

INTER-OFFICE COMMUNICATION

TO: Stationary Sources Program and Local Agencies

FROM: Jim Geier/Dennis Myers

DATE: September 11, 1995
REISSUED: November 13, 1997 For New APEN Exemption/EPA Policy

RE: **PS-Memo 95-9 Emergency Generators**

Since 1980 Regulation 3 has contained a construction permit exemption for emergency generators which operate less than 250 hours per year (Part B.III.D.1.c.(ii)). Most emergency generators fell under this exemption and were required to file APENs. The current language for this exemption was modified in 1996. The modified language says that the construction permit exemption can only be taken if the generators "are required under a federally enforceable limit to operate no more than 250 hours per year". The problem is that there is no federally enforceable limit requiring operation to be less than 250 hours per year, so the effect is to eliminate the exemption. This wording was added by an external party at the 'last minute', for some unknown reason.

At the same 1996 hearing the Commission passed new APEN exemptions (and consequently a construction permit exemption) for emergency generators contained in Part A.II.D.1.ttt. These exemptions are for emergency generators which:

- ▶ **have a rated horsepower of less than 260; or**
- ▶ **operate no more than 250 hours per year and have a rated horsepower of less than 737; or**
- ▶ **operate no more than 100 hours per year and have a rated horsepower of less than 1840.**

There is no definition of emergency generator in the rules so for purposes of this memo the EPA definition will be used which limits applicability to: "a generator whose sole function is to provide backup power when electric power from the local utility is interrupted"

Since the old construction permit exemption was nullified these APEN exemptions are now the only exemptions for emergency generators. Sources claiming this exemption should be advised to keep records of actual operating hours to demonstrate that they qualify for this exemption. The APEN exemption does not state that these records must be kept. These same three categories of generators are also considered insignificant activities for operating permit purposes and are listed in Part C.II.E.3.nnn.

Inquiring minds may ask the question - Who really cares about emergency generators, since they typically only operate an hour or so weekly for the purpose of making sure that they'll work in the event of a real emergency? The answer is that they are probably not a significant air quality problem, but because federal permitting rules require that major sources be determined based on potential to emit (PTE), they end up being evaluated as if they operate continuously. Considering

continuous operation these generators could push otherwise minor sources into the major source category.

The Division considers the APEN exemptions to limit the PTE of a generator to the emissions created by operating the given number of hours per year, providing records are kept of the actual operating hours.

Since many states did not provide exemptions for emergency generators based on the number of operating hours the EPA issued guidance regarding emergency generators on September 6, 1995. The guidance states that it is now EPA policy that emergency generators need not be evaluated at 8760 hours per year when determining potential to emit (PTE). Rather emergency generators should be considered to run no more than 500 hours per year and the PTE should be evaluated on that basis. This policy applies only to emergency generators and not other types of internal combustion engines. For the purposes of this policy emergency generator means "a generator whose sole function is to provide backup power when electric power from the local utility is interrupted". The full text of the EPA memo on this topic can be found on the EPA TTN web site at <http://www.epa.gov/ttn/oarpg/memos.html>. The memo is titled Calculating Potential to Emit for Emergency Generators.

CONCLUSION

For purposes of major source applicability evaluate emissions from emergency generators at the number of operating hours limited by the APEN exemptions and assume that the source keeps records of hours of operation. For 260 HP and smaller evaluate the emissions at 500 hours per year per the EPA policy.

If the emergency generator operates more hours than noted in the APEN exemption a construction permit should be issued at the requested number of operating hours. Also, remember the catchall provision, because it could override all exemptions and require a permit if by taking the APEN exemption major source status would be avoided (see example below).

Sources with several emergency generators on site need to be aware that this policy still requires that emissions resulting from the given number of operating hours still have to be considered in determining if a source is major.

This policy only applies to emergency generators that meet the definition in this memo. If the emergency generator also operates to provide peaking power to an electric utility, it is no longer considered an emergency generator.

Example: A source has emission units which have a PTE of 95 TPY NO_x without including a 250 HP emergency generator on site. The PTE for the 250 HP emergency generator is 6 TPY NO_x when operating 500 hours per year. Because the total PTE, considering the emergency generator, is now over 100 TPY the source will need to submit an APEN for the generator and will want to obtain a construction permit for it to keep the entire facility a synthetic minor at less than 100 TPY of NO_x. If synthetic minor status cannot be obtained due to the need for more operating hours a major source permit would have to be obtained.

FUTURE ACTIONS

To simplify the requirements and be consistent with EPA the Division will recommend that the Commission revise the APEN exemptions for emergency generators to create a 500 hour or less operating hour exemption for **all** emergency generators, with a requirement to keep a log of actual operating hours. This rule change will not occur until Spring 1998 at the earliest, assuming it is approved by the Commission.