



## Oregon Department of Environmental Quality

September 15, 2013  
Notice of Proposed Rulemaking

***Incorporate Lane Regional Air Protection Agency Rules  
For Permit Streamlining Into  
Oregon's State Implementation Plan***

### Overview

#### Short summary

DEQ proposes amendments to Oregon Administrative Rule 340-200-0040 and Oregon's State Implementation Plan to incorporate Lane Regional Air Protection Agency regulations for permit streamlining. The rule changes have been adopted by the LRAPA Board of Directors. LRAPA's board amended LRAPA regulations to bring them in line with state rules and to better coordinate with state and federal requirements. The changes to LRAPA's regulations:

- Are identical to the changes in Chapter 340 Oregon Administrative Rules that EQC adopted in 2001, 2007 and 2008. In 2001 and 2007, EQC adopted DEQ rulemakings titled SPPIT 1 and SPPIT 2, respectively. These rulemakings streamlined and improved permitting processes. In 2008, EQC adopted DEQ rules to clarify an agriculture exemption from the rules.
- Are identical to state and federal National Emission Standards for Hazardous Air Pollutants (NESHAPs) and New Source Performance Standards (NSPS).
- Include minor corrections and adjustments adopted by LRAPA's Board in January 2010 to the regulations previously adopted by LRAPA in October 2008.

#### Brief history

LRAPA, in consultation with DEQ and the U.S. Environmental Protection Agency, is responsible for ensuring that Lane County communities comply with federal air quality health standards, including enacting plans to restore healthy air quality in any area violating standards. LRAPA conducts air monitoring, permitting and compliance, inspection and enforcement, and regulates open burning and asbestos abatement throughout Lane County. It also has a woodstove advisory program, an open burning advisory and conducts special projects focused on air quality. The agency is funded from local dues from Lane County and the cities of Lane County, industrial and other permitting fees, and LRAPA coordinates with DEQ to obtain EPA funding and state general funds.

The permit streamlining rules explained in this document were adopted by the LRAPA Board on October 14, 2008 and January 12, 2010. The Environmental Quality Commission and DEQ have oversight authority to ensure LRAPA meets Clean Air Act requirements. The State Implementation Plan is the State of Oregon Clean Air Act Implementation Plan as adopted by EQC under OAR 340-200-0040 and approved by EPA. EQC approves and directs DEQ to submit all LRAPA rules to EPA as SIP Amendments. Though this is not the case here, an exception to this requirement allows the DEQ to approve any LRAPA rules that are verbatim restatements of rules that the EQC has already approved.

Regulated parties

The regulated parties are permitted sources identified in LRAPA's Title 37 – Air Contaminant Discharge Permits as well as sources subject to Title V Operating Permit requirements.

**Statement of need**

DEQ is proposing significant changes to its permitting rules in an effort to maximize efficiencies in the program, while maintaining the existing level of environmental protection.

Proposed Rule or Topic	Discussion
<b>1 General Air Contaminant Discharge Permits (General ACDPs)</b>	
What problem is DEQ trying to solve?	The proposed rule changes expand the LRAPA's ability to write permits for categories of businesses instead of individual permits.
How would the proposed rule solve the problem?	These permits, known as General Air Contaminant Discharge Permits (ACDPs), allow the permittee to operate as if it had a source specific permit. Individual businesses are 'assigned' to the General ACDP if they meet the criteria for the General ACDP. Businesses that are required to have a permit but do not fit the parameters of an existing General ACDP will still need an individual ACDP.
How will DEQ know the problem has been solved?	Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.  DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.
<b>2 Combining and Splitting Sources</b>	
What problem is DEQ trying to solve?	A formal process is needed to ensure that sources are being treated consistently statewide when they combine or split their operations. The proposed rules define source as: 1) Being under common ownership or control, 2) Having a common 2 digit standard industrial classification (SIC) or supporting the major 2 digit SIC, and 3) Being on contiguous or adjacent properties. The proposed rules define "adjacent" as interdependent and nearby, consistent with EPA guidance.
How would the proposed rule solve the problem?	The proposed rule changes set forth procedures for combining facilities when they meet the definition of a single source, and for splitting one source into multiple sources when they no longer meet the definition of a single source. Two sources that become one source could combine their netting basis, but would get only one significant emission rate (SER). One source that splits could divide its netting basis and SER however it wants, but the new sources would not get multiple SERs, unless one or more of them satisfies the New Source

**Comment [P1]:** Is this a standard comment? This seems more like updating permitting rules to reflect actions already taken by LRAPA in the past. At the very least, the significant changes are limited to LRAPA, not DEQ rules as a whole, and the LRAPA rules are effectively adopting previously adopted DEQ rules?

Proposed Rule or Topic	Discussion
	Review requirements.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>3 Generic Bubble Authority</b>	
What problem is DEQ trying to solve?	All pollutants allowed to be addressed by alternative emission controls. Can be done by way of all permit types. Requirement for actual emission reduction not specified.
How would the proposed rule solve the problem?	Specify procedures for VOC and NOx only. Other pollutants require SIP revision. Specify only done through most complex (high fee) ACDP or Title V. Require actual emission rate reduction - not just production, throughput or hours of operation.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>4 Notice of Intent to Construct and Construction Approval</b>	
What problem is DEQ trying to solve?	Vaguely worded requirements, construction levels contain inappropriate emission level triggers. Construction ACDPs not required/specified. Followed by ACDP sources but not Title V. No de minimis levels. Netting basis not mentioned at all. Significant Emission Rate (SER) only at Levels III and IV.
How would the proposed rule solve the problem?	Construction types specified and quantified more clearly. Issuance and approval procedures including Construction ACDP specified. Both ACDP and Title V sources would follow same rules. Use de minimis, netting basis and SERs to create a more clear set of requirements.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>5 Generic PSEL</b>	

Comment [P2]: Is this a term of art?

Comment [P3]: Is this spelled out anywhere?

Proposed Rule or Topic	Discussion
What problem is DEQ trying to solve?	Site-specific PSEL set at existing facility maximum even though Agency must allow any increases up to SER.
How would the proposed rule solve the problem?	Generic PSEL set at one ton below SER. Eliminates need for Agency to revise permits for increases below SER. Essential element of General ACDP.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>6 Make PSEL into a Potential to Emit (PTE) limit</b>	
What problem is DEQ trying to solve?	PSELs based upon calendar year. Creates opportunity for an exceedance of the PSEL on an annual basis depending on production fluctuations.
How would the proposed rule solve the problem?	PSELs based upon a rolling 12-month period. Limits emissions and requires tracking for each 12-month rolling period.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>7 Eliminate Short Term PSEL</b>	
What problem is DEQ trying to solve?	PSELs set on annual as well as hourly, daily, weekly basis even though there is no short-term SER
How would the proposed rule solve the problem?	Eliminate short term PSEL where there is no basis to deny increase.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>8 Unassigned Emissions</b>	
What problem is DEQ trying to solve?	Term not defined in LRAPA rules. Netting basis not defined. Large amounts of unassigned emissions remain available for use by permittees

Proposed Rule or Topic	Discussion
How would the proposed rule solve the problem?	Define terms and create a consistent way of establishing and managing unassigned emissions and netting basis. Reduce unassigned emissions by 2013 (freeze baseline).
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>9. New Source Review Streamlining</b>	
What problem is DEQ trying to solve?	Emission increases at smaller sources (below federal major thresholds) handled under NSR. Analytical requirements outdated and included in NSR rules.
How would the proposed rule solve the problem?	Transfers emission increases at smaller sources to PSEL rules but still require ambient analysis to ensure no adverse impact to ambient thresholds. Create new title for analytical requirements as well as update and expand requirements for ambient impact analyses
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>10. Netting Basis</b>	
What problem is DEQ trying to solve?	Term is undefined.
How would the proposed rule solve the problem?	Define term to clarify permitting requirements to emission increases.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>11. Emission Reduction Credits</b>	
What problem is DEQ trying to solve?	Included in NSR rules.
How would the proposed rule solve the problem?	Create new Title. Clarify and expand requirements.

