**340-224-0025**

**Major Modification**

1) Except as provided in section (5), "major modification" means a change at a source described in section (2) or (3) for any regulated pollutant subject to NSR since the later of:

(a) The baseline period for all regulated pollutants except PM2.5;

(b) May 1, 2011 for PM2.5; or

The most recent NSR permitting action for that regulated pollutant that allowed for a change to the netting basis under OAR 340-222-0046(3)(e).

(2) Any physical change or change in the method of operation of a source that results in emissions described in paragraphs (a) and (b):

(a) A PSEL or actual emissions that exceed the netting basis by an amount that is equal to or greater than the SER; and

b) The accumulation of emission increases due to all physical changes and changes in the method of operation since the later of the dates in subsections (1)(a) through (1)(c), as applicable for each pollutant, is equal to or greater than the SER. For purposes of this paragraph, emission increases must be determined per section (3).

(3) Calculation of emission increases for the purposes of subsection (2)(b) must be made as specified in this section.

 (a) Calculations of emission increases must account for all accumulated increases in actual emissions due to physical changes and changes in the method of operation occurring at the source since the later of the dates in subsections (1)(a) through (1)(c) as applicable for each pollutant;

(b) Emissions from categorically insignificant activities, aggregate insignificant emissions, and fugitive emissions must be included in the calculations;

(c) Any calculations in subsections (d) through (h) that result in a negative number will be counted as zero;

(d) For a new unit installed after the later of the dates in subsections (1)(a) through (1)(c), the emission increase equals the unit’s PTE;

(e) For a unit that was approved by or included in an NSR permitting action per subsection (1)(c), and was later modified or had a change in the method of operation, the emission increase equals the unit’s post-change PTE minus the emission rate attributed to the unit in the NSR permitting action;

(f) For a unit that existed during the baseline period, and the unit’s portion of the baseline emission rate is equal to the unit’s pre-change capacity, and the unit was later modified or had a change in the method of operation, the emission increase equals the unit’s post-change PTE minus the unit’s portion of the baseline emission rate;

(g) For a unit that existed during the baseline period and had an emission increase due to increased use of existing capacity after the baseline period, and was later modified or had a change in the method of operation, the emission increase equals the average rate, in tons per year, at which the emissions unit actually emitted the pollutant during any consecutive 12-month period selected by the owner or operator since the later of the dates in subsections (1)(a) through (1)(c) and before either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by DEQ for a permit action subject to this division, whichever is earlier, minus the unit’s post-change PTE;

(g) For a unit that existed during the baseline period, and the unit’s portion of the baseline emission rate is less than the unit’s pre-change capacity, and the unit was later modified or had a change in the method of operation:

(g) For a unit that existed during the baseline period, and meets all the criteria in paragraph (A), the emission increase is calculated per paragraphs (B) through () as applicable, and paragraphs () through ()..

(A) Criteria:

(i) The unit’s portion of the baseline emission rate is less than the unit’s pre-change capacity,

(ii) The unit was later modified or had a change in the method of operation; and

(iii) The component of the pre-change PSEL assigned to the unit is less than the unit’s pre-change capacity;

(B) If there is no unit-specific limit on the unit’s emissions, and the unit’s actual emissions on a 12-rolling month basis SINCE??? never exceeded the unit’s component of the pre-change PSEL, the emission increase equals the unit’s post-change PTE minus the unit’s component of the pre-change PSEL;

(C) If there is no unit-specific limit on the unit’s emissions, and the unit’s actual emissions on a 12-rolling month basis since the later of the dates in subsections (1)(a) through (1)(c) exceeded the unit’s component of the pre-change PSEL, the emission increase equals the unit’s post-change PTE minus the average rate, in tons per year, at which the emissions unit actually emitted the pollutant during any consecutive 12-month period selected by the owner or operator since the later of the dates in subsections (1)(a) through (1)(c) and before either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by DEQ for a permit action subject to this division, whichever is earlier;

(i) The average rate must include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions;

