

August 2009

Dear Air Permittee

The '09-'11 state budget recently signed by Governor Doyle includes changes to the Air Program fee structure for non-major sources of air emissions. I want to provide you with information on these changes.

Beginning in January of 2010, non-major sources will be assessed fees based on their EPA class code, rather than on the quantity of their emissions. The EPA class code for a source is based on the maximum amounts of pollutants that a source *could* emit (not actual emissions), and how the operation permit for the source limits the emissions. Under the revised fee structure, sources with an SM80 EPA class code (see Attachment A for definitions) will pay an annual \$4100 fee. Other smaller sources with EPA class codes of SM or B will pay an annual fee of \$300. Sources exempt from permitting based on low actual emissions (see NR 407.03(1m), Wis. Adm. Code) will pay no fee. This fee differential is due to the cost of the significantly greater permitting and compliance activities EPA expects the Air Program to conduct for SM80 sources, compared to smaller sources.

Our records indicate that your facility is classified as an SM80, and would be subject to the \$4100 fee. It is possible for sources to change class codes and move to the lower fee category by changing permit types or revising their current operation permit to further reduce allowable levels of emissions. Attachment B provides the options that are available to SM80 sources to restrict emissions below SM80 levels. You should carefully consider your business situation before deciding to pursue one of these options (please note that not all options are available to all sources). Be aware that if your facility takes emission restrictions to move out of the SM80 category, but then needs to increase emission levels in the future, your facility will need to obtain a construction permit and incur the related transactional costs to do so. Transactional costs include construction permit fees, dedicating consultant or staff engineering time to permit application activities, potentially responding to increased scrutiny during permit public comment periods, etc.

If you choose to pursue one of the options in Attachment B, you will need to submit complete application materials by no later than **October 1, 2009**. For complete applications and revision requests that are received by this date we commit to doing our best, within our available resources, to complete permit actions by the end of calendar year. Our ability to meet this commitment will be dependent on the type and number of the applications we receive, and a facility's role in providing complete application information in a timely manner is a key component. If you have questions about the approach described above, feel free to contact me. Source-specific permitting questions should be directed to the contacts listed in Attachment B.

Sincerely,

John H. Melby, Jr. - Director
Bureau of Air Management

Attachment A

Definitions

Major source thresholds – 100 tons per year for any pollutant except particulate matter or federal hazardous air pollutants. For particulate matter, the threshold is 100 tons per year of PM₁₀. For federal hazardous air pollutants, the threshold is 10 tons per year of any single pollutant, or 25 tons per year of all hazardous air pollutants in combination. (See definition in NR 407.02(4), Wis. Adm. Code)

Maximum theoretical emissions – The quantity of air contaminants that could theoretically be emitted by a source before control devices, based on the design capacity or maximum production capacity of the source. (See definition in NR 400.02(95), Wis. Adm. Code)

Potential to emit – The maximum capacity of a source to emit air contaminants under its physical and operational design, taking into account control equipment and enforceable permit limitations. (See definition in NR 400.02(127), Wis. Adm. Code)

	EPA Class Code	Definition
Major Source	A	Maximum theoretical emissions <i>and</i> potential to emit are greater than major source thresholds.
Non-Major Source	SM80	Maximum theoretical emissions are greater than major source thresholds. Potential to emit is at least 80% but less than 100% of major source thresholds.
	SM	Maximum theoretical emissions are greater than major source thresholds. Potential to emit is less than 80% of major source thresholds.
	B	Maximum theoretical emissions and potential to emit are less than major source thresholds.

Appendix B -Options for limiting emissions below SM80 levels

Electing to take emission caps in a source specific operation permit

What it means – Electing to take emission caps in a source specific operation permit means that you are requesting the DNR to place conditions in your current operation permit to limit your potential emissions to less than 80% of the major source thresholds for all criteria pollutants and federal hazardous air pollutants (see table below). Emissions from your facility will be restricted to the numbers in the table once these limits are in place. These limits will also carry with them an obligation for you to maintain records to ensure that they are being met.

Emission Limits in Tons Per Year	
Pollutant	Emission Limits
Particulate Matter Emissions (PM)	79 tons/year for particulate matter attainment areas
Volatile Organic Compounds (VOCs)	79 tons/year for ozone attainment and basic, marginal or moderate ozone nonattainment areas
Nitrogen Oxides (NO _x)	79 tons/year for ozone attainment and basic, marginal or moderate ozone nonattainment areas
Sulfur Dioxide (SO ₂)	79 tons/year
Carbon Monoxide (CO)	79 tons/year for attainment and moderate carbon monoxide nonattainment areas
Lead (Pb)	0.45 tons/year
Section 112(b) Hazardous Air Pollutants (HAPs)	7 tons/year for any <i>single</i> pollutant 19 tons/year for a <i>combination</i> of all pollutants

How it's done – This action is a minor permit revision under NR 407.12, Wis. Adm. Code provided the revision is limited to adding restrictions to keep the facility below SM80 levels. Upon receipt of a complete request, the DNR will act to revise your permit to add the new limits and compliance requirements. This revision request will be reviewed, processed and result in the issuance of a revised operation permit. There is no public notice or comment period required for this request however a written notice to interested parties is required as part of the revision process. The revision process may take up to 5 days to complete. There is no cost for this revision.

The annual fee for a company now classified as a SM80 source that takes permit restrictions that limit emissions to less than 80% of the major source threshold will be \$300.