Proposed Rule or Topic	Discussion
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>12. Requirements for Offsets</b>	
What problem is DEQ trying to solve?	Included in NSR rules. Outdated and very general.
How would the proposed rule solve the problem?	Include in new Air Quality Analysis requirements. Create and expand more detailed requirements.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>13. Alternatives to preconstruction monitoring [proposed as Section 40-0050-4 A.4]</b>	
What problem is DEQ trying to solve?	Currently sources can be exempted from preconstruction monitoring if they model below "significant monitoring concentrations". Can be done by analyzing project-only OR competing/background-only source. No additional exemptions.
How would the proposed rule solve the problem?	Sources can substitute post construction monitoring for preconstruction monitoring if source can demonstrate increase would not cause or contribute to exceedance of any air quality standard. Must demonstrate proposed increases AND General Background Concentrations are less than the NAAQS for all averaging times.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>14. Ambient impacts from ozone precursors</b>	
What problem is DEQ trying to solve?	Briefly covered in Offsets portion of NSR rules (Section 38-035-2.)
How would the proposed rule solve the problem?	Move and create more detailed requirements in new Title- Air Quality Analysis Requirements (Title 40). Create equation to

Proposed Rule or Topic	Discussion
	evaluate VOC and NOx impacts on sensitive ozone areas. Necessary to satisfy EPA requirements for ozone precursors.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
15. Public Participation	
What problem is DEQ trying to solve?	30-day public notice for all new sources, all sources with permit renewals and all increases above PSEL. Increase ability to streamline public notice requirements by allowing more focus on larger source and reducing public notice efforts for smaller sources. Clarify and expand overall requirements for public participation.
How would the proposed rule solve the problem?	Very similar but would create four different public notice procedures depending on permit action. Rules would categorize permit actions according to potential environmental and health significance and the degree to which LRAPA has discretion for implementing the applicable regulations.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
16. Definitions	
What problem is DEQ trying to solve?	Some terms undefined or included only in specific titles. Some terms apply only to a specific title and are included in the general definitions. Some terms undefined. Some terms need correction (e.g., "Regulated Pollutant" unintentionally includes CAA Section 112(r) pollutants).
How would the proposed rule solve the problem?	Move certain definitions from specific titles to clarify that they apply to all rules. Remove certain definitions from general title but retain in specific title. Add new terms and redefine certain definitions where needed including "Regulated Pollutant".
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state</p>

Proposed Rule or Topic	Discussion
	implementation plan.
<b>17. Delist Compounds as VOCs</b>	
What problem is DEQ trying to solve?	VOC definition includes certain compounds that are exempt from definition of VOC is outdated.
How would the proposed rule solve the problem?	Add several compounds EPA has determined to have negligible reactivity and very low potential to form ground-level ozone.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>18. Excess Emissions Revisions</b>	
What problem is DEQ trying to solve?	Emergency "may" be allowed to be an affirmative defense to enforcement for upsets and breakdowns; same if source follows pre-approved Startup and Shutdown plan.
How would the proposed rule solve the problem?	Clarifies that the affirmative defense of emergencies and the following of a Startup and Shutdown plan do not take away LRAPA enforcement discretion. Consolidates notification and reporting requirements and criteria for demonstrating emergency defense.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>19. SO2 Averaging (LRAPA 32-070)</b>	
What problem is DEQ trying to solve?	SO2 Emission Limitations for liquid and solid fuels include standards specified as 2-hour averages and should be 3-hour averages to match up with typical source test requirements that require three (3) one-hour runs.
How would the proposed rule solve the problem?	Change standard to 3-hour average.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state</p>



Proposed Rule or Topic	Discussion
	implementation plan.
<b>20. Revisions to Incinerator Rules (Title 30)</b>	
What problem is DEQ trying to solve?	Standards include the terms "new" and "existing" that can be interpreted as vague and confusing.
How would the proposed rule solve the problem?	Clarify standards by including specific dates of applicability in the requirements and eliminating terms "new" and "existing".
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>21. Revisions to Kraft Pulp Mill Rules</b>	
What problem is DEQ trying to solve?	<ul style="list-style-type: none"> <li>A. "Other sources of TRS" defined in TRS standard and in definitions section. Does not include "Categorically Insignificant Activities".</li> <li>B. Higher TRS limit for Smelt dissolving tanks if explosion hazard exists.</li> <li>C. General monitoring requirements included.</li> <li>D. Upset requirements included.</li> <li>E. No mention of NSPS Subpart BB.</li> </ul>
How would the proposed rule solve the problem?	<ul style="list-style-type: none"> <li>A. Remove definition from standard and include it in the definition section. Include "Categorically Insignificant Activities."</li> <li>B. Removes</li> <li>C. Removes but retained in Stationary Testing and Monitoring (proposed new Title 35)</li> <li>D. Removed but retained in Title 36 excess emissions.</li> <li>E. Specifies that NSPS BB may apply and that more restrictive requirements apply.</li> </ul>
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
<b>22. Simplified Emission Standards for Plywood, Particleboard, and Hardboard Manufacturing Operations</b>	
What problem is DEQ trying to solve?	General provisions specify standards are based upon square foot of product, but in subsequent sections specify hourly emission limits based upon maximum production rates.
How would the proposed rule solve the problem?	Clarify requirements by specifying basis for each standard in each separate section.

Proposed Rule or Topic	Discussion
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
23. Changes to Emission Standards for Specific Industries	
What problem is DEQ trying to solve?	Charcoal plant rules contain typos. NSPS and NESHAP adoption by reference not updated since 1994 and 2001, respectively.
How would the proposed rule solve the problem?	Correct typos. Adopt most current NSPS and NESHAPs by reference.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>
24. Authorizing the LRAPA to implement the Clean Air Act requirements for agriculture.	
What problem is DEQ trying to solve?	The federal Clean Air Act (CAA) does not provide an exemption for agricultural operations while prior to 2007 Oregon's state law allowed for such exemptions.
How would the proposed rule solve the problem?	This rulemaking is needed to align LRAPA and DEQ rules (OAR) to ORS 468A.020 to allow regulation of agriculture to the extent necessary to comply with the federal CAA.
How will DEQ know the problem has been solved?	<p>Upon EQC adoption, DEQ would submit the rules to EPA to update the DEQ and LRAPA State Implementation Plans (SIPs) including request for federal delegation of certain rule aspects, where appropriate.</p> <p>DEQ will know the goals of this rulemaking have been addressed when EPA reviews and approves the delegation request, changes to DEQ's and LRAPA's state implementation plan.</p>

**Request for other options**

During the public comment period, DEQ requested public comment on whether to consider other options for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

Rules affected, authorities, supporting documents

Lead division                      Program or activity  
 Air Quality                      Program Operations section

Chapter 340 action

Amend                      340-200-0040

Statutory authority

ORS 468.020, 468A.020, 468.065, 468A.135

Other authority

LRAPA Title 13, 14

Statute implemented

ORS 468A.020, 468A.025

Legislation

SB235, 2007

Documents relied on for rulemaking ORS 183.335(2)(b)(C)

In proposing changes to align its rules with state and federal requirements, LRAPA relied primarily upon the rules implemented by ODEQ as part of the two phases of streamlining (SPPIT I and II), and changes to allow DEQ to implement CAA requirements for agriculture.

