

**Iowa Department of Natural Resources
Environmental Protection Commission**

ITEM

8

DECISION

TOPIC

Final Rules – Chapters 22 and 28–Revisions to Permitting Exemptions and Title V Insignificant Activities to Implement New Air Quality Standards

The Department is requesting permission from the Commission to adopt amendments to Chapter 22 "Controlling Pollution," and Chapter 28, "Ambient Air Quality Standards," of 567 Iowa Administrative Code.

Reason for Rulemaking

The Department is requesting Commission approval for rule revisions to account for recent changes that EPA made to the National Ambient Air Quality Standards (NAAQS) for the following air pollutants:

- **PM_{2.5}** (particulate matter less than or equal to 2.5 micrograms in diameter), revised in 2006;
- **Lead**, revised in 2008; and
- **SO₂** (sulfur dioxide), revised in 2010.

The Department is revising subset of the rules for air construction permits and the rules for Title V operating permits to set appropriate emission thresholds and operating conditions to protect public health. The Department is also revising the spray booth "permit by rule" to protect public health. Additionally, the Department is updating the adoption by reference of the new NAAQS.

Summary of Rule Changes

- Chapter 22: Revise a subset of the listed construction permitting exemptions to set appropriate emissions thresholds and operating conditions for PM_{2.5} and lead.
- Chapter 22: Update the Title V program "insignificant activities" to set appropriate emissions thresholds and operating conditions for PM_{2.5} and lead. These changes correspond with the changes proposed for the construction permit exemptions.
- Chapter 22: Revise rules for the spray booth "permit by rule" (PBR) to add content limits for lead-containing spray materials.
- Chapter 28: Adopt by reference the new federal SO₂ NAAQS and remove the use of PM₁₀ (particulate matter with a diameter of 10 microns or less) as a surrogate for the annual PM_{2.5} NAAQS.

Affected Sources

The rule changes affect facilities with new or modified equipment emitting PM_{2.5} or lead if the facility owner or operator chooses to use the exemptions or insignificant activities. The changes do not apply to existing equipment unless the equipment is reconstructed or modified. The rule

changes will also apply to owner or operators of facilities that spray lead-containing materials and apply for a permit by rule.

Need for Final Rules

If the Commission does not adopt these rule changes, smaller facilities (minor sources) would not be sufficiently restricted from using the exemptions and would potentially consume air resources. Consumption of air resources may potentially limit larger industrial facilities from making desired changes.

These rule updates are necessary for the Department to fully implement the recent NAAQS changes. Once adopted, the Department will provide the rules to EPA Region 7 to become part of Iowa's State Implementation Plan (SIP) to maintain air quality in the state. EPA is requiring Iowa to have an approved SIP for PM2.5 in place by October 11, 2013, or face EPA imposing a Federal Implementation Plan (FIP) for PM2.5.

Summary of rulemaking activities

On May 21, 2013, the Commission approved the Department's request to publish the Notice of Intended Action and to accept formal public comments on the proposal. The Notice of Intended Action was published in the Iowa Administrative Bulletin as [ARC 0785C](#) on June 12, 2013. The Department held a public hearing on July 15, 2013, and accepted written public comments through July 15, 2013. The Department did not receive any comments at the public hearing. The Department received one comment before the close of the public comment period (see attached Public Participation Responsiveness Summary).

After the close of the public comment period, the Department received an informal inquiry from a member of the public concerning the intent of the term "constructed" as it relates to the construction permit exemptions being amended. In response to the inquiry, the Department made minor changes to the final rules to clarify the intent of the rule changes. The changes are described in the preamble of the attached Adopted & Filed rules.

If the Commission approves the final rules, the Adopted and Filed rules will be published on September 18, 2013, and will become effective on October 23, 2013.

The Adopted and Filed rules, Jobs Impact Statement, Fiscal Impact Statement, and Public Participation Responsiveness Summary are attached.

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Environmental Specialist Senior
Program Development Section, Air Quality Bureau
Memo date: July 29, 2013

ENVIRONMENTAL PROTECTION COMMISSION[567]

Adopted and Filed

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission (Commission) hereby amends Chapter 22, “Controlling Pollution,” and Chapter 28, “Ambient Air Quality Standards,” Iowa Administrative Code.

The purpose of the amendments is for the Commission and the Department of Natural Resources (Department) to revise the administrative rules as necessary to allow for implementation of new and revised air quality standards, also known as National Ambient Air Quality Standards or NAAQS. In consultation with stakeholders, the Commission and the Department are seeking to make the changes necessary to maintain air quality and protect the public health, while minimizing the regulatory impact to the extent possible.

Notice of Intended Action was published in the Iowa Administrative Bulletin on June 12, 2013, as **ARC 0785C**, and a public hearing was held on July 15, 2013, in Windsor Heights, Iowa. The Department of Natural Resources (Department) received no comments at the public hearing. The Department received one written comment prior to the July 15, 2013, deadline for public comments. The Department’s Public Participation Responsiveness Summary is available from the Department upon request.

After the close of the public comment period, the Department received an informal inquiry from a member of the public concerning the intent of the term “constructed” as it relates to the construction permit exemptions being amended. In response to the inquiry, the Department made minor changes to the adopted amendments in Item 1 and Item 3 to clarify the intent of the rule changes. The changes are described in the preamble description for Item 1 and Item 3 below.

Summary of Rule Changes

As part of the Department's implementation of the new federally mandated NAAQS for fine particulate matter (PM_{2.5}), lead, and sulfur dioxide (SO₂), the Commission is revising a subset of the air construction permit exemptions and Title V "insignificant activities" specified in Chapter 22 to set appropriate emissions thresholds and operating conditions to sufficiently protect public health. The Commission is also revising the spray booth "permit by rule" specified in Chapter 22 to sufficiently protect public health by adding content limits for lead-containing spray materials. Additionally, the Commission is revising Chapter 28 to adopt by reference the new NAAQS for SO₂ and to remove the use of PM₁₀ (particulate matter with a diameter of 10 microns or less) as a surrogate for the annual standard of the PM_{2.5} NAAQS.

During the period from 2006 through 2010, the U.S. Environmental Protection Agency (EPA) revised the NAAQS for PM_{2.5}, lead, and SO₂. In each instance, EPA strengthened the NAAQS for these pollutants based on reviews of the latest public health information and scientific data. The Commission already adopted the new lead NAAQS in a previous rule making (see **ARC 8215B**, IAB 10/7/09). Also in previous rule makings, the Commission adopted changes to the Prevention of Significant Deterioration (PSD) program and to stack test methods necessary to implement the new PM_{2.5} NAAQS (see **ARC 0260C**, IAB 8/8/12, and **ARC 0330C**, IAB 9/9/12, respectively).

