) This rule applies to sources that are not exempt under Rule .0102 of this Subchapter. This rule applies to facilities
5 that currently have an air quality permit.

6 (b) An owner or operator of a facility may make changes without first modifying their air permit if:

7 (1) The change does not violate any existing requirements or new applicable requirements;

8 (2) The change does not cause emissions allowed under the current permit to be exceeded;

9 (3) The change does not require a modification of a permit term or condition under Rule .0315 or
10 avoidance condition under Rule .0317 of this Section;

11 (4) The change does not require a permit under Section 15A NCAC 02Q .0700, Toxic Air Pollutant
12 Procedures;

13 (5) The change does not require a P.E. Seal under Rule 15A NCAC 02Q .0112; and

14 (6) The owner or operator shall notify the Director with written notification at least seven days before
15 the change is made. Within seven days of receipt of the notice, the Division of Air Quality shall
16 notify the owner or operator of its determination.

17 (c) The written notification required under Subparagraph (b)(6) of this Rule shall include:

18 (1) a description of the change;

19 (2) a date on which the change will occur;

20 (3) any change in emissions, and;

21 (4) any permit terms or conditions of the current permit that may be affected by this change.

22 (d) A copy of the notification required under Subparagraph (b)(6) shall be attached to the current permit until the
23 permit is revised at the next modification, name change, ownership change, or renewal.

24
25 History Note: Authority G.S. 143-215.3(a)(1); 143-215.108;

26 Eff. _____.
27
28

1 15A NCAC 02Q .0903 is proposed for amendment as follows:

2
3 **15A NCAC 02Q .0903 EMERGENCY GENERATORS AND STATIONARY RECIPROCATING**
4 **INTERNAL COMBUSTION ENGINES**

5 (a) For the purposes of this Rule, the following definitions apply:

6 (1) ~~“emergency~~ “Emergency generator” means a an emergency stationary reciprocating internal
7 combustion engine used to generate electricity only during the loss of primary power at the facility
8 that is beyond the control of the owner or operator of the facility or during maintenance. as defined
9 in 40 CFR 63.6675. An emergency generator may be operated periodically to ensure that it will
10 operate.

11 (2) “Stationary reciprocating internal combustion engine” means a stationary reciprocating internal
12 combustion engine as defined in 40 CFR 63.6675.

13 (b) This Rule applies to emergency generators and stationary reciprocating internal combustion engines at a facility
14 whose only sources that would require a permit are emergency generators and stationary reciprocating internal
15 combustion engines whose ~~emergency generators consume less than:~~

16 (1) ~~322,000 gallons per calendar year of diesel fuel,~~

17 (2) ~~48,000,000 cubic feet per calendar year of natural gas,~~

18 (3) ~~1,200,000 gallons per calendar year of liquified petroleum gas,~~

19 (4) ~~25,000 gallons per calendar year of gasoline for gasoline powered generators, or~~

20 (5) ~~any combination of the fuels listed in this Paragraph provided the facility-wide actual emissions of~~
21 each regulated air pollutant does not exceed are less than 100 tons per calendar year. year of any
22 regulated pollutant, 10 tons per calendar year of any hazardous air pollutant or 25 tons per calendar
23 year of any combination of hazardous air pollutants.

24 (c) The owner or operator of emergency generators and stationary reciprocating internal combustion engines covered
25 under this Rule shall comply with Rules .0516 (sulfur dioxide emissions from combustion sources), .0521 (control of
26 visible emissions), and .0524 (new source performance standard). standard), and .1111 (maximum achievable control
27 technology) of Subchapter 02D.

28 (d) The owner or operator of ~~an emergency generator~~ generators and stationary reciprocating internal combustion
29 engines covered under this Rule shall ~~maintain records of the amount of fuel burned in the generator for each calendar~~
30 year so that the Division can determine upon review of these records provide the Director documentation upon request
31 that the emergency generator generators and stationary reciprocating internal combustion engines qualifies to be
32 covered under this Rule. meet the applicability requirements in Paragraph (b) of this Rule.

33
34
35 *History Note: Authority G.S. 143-215.3(a); 143-215.107(a)(10); 143-215.108;*

36 *Eff. June 1, 2008-2008;*

37 *Amended Eff. _____.*