Document title	Document location
Agenda Item G, Revisions to Point Source Air Management Rules (New Source Review, Plant Site Emission Limit, and Air Quality Permitting Requirements), EQC Meeting May 4, 2001	<a href="#">[insert link to SPPIT1]</a>
Agenda Item X, Adoption of Air Quality Permit Program Streamlining and Updates; October 18, 2007 Environmental Quality Commission Meeting	<a href="#">[insert link to SPPIT2]</a>
Agenda Item X, Adoption Authorizing the DEQ to implement the Clean Air Act requirements for agriculture; August 21, 2008 Environmental Quality Commission Meeting	<a href="#">[insert link to AG]</a>
OAR 340 divisions: 200, 202, 204, 208, 209, 210, 212, 214, 216, 222, 224, 225, 226, 230, 234, 236, 238, 244, and 268.	<a href="http://www.deq.state.or.us/regulations/rules.htm">http://www.deq.state.or.us/regulations/rules.htm</a>
LRAPA Rules and Regulations	<a href="http://www.lrapa.org/rules_and_regulations/index.php">http://www.lrapa.org/rules_and_regulations/index.php</a>
<b>2008 Permit Streamlining</b>	
LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' - 'J')	<a href="#">[insert link]</a>
<b>2010 Permit Streamlining Corrections</b>	
LRAPA Board January 12, 2010 Agenda Item 7 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' and 'B')	<a href="#">[insert link]</a>

## Fee Analysis

Summary: Since the expected fee reductions are nearly equivalent to (or greater than) the FTE (full time equivalent) reductions, the proposed rule changes can be implemented with reasonable comfort that there will not be significant changes in revenue as related to workload.

### Analysis:

1. Actual historical long-term average ACDP fees: For the past 6 years the annual average actual ACDP fees collected by the Agency are \$402,191 per year.
2. Title V fees collected for emissions generated during the 2007 calendar year are assumed to be the same as the 2006 calendar year and increased by 8% to account for the second year of the 3-year phase-in of the 24% increase approved by rule. 2007 Title V fees collected are therefore estimated to be approximately \$480,833. Nearly all Title V facilities pay on permitted emissions rather than actual emissions emitted during the calendar year and therefore can be assumed to be relatively constant.
3. The projected fees, post-rule streamlining, are estimated to be approximately \$370,320 per year (excluding CPI increases).
4. FTE savings expected under the streamlining are 8% based upon ODEQ's analysis.
5. LRAPA budget assigns 10.42 FTE to the ACDP and Title V program.
6. FTE savings are therefore estimated to be  $10.42 \text{ FTE} \times 8\% = 0.83$  (or 0.5 to 1.0 FTE).
7. The average cost associated with the ACDP and Title V programs is budgeted to be \$87,220 per FTE with an additional 12% overhead cost to bring the total cost to \$97,690 per FTE. Therefore the 0.5 FTE savings would be approximately \$49,000.
8. The pre and post-streamlining can then be compared as follows:

ACDP and Title V Fees Pre-Streamlining =  $\$402,191 + \$480,833 = \$883,024$  per year

ACDP and Title V Fees Post-Streamlining =  $\$370,320 + \$480,833 = \$851,153$  per year

Pre-Streamlining minus Post-Streamlining =  $\$883,024 - 851,153 = \$31,871$  per year

9. Since the FTE savings expected under the streamlining rules (\$49,000 per year) is greater than the fee reductions expected under the streamlining rules (\$31,871 per year or greater), the fee changes and workload changes can be classified as "neutral" or "beneficial".

### Additional Fee Analysis

Permit Type	Fee Type	Existing Fee	Proposed Fee
Standard ACDP	Filing fee	129 /5 yrs.	NA
	Initial permitting	3400 to \$17,000	\$12,000 to \$42,000
	Application processing	525 to \$52,000 /5yrs	NA
	Annual compliance	800 to \$27,000	\$7680
Simple ACDP	Initial permitting	NA	\$6,000
	Annual compliance		\$1,920 to 3,840
General ACDP	Filing fee	NA	NA
	Initial permitting		\$1200

	Application processing Annual compliance		NA \$720 to \$1872
Basic ACDP	Initial permitting Annual compliance	NA	\$120 \$360
Short Term Activity	Initial permitting	NA	\$3,000
Construction ACDP	Initial permitting	Same as Standard	\$9,600
Minimal ACDP		Same as Standard but annual compliance is paid every 5 years and application processing paid every 10 years	NA

The following fee examples were used in developing the fee structure as it is proposed in this rule package. They illustrate the potential economic impact for two source categories. More analysis on the overall permit fee and workload expected under the proposed rule changes can be found in Attachment B – Fee and Workload Analysis

**Example 1: Stationary Asphaltic Concrete Paving Plant:**

This type of facility would be Category 34a under the existing fee table. In a ten-year period a typical facility would pay:

- 10- annual compliance determination fees @ \$2,870 each
  - 2 - renewal fees @ \$1,318 each
  - 1 - modification fee @ \$1,318 each
- Total: \$32,654**

This type of facility would be assigned to a General ACDP-High Cost (Fee Class Three) under the New Table One and would pay:

- 1-Assignment to General ACDP @ \$1,200
  - 10- annual fees @\$1,872
- Total: \$19,920**

**Example 2: Portable Rock Crusher:**

This type of facility would be Category 42b under the existing fee table. In a ten-year period a typical facility would pay:

- 10- annual compliance determination fees @ \$1,525 each
  - 2 - renewal fees @ \$1,803 each
  - 1 - modification fee @ \$1,803 each
- Total: \$20,659**

This type of facility would be assigned to a General ACDP-Medium Cost (Fee Class Two) under the New Table One and would pay:

- 1-assignment to General ACDP fee @ \$1,200
  - 10- annual fees @\$1,296
- Total: \$14,160**

**This document provides transparency about DEQ's proposed fees.**

If the rule proposal involves fee changes, complete this document, *FEE.EXCERPT-3.00*. Advance the number 3.00 to 3.01, 3.02, 3.0x, whenever there are substantive changes to this document through the review process.