The amendments in this rule making will set appropriate thresholds for new or modified equipment emitting lower levels of PM_{2.5} or lead to be exempt from construction permitting. Additionally, these amendments will update emissions thresholds for PM_{2.5} and lead for Title V insignificant activities (facilities are not required to pay Title V fees for insignificant activities). The amendments impact any owner or operator of a facility with new or modified equipment

emitting PM_{2.5} or lead if that owner or operator wishes to use the exemptions or insignificant activities provisions.

PM_{2.5} NAAQS

EPA first created an air quality standard in 1997 for PM_{2.5} in order to protect the public from the adverse impacts of PM_{2.5} on human health. EPA strengthened the 24-hour averaged PM_{2.5} standard in 2006 based on reviews of the latest public health information and scientific data, reducing the acceptable level of PM_{2.5} that humans can be exposed to from 65 micrograms per cubic meter of air ($\mu\text{g}/\text{m}^3$) to 35 $\mu\text{g}/\text{m}^3$ of air.

In an effort to better address a wide range of concerns and issues about PM_{2.5}, the Department formed a workgroup in 2010 for stakeholders to provide input and explore approaches for implementing the PM_{2.5} NAAQS in Iowa. The Department has traditionally requested stakeholder input when implementing a new standard. This approach was formalized in 2010 with the enactment of Iowa Code section 455B.134(14).

The workgroup consisted of approximately 120 members, with representative stakeholder participation from industry and business, trade groups and associations, environmental groups, and local and state agencies. Many of the amendments included in this rule making related to PM_{2.5} are based on recommendations of the workgroup.

The Department's final report to the Governor and General Assembly, "Implementing the PM_{2.5} Ambient Air Quality Standard in the State of Iowa," is available at http://www.iowadnr.gov/portals/idnr/uploads/air/insidednr/stakeholder/pm25/pm25_implementation_report.pdf?amp;tabid=1567.

Lead NAAQS

On October 15, 2008, EPA finalized new NAAQS for lead. The level of the standard was

revised from 1.5 $\mu\text{g}/\text{m}^3$ of air to 0.15 $\mu\text{g}/\text{m}^3$ of air. The Department has determined that some of the exemptions from construction permitting specified in administrative rules are not sufficiently protective of the lead NAAQS. To provide regulatory flexibility, the Department seeks, to the extent possible, to retain the availability of the construction permit exemptions. The amendments to the exemptions from construction permitting will provide the opportunity for owners and operators of lower-emitting lead sources to be exempt from the requirement to apply for construction permits.

SO₂ NAAQS

On June 3, 2010, EPA finalized revisions to the primary SO₂ NAAQS to strengthen the standard to adequately protect public health. Specifically, EPA established a new 1-hour SO₂ NAAQS at a level of 75 parts per billion (ppb). EPA also revoked both the existing 24-hour and annual primary SO₂ NAAQS.

As required by Iowa Code section 455B.134(14), the Department solicited input from stakeholders at its quarterly air quality client contact meetings and issued a report to the Governor and the General Assembly. The Department discussed the new SO₂ NAAQS and possible rule changes with stakeholders at its air quality client contact meetings in February, May, and September 2012. The Department's final report to the Governor and General Assembly, "Review of Emission Limitations and Standards for the Revised NO₂ and SO₂ National Ambient Air Quality Standards," is available from the Department upon request.

To provide regulatory flexibility, the Department seeks, to the extent possible, to retain the availability of the construction permit exemptions for low-emitting sources of SO₂.

In this rule making, the Commission is adopting the following amendments:

Item 1 amends subrule 22.1(2) to modify the requirements for several of the specific

exemptions from the requirement to obtain an air construction permit. The amendment adds emission thresholds for PM_{2.5} to existing exemptions and adds operating limits to other exemptions that will limit PM_{2.5} emissions from those activities to sufficiently protect public health. The amendment also revises emission thresholds and operating limits for lead to sufficiently protect public health. The amendment will allow owners and operators of activities with low emissions to continue to be exempt from the requirement to obtain an air construction permit.

The amendment will revise the construction permit exemptions (set out in lettered paragraphs in subrule 22.1(2)) as they apply to new or modified equipment, operations, or facilities as follows:

- Fuel-burning equipment for indirect heating or cooling (paragraph “b”): Removes coal as an allowed fuel, adds operating limits for used oil and for vegetative matter (“biomass,” such as seeds and pellets). (The PM_{2.5} Stakeholder Workgroup recommended removing coal from this exemption.)
- Incinerators and pyrolysis cleaning furnaces (paragraph “e”): Removes incinerators from the exemption, changes the description of “pyrolysis units” to “paint clean-off ovens,” and limits the exemption to combustible materials that do not contain lead.
- One pound per hour exemption (paragraph “i”): Discontinues use of this exemption for new or modified equipment. (The PM_{2.5} Stakeholder Workgroup made this recommendation.)
- Small unit exemption (paragraph “w”): Adds allowable emission rates for PM_{2.5} and lowers the allowable emission rates for lead. (The PM_{2.5} Stakeholder Workgroup provided this recommendation.)

- Production welding (paragraph “ff”): Revises quantity limits on electrodes to limit emissions of PM_{2.5} and lead. (The PM_{2.5} Stakeholder Workgroup developed the new formula.)
- Soldering (paragraph “gg”): Adds operating limits for lead-containing solder.
- Research and development (paragraph “kk”): Revises the allowable actual emission levels for PM_{2.5} and lead to correspond to the levels proposed for the small unit exemption (paragraph “w”). (The PM_{2.5} Stakeholder Workgroup recommended the emission limits for PM_{2.5}.)

The changes to subrule 22.1(2) in Item 1 will apply only to new facilities and new or modified emission units constructed, installed or modified after the effective date of the adopted amendment (October 23, 2013). The changes will not apply retroactively to existing equipment.

After the close of the public comment period, the Department received an informal inquiry from a member of the public concerning the intent of the term “constructed” as it relates to this amendment. The member of the public asked whether the owner or operator needs to have started construction on the facility, operation, or equipment on or before October 23, 2013, for the equipment or facility to be considered “constructed.” Alternatively, does the owner or operator need to have completed the construction or actually started up the facility or equipment for the facility or equipment to be considered “constructed?” In response to the inquiry, the Department made minor changes to the adopted amendment to clarify that the owner or operator needs to have “initiated construction, installation, reconstruction, or alteration,” as defined in 567—20.2(455B), for the facility or equipment to meet the pre-October 23, 2013 exemption requirements under the amendment.