Form can be obtained on-line at: Revision Request Form: <http://dnr.wi.gov/air/doc/4530-137.doc>

Who to contact – Keith Pierce, Bureau of Air Management
608-267-0562
keith.pierce@wisconsin.gov

Completed form should be sent to:
Minor Permit Revision Request (SM)
DNR, Bureau of Air Management
101 South Webster Street
PO Box 7921
Madison, WI 53707-7921

Appendix B -Options for limiting emissions below SM80 levels

Electing to apply for coverage under either the Rock Crushing Plant or Hot Mix Asphalt Plant General Operation Permit

What it means – Electing to apply for coverage under a general operation permit means that you are requesting the DNR to revoke your current source specific construction and operation permits and replace them with either a rock crushing or hot mix asphalt plant general permit. Once coverage under the general permit is in place you will be obliged to meet all requirements in that permit.

How it's done – You will need to submit complete application forms and a revocation request in order to receive coverage under a general permit. Upon receipt of complete application material, the DNR will act to revoke your permits and grant coverage under the general permit. This application will be reviewed and processed by the central office in Madison and result in the issuance of a general operation permit. A 21 day written notice to the permittee and other interested parties is required prior to the DNR granting coverage. This process may take up to 30 days to complete. There is no cost for this transaction.

The annual fee for a company now classified as a SM80 source that has its permits revoked and is granted coverage under either the Rock Crushing Plant or Hot Mix Asphalt Plant General Operation Permit will be \$300.

(Note: The General Operation Permits for Printers do not limit emissions below 80% of major source thresholds. Sources covered under these permits will need to use another option if they wish to limit emissions below the SM80 level.)

Application Forms can be obtained on-line at:

Rock Crushers: http://dnr.wi.gov/air/pdf/4530-141-144_Print.pdf

Asphalt Plants: <http://dnr.wi.gov/air/doc/4530-163draft.doc>

Revocation Request: http://dnr.wi.gov/air/pdf/4530-157_fillPrint.pdf

Who to contact – Joseph Brehm, Bureau of Air Management
608-267-7541
joseph.brehm@Wisconsin.gov

Completed forms should be sent to:
General Operation Permit Request (SM)
DNR, Bureau of Air Management
101 South Webster Street
PO Box 7921
Madison, WI 53707-7921

Appendix B -Options for limiting emissions below SM80 levels

Electing to apply for coverage under a Registration Operation Permit

What it means – Electing to apply for coverage under a registration operation permit means that you are requesting the DNR to revoke your current source specific construction and operation permits and replace them with a registration permit. This is a standardized permit that limits a source to 25% of the major source thresholds and is intended for facilities that have low annual emissions. A registration operation permit has eligibility requirements that may exclude some people from being able to use this option (see <http://dnr.wi.gov/air/permits/streamlining/regpermits.html> for additional information).

Once coverage under the registration permit is in place you will be obliged to meet all requirements in that permit, as well as all other applicable requirements for your source. The registration operation permit does not list all of the state and federal air pollution requirements that apply to the facility. It is up to the permitted facility to determine what these requirements are, to comply with them, and to maintain adequate records to demonstrate compliance.

How it's done – You will need to submit a revocation request and complete the on-line application process in order to receive coverage under a registration permit. When a facility has permits to revoke, a 21 day written notice to the permittee and other interested parties is required prior to submitting the registration permit application. The application process for a registration operation permit is an on-line process. Once DNR receives the application, coverage under the registration permit is granted in 15 days or less. There is no cost for this transaction.

The annual fee for a company now classified as a SM80 source has it's permits revoked and is granted coverage under Registration Operation Permit will be \$300.

Revocation Request Form can be obtained on-line at: http://dnr.wi.gov/air/pdf/4530-157_fillPrint.pdf

Please go to <http://dnr.wi.gov/air/permits/streamlining/regpermits.html> to begin the application process.

Who to contact – Kristin Hart, South Central Region Air Program
608-273-5605
kristin.hart@wisconsin.gov

Completed forms should be sent to:
Registration Operation Permit Request (SM)
DNR, South Central Region
3911 Fish Hatchery Road
Fitchburg, WI 53711

Appendix B -Options for limiting emissions below SM80 levels

Electing to operate under an operation permit exemption.

What it means - Electing to operate under an operation permit exemption means that you are requesting the DNR to revoke your current source specific construction and operation permits and agreeing to keep your actual annual emissions below 10 tons per year each of carbon monoxide, nitrogen oxides, sulfur dioxide, particulate matter, and volatile organic compounds, and 0.5 tons per year of lead. This exemption has additional eligibility requirements that may exclude some people from being able to use this option (see NR407(3)(1m). Additional information about this process can be obtained at <http://dnr.wi.gov/air/permits/streamlining/PermitExemptions.html>.

You must keep records that show your emissions do not exceed the exemption thresholds. As long as emissions remain below the exemption thresholds, your facility is also exempt from all air pollution control construction permitting.

How it's done – Facilities that can meet all the exemption criteria and stay below the exemption thresholds must submit to DNR a notice of intent to operate under the exemption. Upon receipt of the completed form, the DNR will act to revoke your permits and send you a letter approving your exemption. When a facility has permits to revoke, a 21 day written notice to the permittee and other interested parties is required prior to the DNR approving this exemption. This process may take up to 30 days to complete. There is no cost for this transaction.

There will be no annual fee for a company now classified as a SM80 source that has its permits revoked and elects to operate under an operation permit exemption.

Notice of Intent to Operate Under the Actual Emission Exemption form can be obtained on-line at: <http://dnr.wi.gov/air/pdf/PermitExemptionoptionalform.pdf>

Who to contact – Kristin Hart, South Central Region Air Program
608-273-5605
kristin.hart@wisconsin.gov

Completed form should be sent to:
Operation Permit Exemption Request (SM)
DNR, South Central Region
3911 Fish Hatchery Road
Fitchburg, WI 53711