**DAS Fee Approval Test**

For fees to become **effective**, DEQ must receive approval of all **NEW, INCREASED** or **DECREASED** fees from the Director of the Oregon Department of Administrative Services. There are several exemptions from DAS fee approval that may apply to these proposed fees:

ORS 291.055(2)(d) Fees created or authorized by statute that have no established rate or amount but are calculated for each separate instance for each fee payer and are based on actual cost of services provided.

ORS 291.055(2)(m) New or increased fees that are anticipated in the legislative budgeting process for an agency, revenues from which are included, explicitly or implicitly, in the legislatively adopted budget for the agency.

**DAS Fee Approval Required**

Complete the following DAS Forms:

<u>107BF21 – Fee Approval</u>	Save SP under 3-FeeApproval as FEE.APPROVAL-3.00
<u>107BF22 – Fee Change Detail</u>	Save SP under 3-FeeApproval as FEE.DETAIL-3.00

DAS agreed to accept the Fee section of this document in lieu of the cover letter requested on the back of the DAS forms. This section also captures most of the information that DAS requests through their review. Below the Fee section is an optional Fee analysis section that provides a format for supporting data. Use this section for information that **may be released** with the fee approval documents sent to the Department of Administrative Services, public notice or the EQC staff report.

Save fee analysis documents **not intended for release** in SharePoint folder 3-Fee Approval using the name *FEE.ANALYSIS.OptionalIdentifier-3.0~*. Please keep all Excel worksheets in one workbook. Delete this page before submitting the **Fee Approval Packet** to DAS. See SCHEDULE-0.0? for tasks.

ORS 291.055(1)(d) requires DEQ report fee changes to DAS within 10 days of adoption.

The Oregon Environmental Quality Commission approval of this rule proposal would [OPTION 1] establish new fees. [OPTION 2] increase existing fees. [OPTION 3] decrease existing fees. [OPTION 4 – any combination of options 1-3] EQC authority to act on the proposed fees is ORS [ENTER CITATION].

Brief description of proposed fees

[LIMIT DESCRIPTION TO THE EFFECT OF THE FEE PROPOSAL. ADDRESS RATIONALE UNDER REASONS.]Enter text here

#### Reasons

The proposed fees would address [INCOPORATE THE BULLETED KEY PHRASES BELOW THAT APPLY TO THIS PROPOSAL.

[KEY PHRASES - PROVIDE A BRIEF EXPLANATION ABOUT EACH KEY PHRASE USED AND ADDRESS THE QUESTION, "WHY NOW?"]

- regulatory streamlining
- policy change
- new fee created by statue
- change in federal revenue
- change in Other Funds revenue

[IDENTIFY CONCERN AND LEGISLATIVE SESSION]

- response to legislative concerns

[PROVIDE OVERVIEW OF THE COSTS FOR KEY PHRASES]

- increased program costs
- costs exceed estimates

[PROVIDE TREND INFORMATION & FTE WORKLOAD STATISTICS FOR KEY PHRASES]

- change in transaction costs
- changed number of base fee payers
- change in fee-payer mix

#### Fee proposal alternatives considered

Enter text here [INCLUDE THE STATUS QUO ALTERNATIVE]

#### Fee payer

Enter text here

#### Affected party involvement in fee-setting process

Enter text here

#### Summary of impacts

Enter text here

#### Fee payer agreement with fee proposal

Enter text here

#### Links to supporting documents for proposed fees

Enter document name and link

#### How long will the current fee sustain the program?

Enter text here

Program costs covered by fees	\$0	0%
Program costs covered by General Fund	\$0	0%
Fee last changed	Mm/dd/yyyy	

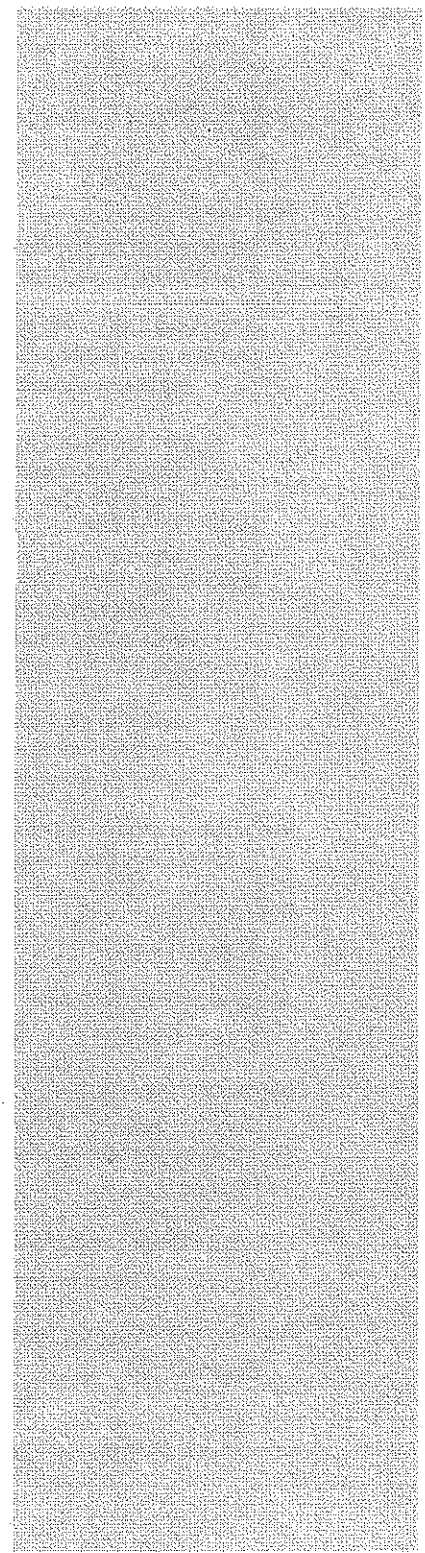
How long will the proposed fee sustain the program?

Enter text here

Expected change in revenue (+/-)	\$0	0%
Min GF required by statute/rule to fund program	\$0	0%
Proposed fee allows General Fund replacement	\$0	0%
Expected effective date	mm/dd/yyyy	

Transactions and revenue

	Number of transactions	Number of Fee Payers	Impact on revenue (\$/-)	Total revenue (+/-)
Current biennium	0	0	\$0	\$0
Next biennium	0	0	\$0	\$0

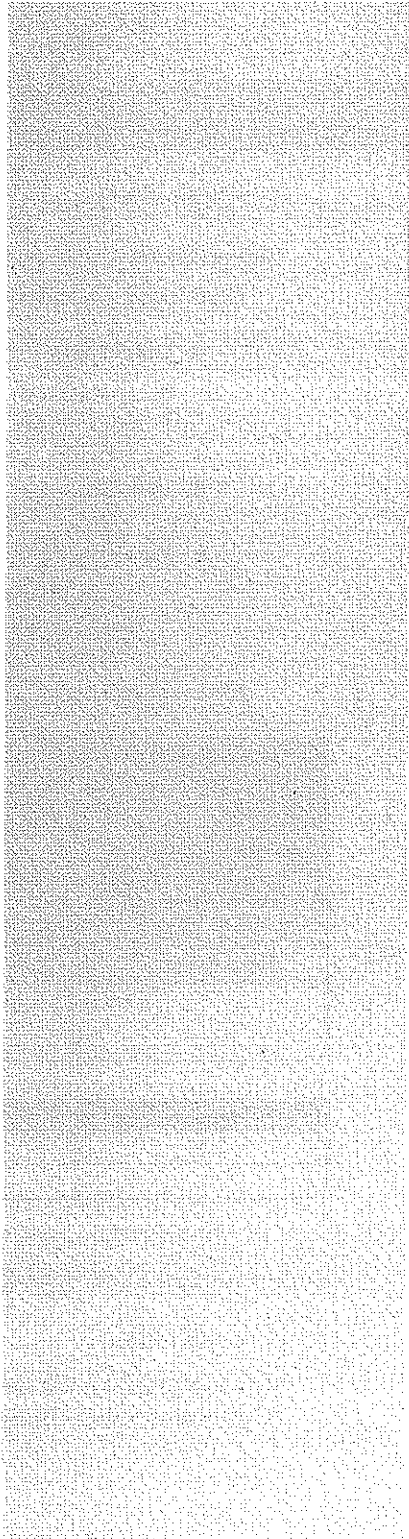




Fee schedule

Enter text or table here.