If the changes proposed in Item 1 were not adopted, smaller facilities (minor sources) would not be sufficiently restricted from using the construction permit exemptions and would

potentially consume air resources. Consumption of air resources could potentially limit larger industrial facilities from making desired changes.

Item 2 amends rule 567—22.8(455B), which specifies the requirements for the permit by rule for spray booths. The amendment adds maximum lead content limits for lead-containing sprayed materials. The proposed changes apply to new facilities or new uses of lead spray materials for operations constructed or installed after the effective date of the adopted amendment.

In response to the public inquiry related to the amendment in Item 1 described above, the Department made corresponding changes to the amendment in Item 2.

Item 3 amends subrule 22.103(2) to modify the requirements for insignificant activities for the Title V operating permit. The proposed changes to insignificant activities correspond to the changes proposed for the construction permit exemptions described in Item 1. Although owners and operators are required to include insignificant activities in the Title V application, activities that meet the conditions in subrule 22.103(2) do not need to be included in the Title V facility's annual emissions inventory and are not assessed any Title V fees. The proposed changes will affect Title V permit applications, modifications and renewals after the effective date of the adopted amendment (October 23, 2013).

In response to the public inquiry related to the amendment in Item 1 described above, the Department made corresponding changes to the amendment in Item 3.

Item 4 amends rule 567—28.1(455B) to adopt by reference the revised NAAQS for SO₂ and to remove the use of PM₁₀ as a surrogate for the annual PM_{2.5} NAAQS. The Department adopted the revised NAAQS for lead in a previous rule making.

Jobs Impact Statement

After analysis and review of this rule making, the Department has determined that jobs could be impacted. However, the amendments are implementing federally mandated regulations. This rule making does not impose on Iowa businesses any regulations not required by federal law.

The Department is minimizing the impact of the federal regulations to the greatest extent possible by establishing exemption levels for PM_{2.5} and lead. Further, equipment emitting PM_{2.5} or lead for which the owner or operator initiates construction, installation, reconstruction, or alteration on or before October 23, 2013, will be unaffected by these amendments. Only equipment constructed, installed, reconstructed, or altered after October 23, 2013, will be affected.

In consultations with stakeholders in the PM_{2.5} Stakeholder Workgroup, air quality client contact meetings and many other forums, the Department identified equipment and activities emitting low levels of PM_{2.5} or lead that could be exempt from the requirement to obtain an air construction permit. Additionally, the Department identified insignificant activities emitting low levels of PM_{2.5} or lead that could be excluded from annual Title V fee calculations.

To qualify for an exemption or insignificant activity status, owners and operators of low-emitting equipment may need to perform calculations or keep additional records, which may require additional expenditures or resources. However, the Department expects that any potential cost impact or jobs impact will be less than the impacts associated with preparing a construction permit application or Title V permit application or with paying annual Title V fees.

These amendments are intended to implement Iowa Code section 455B.133.

These amendments will become effective on October 23, 2013.

The following amendments are adopted.

ITEM 1. Amend subrule 22.1(2) as follows:

22.1(2) Exemptions. The requirement to obtain a permit in ~~567~~—subrule 22.1(1) is not required for the equipment, control equipment, and processes listed in this subrule. The permitting exemptions in this subrule do not relieve the owner or operator of any source from any obligation to comply with any other applicable requirements. Equipment, control equipment, or processes subject to rule ~~567~~—22.4(455B) and ~~567~~—Chapter 33, prevention of significant deterioration requirements, or rule ~~567~~—22.5(455B), special requirements for nonattainment areas, may not use the exemptions from construction permitting listed in this subrule. Equipment, control equipment, or processes subject to ~~567~~—subrule 23.1(2), new source performance standards (40 CFR Part 60 NSPS); ~~567~~—subrule 23.1(3), emission standards for hazardous air pollutants (40 CFR Part 61 NESHAP); ~~567~~—subrule 23.1(4), emission standards for hazardous air pollutants for source categories (40 CFR Part 63 NESHAP); or ~~567~~—subrule 23.1(5), emission guidelines, may still use the exemptions from construction permitting listed in this subrule provided that a permit is not needed to create federally enforceable limits that restrict potential to emit. If equipment is permitted under the provisions of rule ~~567~~—22.8(455B), then no other exemptions shall apply to that equipment.

Records shall be kept at the facility for exemptions that have been claimed under the following paragraphs: 22.1(2)“a” (for equipment > 1 million Btu per hour input), 22.1(2)“b,” 22.1(2)“e,” 22.1(2)“r” or 22.1(2)“s.” The records shall contain the following information: the specific exemption claimed and a description of the associated equipment. These records shall be made available to the department upon request.

The following paragraphs are applicable to paragraphs 22.1(2)“g” and “i.” A facility claiming to be exempt under the provisions of paragraph 22.1(2)“g” or “i” shall provide to the department the information listed below. If the exemption is claimed for a source not yet constructed or modified, the information shall be provided to the department at least 30 days in advance of the beginning of construction on the project. If the exemption is claimed for a source that has already been constructed or modified and that does not have a construction permit for that construction or modification, the information listed below shall be provided to the department within 60 days of March 20, 1996. After that date, if the exemption is claimed by a source that has already been constructed or modified and that does not have a construction permit for that construction or modification, the source shall not operate until the information listed below is provided to the department:

- A detailed emissions estimate of the actual and potential emissions, specifically noting increases or decreases, for the project for all regulated pollutants (as defined in rule 567—22.100(455B)), accompanied by documentation of the basis for the emissions estimate;
- A detailed description of each change being made;
- The name and location of the facility;
- The height of the emission point or stack and the height of the highest building within 50 feet;
- The date for beginning actual construction and the date that operation will begin after the changes are made;
- A statement that the provisions of rules 567—22.4(455B) and 567—22.5(455B) and 567—Chapter 33 do not apply; and
- A statement that the accumulated emissions increases associated with each change

under paragraph 22.1(2)“i,” when totaled with other net emissions increases at the facility contemporaneous with the proposed change (occurring within five years before construction on the particular change commences), have not exceeded significant levels, as defined in 40 CFR 52.21(b)(23) as amended through ~~March 12, 1996~~, October 20, 2010, and adopted in rule 567—22.4(455B), and will not prevent the attainment or maintenance of the ambient air quality standards specified in 567—Chapter 28. This statement shall be accompanied by documentation for the basis of these statements.

