

**INTER-OFFICE COMMUNICATION**

TO: Stationary Sources Program and Local Agencies

FROM: Jim Geier/Dave Ouimette

DATE: April 28, 1997

RE: **PS-Memo 97 - 1** APEN exempt emission units and Synthetic Minor Permits

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In order to avoid major source status and the associated permitting requirements, many sources choose to obtain synthetic minor permits. These permits place restrictions on emissions, raw materials processed, production rates or hours of operation. Synthetic minor permits are typically issued to allow a source to avoid being a:

- < Major source subject to PSD or nonattainment major new source review
- < Major source of Hazardous Air Pollutants at 10 or 25 tons per year
- < Major source for purposes of operating permits at 100 TPY for a criteria pollutant
- < Major modification at an existing major source

Currently the construction permit and APEN rules allow a source to take numerous APEN exemptions for categories of emission units which have 'insignificant' emissions. The rules also include the 'catchall provision' which says that an emission unit may not be exempted if its potential to emit would make the otherwise minor source major. A simple example would be a new facility with a large boiler which has a PTE of 99 tons per year of NO<sub>x</sub>. The facility also has several smaller boilers burning natural gas each rated at less than 5 million Btu per hour, which they claim to be APEN exempt. During the preliminary analysis the review engineer determines that the PTE for the 5 small boilers is 8 tons per year of NO<sub>x</sub>. As a result the engineer notifies the company that they may not take the APEN exemptions because the PTE is now over 100 TPY and a major source permit must be obtained.

Recently a couple of questions have arisen about synthetic minor permits which are close to major source levels. The first question is - How should APEN exempt emission units be addressed when processing a synthetic minor permit? The second question is - What emission information and record keeping should be required of a source to demonstrate that APEN exempt sources do not 'push' the source into major source status?

In order to conserve resources for both the source and the inspector the following policy is being implemented effective immediately. This policy will allow the focus of permitting and inspection work to be the larger emission units.

**POLICY**

Synthetic minor permits will only be issued under the following criteria.

1. Sources may be issued a synthetic minor criteria pollutant permit up to 99 TPY (assuming a 100 TPY major source level) or up to 249 TPY (for 250 TPY majors) if they accept a condition requiring them to track all insignificant activities' actual emissions on a yearly

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basis and provide this information to inspectors as requested. The records must demonstrate that the sum of all emissions from insignificant activities is below one TPY for any pollutant limited to 99 or 249 TPY.

2. Sources may be issued a synthetic minor permit at 10% or more below the synthetic minor level for criteria pollutants (90 TPY or 225 TPY) with no requirement to calculate and record the emissions from insignificant activities.
3. For hazardous pollutant sources synthetic minor permits will be issued at levels up to 20% below the major source levels (8.0 TPY for individual HAP or 20.0 TPY total HAPs) if the source chooses not to track insignificant activities.
4. For HAPs a source may be issued a synthetic minor permit up to 9.0 TPY for an individual HAP or up to 24.0 TPY total HAPs if they accept a requirement to track annual HAP emissions from APEN exempt units and provide records of those emissions showing them to be less than 1 TPY.
5. For HAPs or criteria pollutants the source can calculate the PTE for all APEN exempt activities and subtract this amount from the major source level to establish a facility wide emission limit. The source would not be required to track emissions from the exempt emission points. In this case the source may want to also provide a buffer for the addition of new exempt equipment so that the permit would not have to be modified in the future.
6. For sources wishing to avoid major modification requirements by applying for a synthetic minor, permits will be issued at 10% less than the significant emission level contained in Reg 3 Part A § I.B.58, with no requirement to track APEN exempt sources. Or the source may receive a synthetic minor permit at one ton less than the significant emission level with the requirement to track the exempt sources. In these cases the exempt emission points are those associated with the modification and not all exempt emission points at the source.
7. Major sources do not need to track emissions from APEN exempt units, unless they also have a synthetic minor permit which may affect some specific emission units (see last paragraph).

Implementation of this policy will focus on the pollutants for which the source is a synthetic minor. For example, if a source has a permit for up to 99 TPY of NO<sub>x</sub> and 5 TPY of VOC, records would have to be kept for APEN exempt units emitting NO<sub>x</sub>, but would not have to be kept for VOC sources, since it is not a synthetic minor for VOC.

There may also be other situations where an existing major source will have one or more synthetic minor permits associated with it. Care should be taken during the permit review to identify any APEN exempt units, associated with the new permitted emission unit, which will need to be tracked. Issuance of a synthetic minor permit for new equipment at an existing major source does not mean that all previously exempted emission units now need to be tracked, only those associated with the new project.