Table # (Arial 11)			
Table Title - (RGB 0-130-114 Bold Arial 13)			
Column header (RGB 177-221-205 Arial 11)		Column header (RGB 177-221-205)	
RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10
Times Roman 12 <sup>1</sup>	OR Times Roman 11	OR Times Roman 10	
1.5 pt	1.5 pt      3 pt	3 pt      1.5 pt	1.5 pt



Optional Fee Analysis - change title to describe type of analysis

Lead-in paragraph

Subsection title Ariel (Headings) 11

Level 1 text -- Times Roman 12 Level 2 text

A. Level 2 text

- a. Level 3 text
- b. Level 3 text
- c. Last text

B. Level 2 text

- Level 1 bullet 1
  - Level 2 bullet
  - Level 2 bullet
  - Last bullet
- Level 1 bullet

Table # (Arial 11)			
Table Title - (RGB 0-130-114 Bold Arial 13)			
Column header (RGB 177-221-205 Arial 11)		Column header (RGB 177-221-205)	
RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10	RGB 223-241-235 Arial 10
Times Roman 12 <sup>1</sup>	OR Times Roman 11	OR Times Roman 10	
1.5 pt	1.5 pt	3 pt	3 pt
		1.5 pt	1.5 pt

Header	Header	Header	Header

Statement of fiscal and economic impact

ORS 183-335 (2)(b)(E)

Fiscal and Economic Impact

The proposed changes will result in simplification and streamlining, updating and alignment with state and federal requirements, while maintaining equivalent environmental protection and stringency. Rule

simplification and streamlining will likely result in efficiencies and avoidance of additional permitting costs for small sources.

EPA determined that there would be no significant impact on small businesses when it exempted HFE-7300 from the definition of Volatile Organic Compounds. LRAPA's adoption of this exemption would likely benefit businesses by reducing regulatory burden and allowing expanded use of a commercially valuable compound.

#### Statement of Cost of Compliance

##### Impacts on general public

LRAPA's public notice procedures are being changed by these proposed rule revisions so major new sources and major modifications to existing sources may require a preliminary informational meeting before the permit is drafted. This will increase the up-front time required for the public, to prepare for and participate in a public meeting. An expected benefit from this procedure is better permits that require less time for review and comment since issues were raised and addressed before permit drafting. However, since the proposed public notice procedures increase public involvement for sources that are potentially environmentally significant, public involvement for permitting smaller facilities and changes to existing facilities that are not environmentally significant will be reduced.

An example of decreased workload is the proposal to increase General Permits, which require one public notice for a General Permit source category of approximately ten or more sources. Comments from the public on one General Permit would then have the affect of commenting on all of the individual permits that would be issued if a General Permit was not issued to sources in that category. Overall, this tiered public involvement process should result in time savings for the public, as well as, business and LRAPA.

##### Impact on other government entities other than DEQ

- a. Local governments: Local governments that hold air quality permits may be affected by the rule revisions in the same manner as small or large businesses. Under the proposed public participation procedures, proposed major source permits will be subject to a public involvement period before LRAPA begins processing the permit. LRAPA expects the public may raise land use issues at this point. Such issues will be referred to the local planning jurisdiction for resolution, which may increase the burden on the local government entity.

Another fiscal impact this proposed rulemaking may have on local government is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to county or local government facilities with air permits if they experience excess emissions. However, LRAPA expects this impact to be negligible because excess emissions reported within the required 15 days would no longer need to be included on semi-annual reports. Potentially affected facilities could include county-owned cogeneration facilities and school boilers.

- b. State agencies: A fiscal impact this proposed rulemaking may have on state agencies is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to state-owned facilities with air permits if they experience excess emissions. However, LRAPA expects this impact to be negligible because excess emissions reported within the required 15 days would no longer need to be included on semi-annual reports. Potentially affected facilities could include university power generators.

Part of the rule changes allow for portable sources to obtain one permit to operate in all areas of the state including Lane County. The agency (LRAPA or the Department) responsible for writing

the permit and collecting the fees for these sources will be the agency where the portable source's headquarters are located. This will likely reduce the fees collected by both LRAPA and the Department

Impact on DEQ ORS 183.335

See "Impacts on general public" above.

Impact on large businesses (all businesses that are not small businesses below)

LRAPA anticipates that elimination of redundant requirements and clarification of rule language may have beneficial fiscal effects on large businesses. The proposed revisions would result in fewer permit conditions for kraft pulp mills in cases where multiple permit conditions set similar limits for the same emission sources and pollutants.

A fiscal impact this proposed rulemaking may have on large businesses is requiring submittal of excess emission reports within fifteen days of their occurrence rather than semi-annually. This requirement could impose a slight additional cost to large facilities with air permits if they experience excess emissions. However, LRAPA expects the fiscal impact to be negligible because excess emissions reported within the required 15 days would no longer need to be included on semi-annual reports.

Many large businesses will require Standard ACDPs. However, since the type of permit required is based on the amount of emissions and not the number of employees, some large businesses may be subject to General and Simple ACDPs as outlined for small business.

**Fees:** Most large businesses will continue to be subject to either the Title V permit program (Title V fees are not affected by the proposed changes) or Standard ACDPs. Standard ACDP holders will be charged \$7,680/year instead of the range of fees in the existing rules (approximately \$1000 to \$21,000/year). Other ACDP fees include Initial Permitting and Special Activity fees. Special Activity fees are currently charged for such things as permit modification and review of modeling analysis. These proposed Special Activity fees are similar in magnitude and nature as the existing rules. Overall LRAPA anticipates these proposed fee changes will be revenue neutral, although individual businesses may pay more or less than current fees.

**Reduced Time:** The proposed changes will reduce the amount of time required and the cost to maintain a permit by reducing the time it takes to issue and renew permits and the need for permit modifications. This is primarily due to the use of generic Plant Site Emission Limits (PSELs) in place of source-specific ones, and the use of general permits for many source categories. Changing the trigger level for Prevention of Significant Deterioration (PSD) from the Significant Emission Rate (SER) to 100 or 250 tons per year will reduce the time consumed by triggering PSD when modeling indicates that no standards will be violated. An air quality analysis for increases in the PSEL above the SER will still require an air quality analysis even if PSD is not triggered. Reduced permit processing time will enable businesses to better meet market-timing needs.