The written statement shall contain certification by a responsible official as defined in rule 567—22.100(455B) of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

- a. No change.
- b. Fuel-burning equipment for indirect heating or cooling with a capacity of less than 1 million Btu per hour input per combustion unit when burning ~~coal~~, untreated wood, untreated seeds or pellets, other untreated vegetative materials, or fuel oil provided that the equipment and the fuel meet the conditions specified in this paragraph. Used oils meeting the specification from 40 CFR 279.11 as amended through May 3, 1993, are acceptable fuels for this exemption. When combusting used oils, the equipment must have a maximum rated capacity of 50,000 Btu or less per hour of heat input or a maximum throughput of 3,600 gallons or less of used oils per year. When combusting untreated wood, untreated seeds or pellets, or other untreated vegetative materials, the equipment must have a maximum rated capacity of 265,600 Btu or less per hour or a maximum throughput of 378,000 pounds or less per year of each fuel or any combination of fuels. Records shall be maintained on site by the owner or operator for at

least two calendar years to demonstrate that fuel usage is less than the exemption thresholds. Owners or operators initiating construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) of equipment on or before October 23, 2013, burning coal, used oils, untreated wood, untreated seeds or pellets, or other untreated vegetative materials that qualified for this exemption may continue to claim this exemption after October 23, 2013, without being restricted to the maximum heat input or throughput specified in this paragraph.

c. and *d.* No change.

e. Incinerators and pyrolysis cleaning furnaces with a rated refuse burning capacity of less than 25 pounds per hour for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013. Pyrolysis cleaning furnace exemption is limited to those units that use only natural gas or propane. Salt bath units are not included in this exemption. Incinerators or pyrolysis cleaning furnaces for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall not qualify for this exemption. After October 23, 2013, only paint clean-off ovens with a maximum rated capacity of less than 25 pounds per hour that do not combust lead-containing materials shall qualify for this exemption.

f. to *h.* No change.

i. ~~Construction, installation, reconstruction, or modification or alteration~~ Initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) to equipment on or before October 23, 2013, which will not result in a net emissions increase (as defined in paragraph 22.5(1)“f”) of more than 1.0 lb/hr of any regulated air pollutant (as defined in rule 567—22.100(455B)). Emission reduction achieved through the installation of control

equipment, for which a construction permit has not been obtained, does not establish a limit to potential emissions.

Hazardous air pollutants (as defined in rule 567—22.100(455B)) are not included in this exemption except for those listed in Table 1. Further, the net emissions rate INCREASE must not equal or exceed the values listed in Table 1.

Table 1

Pollutant	Ton/year
Lead	0.6
Asbestos	0.007
Beryllium	0.0004
Vinyl Chloride	1
Fluorides	3

This exemption is ONLY applicable to vertical discharges with the exhaust stack height 10 or more feet above the highest building within 50 feet. If a construction permit has been previously issued for the equipment or control equipment, the conditions of the construction permit remain in effect. In order to use this exemption, the facility must comply with the information submission to the department as described above.

The department reserves the right to require proof that the expected emissions from the source which is being exempted from the air quality construction permit requirement, in conjunction with all other emissions, will not prevent the attainment or maintenance of the ambient air quality standards specified in 567—Chapter 28. If the department finds, at any time after a change has been made pursuant to this exemption, evidence of violations of any of the department's rules, the department may require the source to submit to the department sufficient

information to determine whether enforcement action should be taken. This information may include, but is not limited to, any information that would have been submitted in an application for a construction permit for any changes made by the source under this exemption, and air quality dispersion modeling.

Equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall not qualify for this exemption.

j. to *v.* No change.

w. Small unit exemption.

(1) “Small unit” means any emission unit and associated control (if applicable) that emits less than the following:

1. ~~40~~ 2 pounds per year of lead and lead compounds expressed as lead (40 pounds per year of lead or lead compounds for equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013);

2. 5 tons per year of sulfur dioxide;

3. 5 tons per year of nitrogen oxides;

4. 5 tons per year of volatile organic compounds;

5. 5 tons per year of carbon monoxide;

6. 5 tons per year of particulate matter (particulate matter as defined in 40 CFR Part 51.100(pp));

7. 2.5 tons per year of ~~PM₁₀~~ PM₁₀; ~~or~~

8. ~~5 tons per year of hazardous air pollutants (as defined in rule 567—~~

~~22.100(455B))~~. 0.52 tons per year of PM_{2.5} (does not apply to equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013); or

9. 5 tons per year of hazardous air pollutants (as defined in rule 567—22.100(455B)).

For the purposes of this exemption, “emission unit” means any part or activity of a stationary source that emits or has the potential to emit any pollutant subject to regulation under the Act. This exemption applies to existing and new or modified “small units.”

An emission unit that emits hazardous air pollutants (as defined in rule 567—22.100(455B)) is not eligible for this exemption if the emission unit is required to be reviewed for compliance with 567—subrule 23.1(3), emission standards for hazardous air pollutants (40 CFR 61, NESHAP), or 567—subrule 23.1(4), emission standards for hazardous air pollutants for source categories (40 CFR 63, NESHAP).

An emission unit that emits air pollutants that are not regulated air pollutants as defined in rule 567—22.100(455B) shall not be eligible to use this exemption.

(2) to (5) No change.

(6) For the purposes of this paragraph, “substantial small unit” means a small unit which emits more than the following amounts, as documented in the exemption justification document:

1. ~~30~~ 2 pounds per year of lead and lead compounds expressed as lead (30 pounds per year of lead or lead compounds for equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013);

2. 3.75 tons per year of sulfur dioxide;
3. 3.75 tons per year of nitrogen oxides;
4. 3.75 tons per year of volatile organic compounds;
5. 3.75 tons per year of carbon monoxide;
6. 3.75 tons per year of particulate matter (particulate matter as defined in 40 CFR

Part 51.100(pp));

7. 1.875 tons per year of ~~PM10~~ PM₁₀; ~~or~~
8. ~~3.75 tons per year of any hazardous air pollutant or 3.75 tons per year of any combination of hazardous air pollutants.~~ 0.4 tons per year of PM_{2.5} (does not apply to equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013); or
9. 3.75 tons per year of any hazardous air pollutant or 3.75 tons per year of any combination of hazardous air pollutants.

