

State of Oregon
Department of Environmental Quality

Memorandum

Date: March 3, 2006
To: Environmental Quality Commission
From: Stephanie Hallock, Director
Subject: Agenda Item M, Adoption of Federal Air Quality Regulations
March 1-3, 2006, EQC Meeting

Department Recommendation The Department recommends that the Environmental Quality Commission (EQC, Commission) adopt proposed rule amendments to incorporate new National Emission Standards for Hazardous Air Pollutants (NESHAP) and update existing rules as presented in Attachment A. The amendments made to OAR 340 Division 200, if adopted, will be submitted to the U.S. Environmental Protection Agency (EPA) as a revision to the State Implementation Plan, which is a requirement of the Clean Air Act.

Background and Need for Rulemaking When EPA adopts requirements for hazardous air pollutant (HAP) sources, the EQC adopts those requirements by reference and DEQ implements them through Title V permits issued to sources. Sources must comply with federal requirements, whether or not the EQC adopts the requirements. However, adopting the requirements ensures that Oregon's rules are consistent with federal rules and allows DEQ to be the primary implementing agency.

Effect of Rule This rule change would do the following:

- Update *volatile organic compound* (VOC) definition. The proposal would incorporate new exemptions for certain compounds into the definition of *volatile organic compound* (VOC). EPA has found these compounds to have negligible reactivity in the atmosphere. This change will benefit air quality in Oregon, because exempting these compounds will allow the Department to focus VOC reduction strategies on compounds that are more responsible for the formation of ground level ozone or smog. [Attachment A, OAR 340-200-0020(141), 340-200-0040(2), p. 22-24]
- Update list of Hazardous Air Pollutants (HAPs). The proposal would update the list of hazardous air pollutants by delisting ethylene glycol monobutyl ether (EGBE). EPA found that potential outdoor exposures to EGBE are not reasonably anticipated to cause human health or environmental problems. This change will benefit air quality in Oregon because it will allow sources to substitute EGBE for other pollutants that have a higher potential to cause human health or environmental problems. [Attachment A, OAR 340-244 Table 1, p. 50]

- Update New Source Performance Standards (NSPS). The proposal would update existing regulations to incorporate changes to the NSPS through July 1, 2005. These changes do not affect the stringency of these standards. [Attachment A, OAR 340-238-0040(4), p. 27, 340-238-0060(1), p. 30, and Attachment H]
- Revise National Emission Standards for Hazardous Air Pollutants (NESHAP). The proposal would:
 - Adopt by reference the federal NESHAPs for two new source categories.
 - Update existing regulations to incorporate NESHAP changes through July 1, 2004. Changes made to the Chromium Electroplating and Anodizing NESHAP allow hard chromium electroplaters to control the surface tension of the plating bath in lieu of using expensive add-on control devices. Available data shows that controlling surface tension is capable of meeting the same level of emission reduction as the technology based standards originally established in the NESHAP. [Attachment A, OAR 340-244-0030(7), p. 33, 340-244-0220, p. 38-41, and Attachment G]
- Revise general permits for chromium electroplating. The proposal would revise the general permits for chromium electroplating to incorporate changes made to the Chromium Electroplating and Anodizing NESHAP. [Attachment A, OAR 340-216-0060(5), p. 26, and Attachments I and J]

Commission Authority

The Commission has authority to take this action under ORS 468.020, 468A.025, and 468A.310.

Stakeholder Involvement

An advisory committee was not needed for this rulemaking because the proposed rules have already been adopted by EPA. The rules were developed with full input from environmental groups, industry, and state and local agencies.

This rulemaking proposal would adopt, by reference, federal NESHAPs for two new source categories affecting as many as 45 sources in Oregon. These 45 sources produce plywood and other composite wood products and/or operate large boilers and process heaters. Prior to, and as part of this rulemaking, the Department notified all potentially affected sources about these new NESHAPs. The Department has also been meeting with sources affected by the Plywood and Other Composite Wood Products NESHAP to discuss implementation issues.

Public Comment A public comment period was open from August 12, 2005, to September 29, 2005, and included a public hearing in Portland. Attachment B provides results of public input. No persons testified at the public hearing. Written comments were received from the NW Environmental Defense Center. The Department's responses to the comments are in Attachment B. No changes were made to the proposed rules as a result of the comments received.

Key Issues EPA adopted revisions to the Chromium Electroplating and Anodizing NESHAP that would allow hard chromium electroplaters to control the surface tension of the plating bath in lieu of using expensive add-on control devices. The surface tension of the plating bath is controlled by adding a fume suppressant that contains wetting agents. Controlling surface tension prevents pollution by minimizing chromic acid mists above the plating bath and in the exhaust stream. Available data shows that controlling surface tension is capable of meeting the same level of emission reduction as the technology based standards originally established in the NESHAP.

Next Steps The Rule Implementation Plan includes the following steps:

- Delegation. The Department will submit NSPS and NESHAP delegation requests to EPA in March 2006.
- Permitting. As Title V and ACDP permits come up for renewal, the Department will incorporate the new NESHAP standards and amendments made to the existing NSPS and NESHAP standards into the permits. Staff regularly reviews proposed permits to ensure new and amended standards are incorporated into the permits.
- SIP Revision. Changes made to the definitions in OAR 340-200-0020 will be submitted to EPA as revisions to Oregon's State Implementation Plan (SIP).
- Staff Training. Whenever possible, staff training will rely on EPA and industry training, workshops, and implementation materials. The forest products industry has held two workshops in Portland related to the new NESHAPs. The workshops were attended by many DEQ inspectors and permit writers as well as many sources affected by the new NESHAPs. Department staff will track additional training opportunities, workshops and implementation materials to get the appropriate staff the necessary resources to implement the new NESHAPs. Department staff will also visit regional offices as needed to discuss the new and amended standards.

- Implementation Resources. This rulemaking does not increase DEQ costs. The work associated with modifying permits and defining compliance requirements occurs without regard to this rulemaking, because the federal requirements are in effect whether or not DEQ adopts them.

The Rule Implementation Plan is available upon request.

Attachments

- A. Proposed Rule Revisions
- B. Summary of Public Comments and Agency Responses
- C. Presiding Officer's Report on Public Hearings
- D. Relationship to Federal Requirements Questions
- E. Statement of Need and Fiscal and Economic Impact
- F. Land Use Evaluation Statement
- G. New & Amended NESHAPs Proposed for EQC Adoption
- H. Amended NSPSs Proposed for EQC Adoption
- I. Amended General Permit for Decorative Chromium Electroplating
- J. Amended General Permit for Hard Chromium Electroplating

Available Upon Request

- 1. Legal Notice of Hearing
- 2. Cover Memorandum from Public Notice
- 3. Written Comment Received
- 4. Rule Implementation Plan

Approved:

Section: _____

Division: _____

Report Prepared By: Jerry Ebersole

Phone: (503) 229-6974