**Triggering Applicable Requirements:** The proposed changes could cause some sources to trigger or avoid triggering various applicable requirements. For example changes to unassigned emissions could cause a few sources to trigger New Source Review sooner, as compared to the current rules. Also, the proposed process to assess impacts due to ozone precursors potentially could require sources between 30 and 100 kilometers from a nonattainment or maintenance area to evaluate their impact on the area and mitigate the impact if it is significant (there are currently no ozone nonattainment or maintenance areas in Lane County). Procedures for combining and splitting sources could cause some sources to trigger or avoid triggering Title V or New Source Review rules.

**Monitoring and Reporting Costs:** The proposed changes could increase or decrease monitoring and reporting costs. For example the rolling 12 month PSEL limit in the permits will make it necessary to report compliance for 12 numbers in annual reports in place of one number for the calendar year. However, elimination of the short term PSEL (hourly or daily) will reduce the burden of monitoring and reporting compliance with these short term limits.

**Emission Reduction Credits:** The proposed changes could increase the value of certain emission reduction credits. For example emission reductions from shutdowns are proposed to be used just like over control reductions to offset emission increases for sources going through New Source Review. Banking can be used to extend the life of a shutdown credit just the same as other actual emission reductions. Under the current rules, emission reductions due to shutdowns may only be used as offsets during the two years following the reduction and may not be banked.

Impact on small businesses (those with 50 or fewer employees) ORS 183.336

a) Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

LRAPA estimates that 50 to 70 small businesses could be affected by air quality programs.

b) Projected reporting, recordkeeping and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

The proposed changes do not add new reporting requirements for small businesses. Although LRAPA cannot currently document the fiscal and economic benefits of these rule revisions, they will reduce the complexity of current regulations, resulting in a more efficient permitting and compliance process for small businesses in Lane County.

c) Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.

The proposed changes do not add new equipment or administrative requirements for small businesses.

d) Describe how DEQ involved small businesses in developing this proposed rule.

Small businesses were not extensively involved in this rulemaking, but LRAPA anticipates some fiscal benefits to small businesses. They will have an opportunity to comment through the public notice process.

Documents relied on for fiscal and economic impact

In proposing changes to align its rules with state and federal requirements, LRAPA relied primarily upon the rules implemented by ODEQ as part of the two phases of streamlining (SPPIT I and II) and EPA comments.

Document title	Document location
Agenda Item G, Revisions to Point Source Air Management Rules (New Source Review, Plant Site Emission Limit, and Air Quality Permitting Requirements), EQC Meeting May 4, 2001	[Insert link to SPPIT1]
Agenda Item X, Adoption of Air Quality Permit Program Streamlining and Updates; October 18, 2007 Environmental Quality Commission Meeting	[Insert link to SPPIT2]
Agenda Item X, Adoption Authorizing the DEQ to	[Insert link to AG]

implement the Clean Air Act requirements for agriculture; August 21, 2008 Environmental Quality Commission Meeting	
LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' - 'J')	<a href="#">[insert link]</a>
LRAPA Board January 12, 2010 Agenda Item 7 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' and 'B')	<a href="#">[insert link]</a>
OAR 340 divisions: 200, 202, 204, 208, 209, 210, 212, 214, 216, 222, 224, 225, 226, 230, 234, 236, 238, 244, and 268.	<a href="http://www.deq.state.or.us/regulations/rules.htm">http://www.deq.state.or.us/regulations/rules.htm</a>
LRAPA Rules and Regulations	<a href="http://www.lrapa.org/rules_and_regulations/index.php">http://www.lrapa.org/rules_and_regulations/index.php</a>

Advisory committee

### [LRAPA-CREATED OPTION 3]

The LRAPA Advisory Committee was used for this rulemaking because of the extensive revisions and updates. Since approximately 1994, there have been only minor updates to the LRAPA ACDP rules. The recommendations from the LRAPA Advisory Committee – Industrial Rules Subcommittee (Industrial Rules Subcommittee) to the LRAPA Board of Directors (Board) that the industrial permitting rules proposed by LRAPA staff be adopted with some minor changes (see fourth bullet below). The evaluation of the proposed rules by the Industrial Rules Subcommittee was requested by the Board of Directors at their October 2007 meeting.

The Industrial Rules Subcommittee would like to thank George Davis from the Oregon Department of Environmental Quality and the LRAPA staff for helping the Subcommittee with information and materials.

The committee reviewed several aspects of the proposed rule changes and documented its recommendation in the following documents approved minutes dated Feb. 20, 2008.

1. Rules Stringency Analysis –Evaluates the 24 different proposed rule sections against five separate criteria. [See 'Attachment A- Rule Summary and Stringency Analysis' in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' - 'J') in the 'Documents relied on for fiscal and economic impact' above]
2. New Source Review Stringency Analysis –Supports and expands on Item 9 of the Rule Stringency Analysis. [ See 'Attachment C- New Source Review Analysis' in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' - 'J') in the 'Documents relied on for fiscal and economic impact' above ]
3. Fee and Workload Analysis –Supports and provides further detail on the expected fee and workload changes expected under the proposed rule changes. [See 'Attachment B- Fee and Workload Analysis' in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments 'A' - 'J') in the 'Documents relied on for fiscal and economic impact' above]

Housing cost

To comply with ORS 183.534, DEQ determined the proposed rules would have no effect on the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. The overall fee changes are neutral for all permittees including those that manufacture construction materials for such parcels.

## Federal relationship

*"It is the policy of this state that agencies shall seek to retain and promote the unique identity of Oregon by considering local conditions when an agency adopts policies and rules. However, since there are many federal laws and regulations that apply to activities that are also regulated by the state, it is also the policy of this state that agencies attempt to adopt rules that correspond with equivalent federal laws and rules..."*

Relationship to federal requirements

### [OPTION 3– LRAPA-created option]

DEQ determined this rule proposal is "in addition to federal requirements" as required under ORS 468A.327(1)(a) and OAR 340-011-0029(1)(a).

#### Industrial Streamlining Rules' adopted by LRAPA October 2008:

The proposed rules incorporate science applicable to Oregon, incorporate technological advances, protect public health, protect environment, address administrative issues, and economic concerns. These proposed changes will bring LRAPA's rules in line with state rules. This rulemaking also proposes to adopt changes LRAPA air quality regulations to better coordinate with and meet state and federal requirements. These changes we are now proposing are the same changes the DEQ made in 2001 for SPPIT 1 and in 2007 for SPPIT 2. These state and federal requirements include the National Emission Standards for Hazardous Air Pollutants (NESHAPs), New Source Performance Standards (NSPS). LRAPA initiated many of the proposed rule changes to streamline the permitting program and simplify compliance requirements.

The proposed rule changes incorporate no new federal requirements. The majority of the proposed rules would streamline and update rules by better coordinating with state rules and procedures with long-standing federal requirements that have been successfully adopted and implemented in Oregon's air quality permitting programs. These federal requirements are not specific to issues of concern in Oregon.

In adopting the VOC exemption for HFE 7300, there is no indication that EPA or DEQ specifically considered data or information unique to Oregon or Lane County.