An emission unit is a “substantial small unit” only for those substances for which annual emissions exceed the above-indicated amounts.

(7) No change.

(8) “Cumulative notice threshold” means the total combined emissions from all substantial small units using the small unit exemption which emit at the facility the following amounts, as documented in the exemption justification document:

1. 0.6 tons per year of lead and lead compounds expressed as lead;
2. 40 tons per year of sulfur dioxide;
3. 40 tons per year of nitrogen oxides;
4. 40 tons per year of volatile organic compounds;

5. 100 tons per year of carbon monoxide;

6. 25 tons per year of particulate matter (particulate matter as defined in 40 CFR Part 51.100(pp));

7. 15 tons per year of ~~PM₁₀~~ PM₁₀; ~~or~~

8. ~~10 tons per year of any hazardous air pollutant or 25 tons per year of any combination of hazardous air pollutants.~~ 10 tons per year of PM_{2.5} (does not apply to equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013); or

9. 10 tons per year of any hazardous air pollutant or 25 tons per year of any combination of hazardous air pollutants.

x. to ee. No change.

ff. Production welding.

(1) Consumable electrode.

1. Welding operations for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013, using a consumable electrode, provided that the consumable ~~electrodes~~ electrode used ~~fall~~ falls within American Welding Society specification A5.18/A5.18M for Gas Metal Arc Welding (GMAW), A5.1 or A5.5 for Shielded Metal Arc Welding (SMAW), and A5.20 for Flux Core Arc Welding (FCAW), and provided that the quantity of all electrodes used at the stationary source of the acceptable specifications is below 200,000 pounds per year for GMAW and 28,000 pounds per year for SMAW or FCAW. Records that identify the type and annual amount of welding electrode used shall be maintained on site by the owner or operator for a period of at least two calendar years.

For stationary sources where electrode usage exceeds these levels, the welding activity at the stationary source may be exempted if the amount of electrode used (Y) is less than:

$Y = \text{the greater of } 1380x - 19,200 \text{ or } 200,000 \text{ for GMAW, or}$

$Y = \text{the greater of } 187x - 2,600 \text{ or } 28,000 \text{ for SMAW or FCAW}$

Where x “x” is the minimum distance to the property line in feet, and “Y” is the annual electrode usage in pounds per year.

If the stationary source has welding processes that fit into both of the specified exemptions, the most stringent limits must be applied.

2. Welding operations for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, using a consumable electrode, provided that the consumable electrode used falls within American Welding Society specification A5.18/A5.18M for Gas Metal Arc Welding (GMAW), A5.1 or A5.5 for Shielded Metal Arc Welding (SMAW), and A5.20 for Flux Core Arc Welding (FCAW), and provided that the quantity of all electrodes used at the stationary source of the acceptable specifications is below 1,600 pounds per year for GMAW and 12,500 pounds per year for SMAW or FCAW. Records that identify the type and annual amount of welding electrode used shall be maintained on site by the owner or operator for a period of at least two calendar years.

For stationary sources where electrode usage exceeds these levels, the welding activity at the stationary source may be exempted if the amount of electrode used (Y) is less than:

$Y = \text{the greater of } 84x - 1,200 \text{ or } 1,600 \text{ for GMAW, or}$

$Y = \text{the greater of } 11x - 160 \text{ or } 12,500 \text{ for SMAW or FCAW}$

Where “x” is the minimum distance to the property line in feet and “Y” is the annual

electrode usage in pounds per year.

If the stationary source has welding processes that fit into both of the specified exemptions, the most stringent limits must be applied.

(2) No change.

gg. Electric hand soldering, wave soldering, and electric solder paste reflow ovens for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013. Electric hand soldering, wave soldering, and electric solder paste reflow ovens for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall be limited to 37,000 pounds or less per year of lead-containing solder. Records shall be maintained on site by the owner or operator for at least two calendar years to demonstrate that use of lead-containing solder is less than the exemption thresholds.

hh. to jj. No change.

kk. Equipment related to research and development activities at a stationary source, provided that:

(1) Actual emissions from all research and development activities at the stationary source based on a 12-month rolling total are less than the following levels:

~~40~~ 2 pounds per year of lead and lead compounds expressed as lead (40 pounds per year for all research and development activities that commenced on or before October 23, 2013);

5 tons per year of sulfur dioxide;

5 tons per year of nitrogen ~~dioxides~~ oxides;

5 tons per year of volatile organic compounds;

5 tons per year of carbon monoxide;

5 tons per year of particulate matter (particulate matter as defined in 40 CFR Part 51.100(pp) as amended through November 29, 2004);

2.5 tons per year of ~~PM10~~ PM₁₀; ~~and~~

0.52 tons per year of PM_{2.5} (does not apply to research and development activities that commenced on or before October 23, 2013); and

5 tons per year of hazardous pollutants (as defined in rule 567—22.100(455B)); and

(2) and (3) No change.

ll. to *oo.* No change.

ITEM 2. Amend rule 567—22.8(455B) as follows:

567—22.8(455B) Permit by rule.

22.8(1) *Permit by rule for spray booths.* Spray booths which comply with the requirements contained in this rule will be deemed to be in compliance with the requirements to obtain an air construction permit and an air operating permit. Spray booths which comply with this rule will be considered to have federally enforceable limits so that their potential emissions are less than the major source limits for regulated air pollutants and hazardous air pollutants as defined in 567—22.100(455B).

a. Definition. “Sprayed material” is material sprayed from spray equipment when used in the surface coating process in the spray booth, including but not limited to paint, solvents, and mixtures of paint and solvents.

b. Facilities which facilitywide spray one gallon per day or less of sprayed material are exempt from all other requirements in 567—Chapter 22, except that they must submit the certification in 22.8(1)“*e*” to the department and keep records of daily sprayed material use. Any

spray booth or associated equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall use sprayed material with a maximum lead content of 0.35 pounds or less per gallon if the booth or associated equipment is subject to the following NESHAP: 40 CFR Part 63, Subpart HHHHHH or Subpart XXXXXX. Any spray booth or associated equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, that is not subject to the NESHAP or is otherwise exempt from the NESHAP shall use sprayed material with a maximum lead content of 0.02 pounds or less per gallon. The owner or operator must keep the records of daily sprayed material use for 18 months from the date to which the records apply and shall keep safety data sheets (SDS) or equivalent records for at least two calendar years to demonstrate that the sprayed materials contain lead at less than the exemption thresholds. The owner or operator must also certify that the facility is in compliance with or otherwise exempt from the federal regulations specified in 22.8(1)“e.”