(ii) The average rate must be adjusted downward to exclude any non-compliant emissions that occurred while the source was operating above an emission limitation that was legally enforceable during the consecutive 12-month period;

(iii) The average rate will be reduced by any emission reductions required under a rule, order, or permit condition issued by the EQC or DEQ and required by the SIP or used to avoid any state (e.g., NSR) or federal requirements (e.g., NSPS, NESHAP) that took effect during or after the selected consecutive 12-month period and before either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by DEQ for a permit action subject to this division, whichever is earlier;

 (iv) For a regulated NSR pollutant, when a physical change or change in the method of operation involves multiple emissions units, only one consecutive 12-month period must be used to determine the pre-change emissions for the emissions units being changed. A different consecutive 12-month period can be used for each regulated NSR pollutant; and

(v) The average rate shall not be based on any consecutive 12-month period for which there is inadequate information for determining annual emissions, in tons per year, and for adjusting this amount if required by subparagraphs (ii) and (iii).

(D) If there is a pre-change unit-specific limit on the unit’s emissions, the emission increase equals the unit’s post-change PTE minus the pre-change limit on the unit’s emissions, adjusted per paragraph () if applicable;

(E) DEQ may approve alternative calculations if paragraphs (B) through (D) cannot reasonably be applied.

(F) The pre-change emission rate will be reduced by any emission reductions required under a rule, order, or permit condition issued by the EQC or DEQ and required by the SIP or used to avoid any state (e.g., NSR) or federal requirements (e.g., NSPS, NESHAP) that took effect before either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by DEQ for a permit action subject to this division, whichever is earlier;

(c) For purposes of this section:

(A) Emission increases due solely to increased use of equipment or facilities that existed or were permitted or approved to construct in accordance with OAR 340 division 210 during the applicable baseline period are not included, except if the increased use is to support a physical change or change in the method of operation.

B) If a portion of the netting basis or PSEL or both was set based on PTE because the source had not begun normal operations but was permitted or approved to construct and operate, that portion of the netting basis or PSEL or both must be excluded until the netting basis is reset as specified in OAR 340-222-0046(3)(d) and 340-222-0051(3).

(3) For a source that obtained a permit to construct and operate after the applicable baseline period but has not undergone Major NSR or Type A State NSR action under OAR 340 division 224, any change, including production increases, that would result in a PSEL increase of the de minimis level or more for any regulated pollutant at a federal major source in attainment, unclassified or sustainment areas or for any regulated pollutant for which the source is a major source in nonattainment, reattainment, or maintenance areas.

(a) This section does not apply to PM2.5 and greenhouse gases.

(b) Changes to the PSEL solely due to the availability of more accurate and reliable emissions information are exempt from being considered an increase under this section.

(4) Major modifications for ozone precursors or PM2.5 precursors also constitute major modifications for ozone and PM2.5, respectively.

(5) The following are not major modifications:

(a) Except as provided in section (3), increases in hours of operation or production rates that would cause emission increases above the levels allowed in a permit but would not involve a physical change or change in method of operation of the source.

(b) Routine maintenance, repair, and replacement of components.

(c) Temporary equipment installed for maintenance of the permanent equipment if the temporary equipment is in place for less than six months and operated within the permanent equipment's existing PSEL.

(d) Use of alternate fuel or raw materials, that were available during, and that the source would have been capable of accommodating in the baseline period.

(6) When more accurate or reliable emissions information becomes available, a recalculation of the PSEL, netting basis, and increases/decreases in emissions must be performed to determine whether a major modification has occurred.

**NOTE:** This rule was moved verbatim from OAR 340-200-0020(71) and amended.

**NOTE:** This rule is included in the State of Oregon Clean Air Act Implementation Plan that EQC adopted under OAR 340-200-0040.

Stat. Auth.: ORS 468.020, 468A.025, 468A.035, 468A.040, 468A.050, 468A.055 & 468A.070
Stats. Implemented: ORS 468A