The primary goal of the proposed rulemaking is to streamline permitting and compliance by clarifying, simplifying and updating regulatory requirements. Clarifications will occur through consolidating and standardizing definitions, adopting general permits, adopting generic PSEs, improving the Major New Source Review requirements, aligning sulfur dioxide standards with federal requirements, updating the incinerator rules, simplifying emission standards for board product manufacturing, simplifying the Kraft Pulp Mill rules and consolidating the excess emissions requirements for notification, reporting and the emergency defense.

The proposed rulemaking could benefit facilities located in Lane County as a result of the removal of redundant permit conditions. The proposal to exempt HFE-7300 from the definition of Volatile Organic Compounds may also reduce regulatory burden by lifting the requirement to track and limit use of this

chemical. Businesses could benefit from the opportunity to substitute HFE-7300 for substances that deplete the earth's protective ozone layer and substances with high global warming potentials.

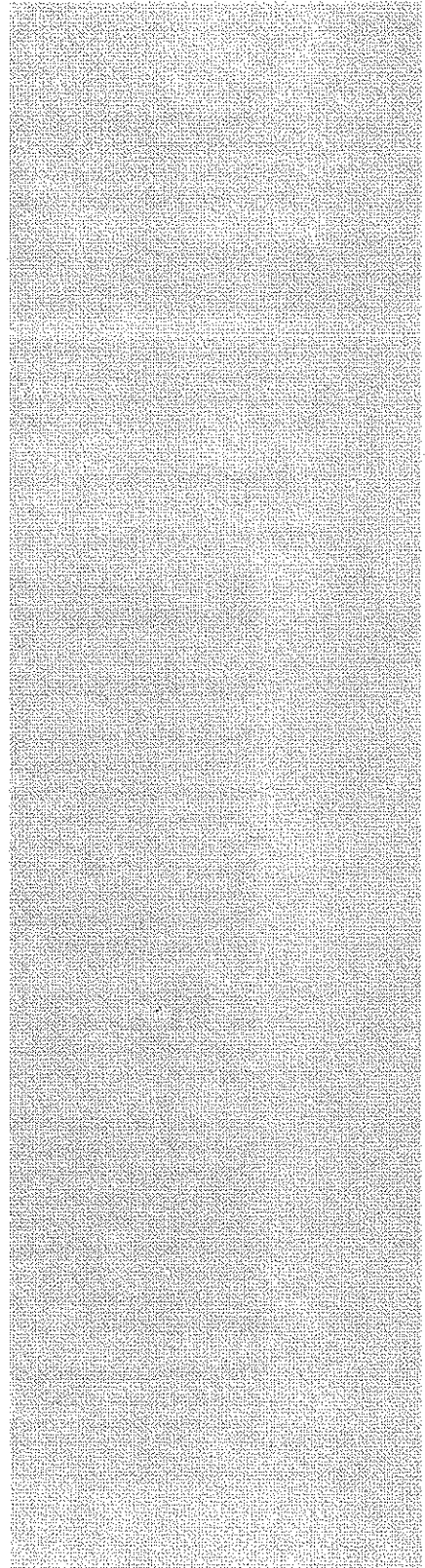
Revisions to make Excess Emissions rules consistent with state and federal requirements can bring greater certainty to facilities and LRAPA by eliminating discrepancies between the LRAPA, state and federal program. Better alignment will result in fewer compliance issues during federal oversight of LRAPA's permitting and inspection program.

Industrial Streamlining Corrections Adopted January 2010 by LRAPA:

The proposed rulemaking is not different or in addition to applicable federal requirements. These are corrections to the Industrial Streamlining Rule Changes that the LRAPA Board of Directors voted to adopt at their October 14, 2008 meeting. 11 of the 18 changes are to make typographical corrections in rule citations and references to other rules citations. Two (2) changes involve adding the definitions of "Unassigned Emissions" and "Title I modification" to Title 12 that were intended to be included in the original streamlining. One (1) correction aligns the opacity limitation language for crematory units in the general permit with the rules. The rest of the changes allow LRAPA to keep small sources on the lowest cost permits by removing de minimis production/throughput thresholds for several source categories and allowing more expanded criteria for sources to obtain a Simple permit under the low fee category.

What alternatives did DEQ consider if any?

DEQ did not consider any alternatives to the propose rules. In order to be efficient and take advantage of the tremendous work done at the state level to create sensible rules for the unique and well-established stationary source permitting program in Oregon, DEQ and LRAPA chose to be consistent with the revisions specified by DEQ for their 'SPPIT I' and 'SPPIT II'.





## Land use

*"It is the Commission's policy to coordinate the Department's programs, rules and actions that affect land use with local acknowledged plans to the fullest degree possible."*

ORS 197.180, OAR 660-030

### Land-use considerations

To determine whether the proposed rules involve programs or actions that are considered a *land-use action*, DEQ considered:

- Statewide planning goals for specific references. Section III, subsection 2 of the DEQ State Agency Coordination Program<sup>b</sup> document identifies the following statewide goal relating to DEQ's authority:

Goal	Title
------	-------

5	Open Spaces, Scenic and Historic Areas, and Natural Resources
6	Air, Water and Land Resources Quality
11	Public Facilities and Services
16	Estuarial resources
19	Ocean Resources

- OAR 340-018-0030 for EQC rules on land-use coordination. Division 18 requires DEQ to determine whether proposed rules will significantly affect land use. If yes, how will DEQ:
  - Comply with statewide land-use goals, and
  - Ensure compatibility with acknowledged comprehensive plans, which DEQ most commonly achieves by requiring a Land Use Compatibility Statement.
- DEQ's mandate to protect public health and safety and the environment.
- Whether DEQ is the primary authority that is responsible for land-use programs or actions in the proposed rules.
- Present or future land uses identified in acknowledged comprehensive plans.

### Determination

DEQ determined that the following proposed rules listed under the Chapter 340 Action section above are existing rules that affect programs or activities that the DEQ State Agency Coordination Program considers a land-use program.

OAR 340-200-0400 State of Oregon Clean Air Act Implementation Plan  
OAR 340-018-0030 State Agency Coordination Program

DEQ's statewide goal compliance and local plan compatibility procedures adequately cover the proposed rules. 1: 340-018-0040(1) - compliance with statewide planning goals achieved by ensuring compatibility with acknowledged comprehensive plans. 2: 340-018-0050(2)(a) - ensuring compatibility with acknowledged comprehensive plans may be accomplished through a Land Use Compatibility Statement.

## Stakeholder and public involvement

### Advisory committee

DEQ did not convene an advisory committee. This is an LRAPA rulemaking.

LRAPA convened the LRAPA Advisory Committee – Industrial Rules Subcommittee (Industrial Rules Subcommittee) on Dec. 17, 2007. The LRAPA Advisory Committee is a 12-member committee and was used for this rulemaking because of the extensive revisions and updates. Since approximately 1994, there have been very few changes to the LRAPA ACDP rules. The recommendations from the LRAPA Advisory Committee – Industrial Rules Subcommittee (Industrial Rules Subcommittee) to the LRAPA Board of Directors (Board) that the industrial permitting rules proposed by LRAPA staff be adopted with some minor changes. The evaluation of the proposed rules by the Industrial Rules Subcommittee was requested by the LRAPA Board of Directors at their October 2007 meeting.