c. Facilities which facilitywide spray more than one gallon per day but never more than three gallons per day are exempt from all other requirements in 567—Chapter 22, except that they must submit the certification in 22.8(1)“e” to the department, keep records of daily sprayed material use, and vent emissions from a spray booth(s) through a stack(s) which is at least 22 feet tall, measured from ground level. Any spray booth or associated equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall use sprayed material with a maximum lead content of 0.35 pounds or less per gallon if the booth or associated equipment is subject to the following NESHAP: 40 CFR Part 63, Subpart HHHHHH or Subpart XXXXXX. Any spray

booth or associated equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, that is not subject to the NESHAP or is otherwise exempt from the NESHAP shall use sprayed material with a maximum lead content of 0.02 pounds or less per gallon. The owner or operator must keep the records of daily sprayed material use for 18 months from the date to which the records apply and shall keep safety data sheets (SDS) or equivalent records for at least two calendar years to demonstrate that the sprayed materials contain lead at less than the exemption thresholds. The owner or operator must also certify that the facility is in compliance with or otherwise exempt from the federal regulations specified in 22.8(1)“e.”

d. and e. No change.

22.8(2) Reserved.

ITEM 3. Amend subrule 22.103(2) as follows:

22.103(2) *Insignificant activities which must be included in Title V operating permit applications.*

a. The following are insignificant activities based on potential emissions:

An emission unit which has the potential to emit less than:

5 tons per year of any regulated air pollutant, except:

2.5 tons per year of ~~PM₁₀~~ PM₁₀,

0.52 tons per year of PM_{2.5} (does not apply to equipment for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013),

40 ~~2~~ lbs per year of lead or lead compounds (40 lbs per year for units for which initiation

of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013,),

2500 lbs per year of any combination of hazardous air pollutants except high-risk pollutants,

1000 lbs per year of any individual hazardous air pollutant except high-risk pollutants,

250 lbs per year of any combination of high-risk pollutants, or

100 lbs per year of any individual high-risk pollutant.

The definition of “high-risk pollutant” is found in rule 567—22.100(455B).

b. The following are insignificant activities:

(1) Fuel-burning equipment for indirect heating and reheating furnaces using natural or liquefied petroleum gas with a capacity of less than 10 million Btu per hour input per combustion unit.

(2) Fuel-burning equipment for indirect heating for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013, with a capacity of less than 1 million Btu per hour input per combustion unit when burning coal, untreated wood, or fuel oil.

Fuel-burning equipment for indirect heating for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, with a capacity of less than 1 million Btu per hour input per combustion unit when burning untreated wood, untreated seeds or pellets, other untreated vegetative materials, or fuel oil provided that the unit and the fuel meet the condition specified in this subparagraph (22.103(2)“b”(2)). Used oils meeting the specification from 40 CFR 279.11 as amended through May 3, 1993, are acceptable fuels. When combusting used oils, the equipment must have a

maximum rated capacity of 50,000 Btu or less per hour of heat input or a maximum throughput of 3600 gallons or less of used oils per year. When combusting untreated wood, untreated seeds or pellets, or other untreated vegetative materials, the equipment must have a maximum rated capacity of 265,600 Btu or less per hour or a maximum throughput of 378,000 pounds or less per year of each fuel or any combination of fuels.

(3) Incinerators with a rated refuse burning capacity of less than 25 pounds per hour for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred on or before October 23, 2013. Incinerators for which initiation of construction, installation, reconstruction, or alteration (as defined in rule 567—20.2(455B)) occurred after October 23, 2013, shall not qualify as an insignificant activity. After October 23, 2013, only paint clean-off ovens with a maximum rated capacity of less than 25 pounds per hour that do not combust lead-containing materials shall qualify as an insignificant activity.

(4) to (6) No change.

ITEM 4. Amend rule 567—28.1(455B) as follows:

567—28.1(455B) Statewide standards. The state of Iowa ambient air quality standards shall be the National Primary and Secondary Ambient Air Quality Standards as published in 40 Code of Federal Regulations Part 50 (1972) and as amended at 38 Federal Register 22384 (September 14, 1973), 43 Federal Register 46258 (October 5, 1978), 44 Federal Register 8202, 8220 (February 9, 1979), 52 Federal Register 24634-24669 (July 1, 1987), 62 Federal Register 38651-38760, 38855-38896 (July 18, 1997), 71 Federal Register 61144-61233 (October 17, 2006), 73 Federal Register 16436-16514 (March 27, 2008), 73 Federal Register 66964-67062 (November 12, 2008), and 75 Federal Register 6474-6537 (February 9, 2010), ~~except that the annual PM₁₀~~

~~standard specified in 40 CFR Section 50.6(b) shall continue to be applied for purposes of implementation of new source permitting provisions in 567 IAC Chapters 22 and 33 and 75 Federal Register 35520-35603 (June 22, 2010). The department shall implement these rules in a time frame and schedule consistent with implementation schedules in federal laws, and regulations ~~and guidance documents.~~~~

This rule is intended to implement Iowa Code section 455B.133.

Date

Chuck Gipp, Director

**Administrative Rules
JOBS IMPACT STATEMENT**

1. BACKGROUND INFORMATION

Agency:	Environmental Protection Commission/ Department of Natural Resources
IAC Citation:	567 IAC Chapters 22 and 28
Agency Contact:	Christine Paulson at (515) 242-5154
Statutory Authority:	Iowa Code section 455B.133 and U.S. Clean Air Act section 110(a)(2)(C)

Objective:	<p>As part of implementing the new, federally-mandated national ambient air quality standards (NAAQS) for fine particulate matter (PM_{2.5}), lead, and sulfur dioxide (SO₂), the Department of Natural Resources (Department) is requesting permission to revise a subset of the air construction permit exemptions and Title V “insignificant activities” to set appropriate emission thresholds and operating conditions to sufficiently protect public health. The Department is also revising the spray booth “permit by rule” to sufficiently protect public health by adding content limits for lead-containing spray materials. Additionally, the Department is revising Chapter 28 to adopt by reference the new NAAQS for SO₂ and to remove the use of PM₁₀ (particulate matter with a diameter of 10 microns or less) as a surrogate for the annual standard of the PM_{2.5} NAAQS.</p> <p>The Department already has adopted the new lead NAAQS in a previous rulemaking. Previous rulemakings also already adopted changes to the Prevention of Significant Deterioration (PSD) program and to stack test methods necessary to implement the new PM_{2.5} NAAQS.</p>
Summary:	<p>These changes are needed to ensure that the air quality in Iowa is maintained by making necessary revisions and additions to state air quality rules to implement the new, federally-mandated NAAQS for PM_{2.5}, lead, and SO₂.</p> <p>The Department has already adopted rule changes impacting new, large facilities and major modifications at large facilities. The changes in this rulemaking will set appropriate thresholds for new or modified equipment emitting lower levels of PM_{2.5} and lead to be exempt from construction permitting. Additionally, Title V insignificant activity emissions thresholds for activities not required to be included in Title V fee calculations will be updated for emissions of PM_{2.5} and lead. The changes impact any owner or operator of a facility with new or modified equipment emitting these air pollutants, if that owner or operator wishes to use the exemptions or insignificant activities provisions.</p>