The 5-member subcommittee included representatives from large industry and the general public. The committee met 6 times over 5 months. In addition to the recommendations described under the Statement of Fiscal and Economic Impact section above, the committee also evaluated the overall rule stringency and the New Source Review (NSR) stringency.

Roster

Name	Representing
Russ Ayers, Chair (subcommittee)	Large Industry
Amy Pecota, Member (subcommittee)	Large Industry
Hugh Larkin, Member (subcommittee)	General Public
Maurie Denner, Member (subcommittee)	General Public
Earl Koenig, Member (subcommittee)	General Public
Rick Rogers, Member	Fire Suppression
Brian Forge, Member	General Public
Jim Leary, Member	General Public
Marilyn Lowe, Member	General Public
Gery Vander Meer, Member	General Public
Paul Engelking, Member	General Public
John Tamulonis, Member	Public Planning

The Industrial Rules Subcommittee would like to thank George Davis from the Oregon Department of Environmental Quality and the LRAPA staff for helping the Subcommittee with information and materials.

The committee reviewed several aspects of the proposed rule changes and documented its recommendation in the following documents approved minutes dated Feb. 20, 2008.

1. Rules Stringency Analysis –Evaluates the 24 different proposed rule sections against five separate criteria. [See ‘Attachment A- Rule Summary and Stringency Analysis’ in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments ‘A’ – ‘J’) in the ‘Documents relied on for fiscal and economic impact’ above]

2. New Source Review Stringency Analysis –Supports and expands on Item 9 of the Rule Stringency Analysis. [ See ‘Attachment C- New Source Review Analysis’ in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments ‘A’ – ‘J’) in the ‘Documents relied on for fiscal and economic impact’ above ]
3. Fee and Workload Analysis –Supports and provides further detail on the expected fee and workload changes expected under the proposed rule changes. [See ‘Attachment B- Fee and Workload Analysis’ in the LRAPA Board October 14, 2008 Agenda Item 6 - Adoption of Proposed Industrial Permitting Rules (Including Attachments ‘A’ – ‘J’) in the ‘Documents relied on for fiscal and economic impact’ above]

EQC prior involvement

DEQ shares general rulemaking information with EQC through the annual DEQ Rulemaking Plan review and monthly status report. [OPTION 1] DEQ did not present additional information specific to this proposed rule revision beyond the annual rulemaking plan and the monthly rulemaking report. [OPTION 2] DEQ shared information about this rulemaking with the EQC [2a] at a facilitated hearing on Enter date using style guide format – mmm dd, yyyy. EXAMPLE: Jan 14, 2013. [2b] through an information item on the mmm dd, yyyy EQC agenda, [2c] and in the Director’s Dialogue mmm dd, yyyy.

Public notice

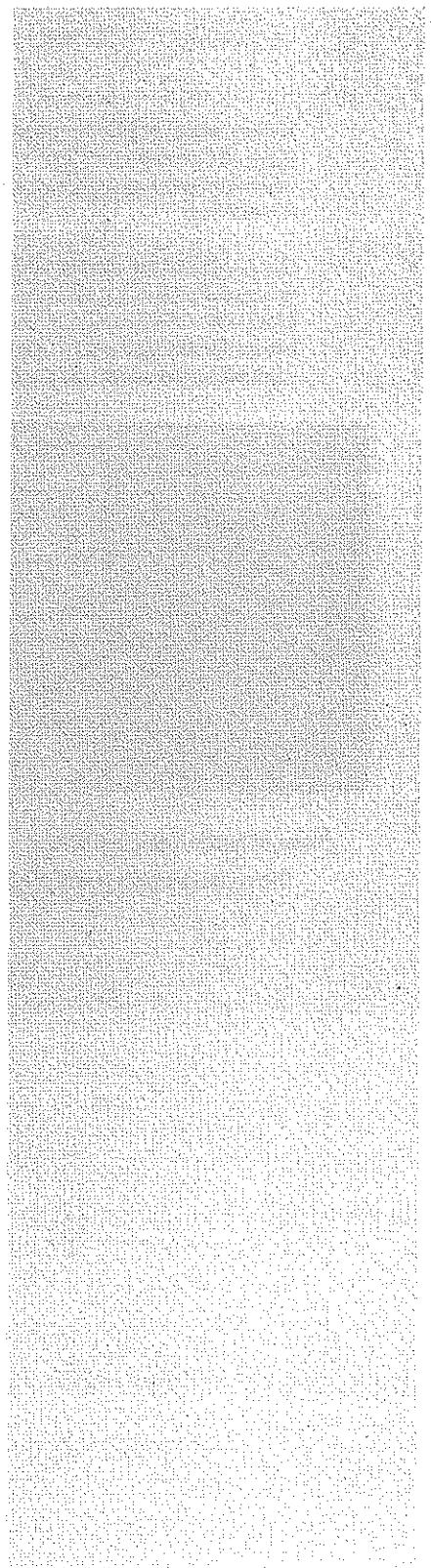
The October 2013 *Oregon Bulletin* will publish the Notice of Proposed Rulemaking with Hearing for this rulemaking. DEQ also:

- Posted notice on DEQ’s webpage <http://www.deq.state.or.us/regulations/proposedrules.htm> on mmm dd, yyyy.
- E-mailed notice on mmm dd, yyyy to:
  - Approximately ### interested parties through GovDelivery on mmm dd, yyyy.
  - ### stakeholders on the Enter other mailing lists here.
  - The following key legislators required under ORS 183.335:
    - o Enter name, title, committee here.
    - o Enter name, title, committee here.
    - o Enter name, title, committee here.
  - Members of the advisory committee.
- Mailed the notice by U.S. Postal Service to ## interested parties on mmm dd, yyyy.
- Sent notice to EPA on mmm dd, yyyy.
- Enter other notices here on mmm dd, yyyy.

Public hearings

LRAPA acted as DEQ’s hearings officer on behalf of the Environmental Quality Commission for public comment on the rule amendments. DEQ’s authorization is included in the letter to LRAPA in the Stringency Review and Authorization section of this document.

The table(s) below includes information about how to participate in the public hearings.



Before taking public comment and according to Oregon Administrative Rule 137-001-0030, the presiding officer will provide a brief summary of the content of the notice given under Oregon Revised Statute 183.335 and respond to any questions about the rulemaking.

DEQ will add the names, addresses and affiliations of all hearing attendees to the interested parties list for this rule if provided on a registration form or the attendee list. DEQ will consider all oral and written comments received at the hearings listed below before finalizing the proposed rules. All comments will be summarized and DEQ will respond to comments on the Environmental Quality Commission staff report.

Hearing 1	
Date	15-Oct-13
Time	5:30PM
Address line 1	LRAPA Office
Address line 2	1010 Main Street
City	Springfield
Presiding officer	Max Huefle, P.E., Permit Section Manager
Staff presenter	Max Huefle, P.E., Rule Writer
iLinc conference number	Upon request
Session number	NA
Participant code	NA

Close of public comment period

The comment period will close on October 18, 2013 at 5:00 p.m.