JOB IMPACT ANALYSIS

<i>__ Fill in this box if impact meets these criteria:</i>
<i>__ No Job Impact on private sector jobs and employment opportunities in the State.</i>
<i>__ Job Impact cannot be determined.</i>
<i>x Fill in this box if impact meets either of these criteria:</i>
<input checked="" type="checkbox"/> Positive Job Impact on private sector jobs and employment opportunities in the State. <input checked="" type="checkbox"/> Negative Job Impact on private sector jobs and employment opportunities in the State.
<i>Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:</i> After analysis and review, the Department has determined that jobs could be impacted. However, these amendments are implementing federally mandated regulations. This rule making does not impose any unnecessary regulations on Iowa businesses not required by federal law. The Department is minimizing the impact of the federal regulations to the greatest extent possible by establishing exemption levels for PM _{2.5} and lead. Further, existing equipment emitting PM _{2.5} or lead that is in place on or before the rule effective date will be unaffected by these rule changes. Only new or modified equipment put in place after the rule effective date (October 23, 2013) will be affected. In consultations with stakeholders in the PM _{2.5} Stakeholder Workgroup, Air Quality Client Contact meetings and many other forums, the Department established equipment and activities emitting low levels of PM _{2.5} or lead that could be exempt from the requirement to obtain an air construction permit. Additionally, the Department identified insignificant activities emitting low levels of PM _{2.5} or lead that could be excluded from annual Title V fee calculations. Owners and operators of low emitting equipment may need to perform calculations or analyze records to qualify for an exemption or insignificant activity status. This may require additional expenditures or resources. However, the Department expects any potential cost or jobs impacts to be less than the impacts associated with preparing construction permit or Title V permit applications, or with paying annual Title V fees. Impacts of not adopting these rule changes If the Department does not make these changes, smaller facilities (minor sources) would not be sufficiently restricted from using the exemptions and would potentially consume air resources. Consumption of air resources may potentially limit larger industrial facilities from making desired changes. On September 8, 2011, EPA published a finding of failure of the State of Iowa to submit a SIP for the 2006 NAAQS revision of PM _{2.5} . EPA’s finding became effective on October 11, 2011, and establishes a deadline for EPA to issue a Federal Implementation Plan for PM _{2.5} if the outstanding SIP elements, including the permitting thresholds for minor sources of PM _{2.5} in the proposed rulemaking, are not completed and approved by EPA. Failure to adopt the rule changes for PM _{2.5} may result in partial loss of the state’s minor source permitting

program, resulting in EPA becoming the permitting authority for projects involving emissions of PM_{2.5}. This would significantly increase the amount of time required for a facility to obtain a construction permit and initiate construction, and could result in a negative impact on jobs.

One of Congress' goals as set forth in the Clean Air Act was to allow economic growth in harmony with the preservation of existing clean air. Requirements and limits are specified in administrative rules and pre-construction permits to protect the public health and welfare from adverse effects that might occur if sources were allowed to operate unregulated. This helps prevent air quality degradation, which could otherwise result in areas being designated nonattainment. Nonattainment areas attempting to meet the Clean Air Act requirements may face significant challenges that can make it very difficult or impossible for industrial facilities and other businesses to locate or expand in that area. Currently, Iowa does not have any nonattainment areas for PM_{2.5} or SO₂. The fact that companies may currently locate or expand in any area of the state is an incentive for companies to locate or to expand in Iowa.

Iowa has one nonattainment area for lead in the greater Council Bluffs area. A separate schedule for rulemaking and permitting for this nonattainment area will bring this area back into attainment as soon as possible. However, these rule changes that apply to the rest of the state will help ensure that the rest of the state continues to meet the new lead standards.

Categories of jobs and employment opportunities that are affected by the proposed rule:
Industrial facilities and other businesses with air emissions equipment.

Number of jobs or potential job opportunities:
This cannot be determined at this time.

Regions of the state affected:
Industrial facilities and other businesses with air emissions equipment exist throughout the state.

Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")
It is not possible to determine costs on a per employee basis for this rulemaking.

2. COST-BENEFIT ANALYSIS

The Agency has taken steps to minimize the adverse impact on jobs and the development of new employment opportunities before proposing a rule. See the following Cost-Benefit Analysis:

Direction: Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of less intrusive or expensive methods that exist for achieving the purpose of the proposed rule. This requires you to examine alternatives to the proposed rule. If no other less intrusive or expensive method exists for achieving the purpose of the proposed rule, say “No other less intrusive or expensive method exists for achieving the purpose of the proposed rule.”

For purposes of this analysis, a “cost” means a reasonably identifiable, significant, direct or indirect, economic impact that is expected to result from implementation of and compliance with a rule, and a “benefit” means a reasonably identifiable and quantifiable positive effect or outcome that is expected to result from implementation of a rule.

No other less intrusive or expensive method exists for achieving the purpose of the rule. However, the Department is implementing the federal regulations in the least burdensome method possible by providing the opportunity for qualifying equipment to be exempt from the requirement to apply for a construction permit or pay annual Title V fees for this equipment.

FISCAL IMPACT

Please see the Fiscal Impact Statement for an identification and description of costs the Department anticipates state agencies, local governments, the public, and the regulated entities, including regulated businesses and self-employed individuals, will incur from implementing and complying with the proposed rule.

Administrative Rules
FISCAL IMPACT STATEMENT

Date: March 20, 2013 (revised July 29, 2013)

Agency: Environmental Protection Commission/Department of Natural Resources

IAC Citation: 567 IAC 22.1(2), 22.8, 22.103(2), and 28.1

Agency Contact: Christine Paulson

Summary of the Rule:

As part of implementing the new, federally-mandated national ambient air quality standards (NAAQS) for fine particulate matter (PM_{2.5}), lead, and sulfur dioxide (SO₂), the Department of Natural Resources (Department) is requesting permission to revise a subset of the air construction permit exemptions and Title V “insignificant activities” to set appropriate emission thresholds and operating conditions to sufficiently protect public health. The Department is also revising the spray booth “permit by rule” to sufficiently protect public health by adding content limits for lead-containing spray materials. Additionally, the Department is revising Chapter 28 to adopt by reference the new NAAQS for SO₂ and to remove the use of PM₁₀ (particulate matter with a diameter of 10 microns or less) as a surrogate for the annual standard of the PM_{2.5} NAAQS.

These changes are needed to ensure that the air quality in Iowa is maintained by making necessary revisions and additions to state air quality rules to implement the new, federally mandated NAAQS for PM_{2.5}, lead and SO₂.

The Department has already adopted rule changes impacting new, large facilities and major modifications at large facilities. The changes in this rulemaking will set appropriate thresholds for new or modified equipment emitting lower levels of PM_{2.5} or lead to be exempt from construction permitting. Additionally, Title V insignificant activity emissions thresholds for activities not required to be included in Title V fee calculations will be updated for emissions of PM_{2.5} and lead. The changes impact any owner or operator of a facility with new or modified equipment emitting these air pollutants, if that owner or operator wishes to use the exemptions or insignificant activities provisions.

Fill in this box if the impact meets any of these criteria:

- No Fiscal Impact to the State.
 Fiscal Impact of less than \$100,000 annually or \$500,000 over 5 years.
 Fiscal Impact cannot be determined.

Brief Explanation: The Department will not need any additional revenue to implement these rules.

Fill in the form below if the impact meets this criteria:

- Fiscal Impact of \$100,000 annually or \$500,000 over 5 years.

* Fill in the rest of the Fiscal Impact Statement form.

Impact Criteria:

Impact Criteria Explanation:

<i>Estimated Impact to the State by Fiscal Year</i>		
	<u>Year 1 (FY 2011)</u>	<u>Year 2 (FY 2012)</u>
Revenue by Each Source:		
GENERAL FUND	0\$	0\$
FEDERAL FUNDS	0\$	0\$
Other (specify)	0\$	0\$
<i>TOTAL REVENUE</i>	0\$	0\$
Expenditures:		
GENERAL FUND	\$	\$
FEDERAL FUNDS	\$	\$
Other (specify) Air Contaminant Fee/Unknown	\$	\$
<i>TOTAL EXPENDITURES</i>	\$	\$
<i>NET IMPACT</i>	-\$	-\$
<p><input checked="" type="checkbox"/> This rule is required by State law or Federal mandate. <i>Please identify the state or federal law:</i> The minor source pre-construction permitting program is mandated in section 110(a)(2)(C) of the U.S. Clean Air Act and under authority of Iowa Code section 455B.133.</p> <p><input type="checkbox"/> Funding has been provided for the rule change. <i>Please identify the amount provided and the funding source:</i></p> <p><input checked="" type="checkbox"/> Funding has not been provided for the rule. <i>Please explain how the agency will pay for the rule change:</i></p>		

The Department will use existing resources at this time and expects that no additional resources will be needed to implement the rule change.

Fiscal impact to persons affected by the rule:

Owners and operators of low emitting equipment may need to perform calculations or analyze records to qualify for an exemption or insignificant activity status. This may require additional expenditures or resources. However, the Department expects any potential cost or jobs impacts be less than the impacts associated with preparing construction permit or Title V permit applications, or with paying annual Title V fees.

Further, existing equipment emitting PM_{2.5} or lead that is in place on or before the effective date of the adopted amendments will be unaffected by these rule changes. Only new or modified equipment put in place after the rule effective date (October 23, 2013) will be affected.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6):

Counties or other local governments that construct new emission units or modify existing emissions units will be impacted in the same manner as described above for industrial and commercial facilities.

* If additional explanation is needed, please attach extra pages.

Agency Representative preparing estimate: Christine Paulson
Telephone Number: 515-242-5154

**PUBLIC PARTICIPATION RESPONSIVENESS SUMMARY
FOR
567 IOWA ADMINISTRATIVE CODE
CHAPTER 22, “CONTROLLING POLLUTION,” AND CHAPTER 28,
“AMBIENT AIR QUALITY STANDARDS”**

Introduction

The Department is proposing revisions to account for recent changes that EPA made to the National Ambient Air Quality Standards (NAAQS) for the following air pollutants:

- **PM_{2.5}** (particulate matter less than or equal to 2.5 micrograms in diameter), revised in 2006;
- **Lead**, revised in 2008; and
- **SO₂** (sulfur dioxide), revised in 2010.

The Department is proposing to revise a subset of the rules for air construction permits and the rules for Title V operating permits to set appropriate emission thresholds and operating conditions to protect public health. The Department is also proposing to revise the spray booth “permit by rule” to protect public health. Additionally, the Department is proposing to update the adoption by reference of the new NAAQS.

Notice of Intended Action was published in the Iowa Administrative Bulletin on June 12, 2013, as **ARC 0785C**. A public hearing was held on July 15, 2013, in Windsor Heights, Iowa. The Department did not receive any public comments at the hearing. The Department received one written comment prior to the July 15, 2013, public comment deadline.

Public Comment Summary*

Submitted by e-mail from Joshua A. Tapp, Chief, Air Planning and Development Branch, U.S. Environmental Protection Agency Region 7, 11201 Renner Boulevard, Lenexa, Kansas, 66219:

EPA created a new 1-hour form of the SO₂ National Ambient Air Quality Standard and encourages the state to consider setting an emission limit threshold in the proposed changes to subrule 22.1(2) (exemptions from construction permits) that reflects the 1-hour standard. A ton/year threshold is currently used and is proposed to be retained. A ton/year threshold may not be protective of an hourly standard if the emissions occur for a short period within the year. EPA recommends a shorter averaging period for the exemption threshold to ensure the NAAQS is protected.

**Mr. Tapp’s letter providing comments is available from the Department upon request.*

Department Response

The Department concurs that there could be certain circumstances where the use of a shorter averaging period for the emissions threshold could be more protective of the hourly ambient air quality standard. However, the Department is not changing the ton per year threshold proposed in the rule making, as there is no requirement to do so at this time.

Recommended Action

Proceed with final rules as proposed in the Notice of Intended Action (no changes from what the Department proposed).