

NESHAP, NSPS and Other Federal Regulations
Proposed for Adoption

Types of Source(s) (New and Amended NESHAP and NSPS)	Compliance Dates (Existing Sources)	Fact Sheets	Federal Register and CFR Subparts	Reconsiderations and Court Rulings
“EGUs” (Utility Boilers): New and amended standards	April 16, 2015	MATS (original) MATS (updated-2013)	FR Feb 16, 2012 FR April 24, 2013 (40 CFR 63 “5U”)	FR June 25, 2013 FR November 30, 2012
Boilers/Process Heaters (Industrial, Commercial, and Institutional (ICI)) (major): New standards	January 21, 2016	Boiler MACT	FR March 21, 2011 FR January 31, 2013 (40 CFR 63 “5D”)	EPA letter 8/5/2013
Boilers (ICI) (area): New standards	March 21, 2014	Boilers (Area)	FR March 21, 2011 FR February 1, 2013 (40 CFR 63 “6J”)	EPA letter 8/5/2013
Incinerators (Commercial and Industrial Solid Waste Incinerators (CISWI)): Amended standards	February 7, 2018	CISWI (2011) CISWI (updated 2013)	FR March 21, 2011 FR February 7, 2013 (40 CFR 60 CCCC & DDDD)	None
Incinerators (Sewage Sludge): New standards	March 21, 2016	Sewage Sludge	FR March 21, 2011 (40 CFR 60 LLLL & MMMM)	Court Remand August 2013
Cement Production: New standards	February 12, 2014 and September 9, 2015	Cement NESHAP	FR February 12, 2013 (40 CFR 63 LLL) (40 CFR 60 F)	None
Stationary Engines: Amended standards	Upon start-up	Engines Engine FAQs	FR January 30, 2013 (40 CFR 60 IIII & JJJ)	FR September 5, 2013
Pesticide Active Ingredient: Amended Standards	March 27, 2014 and March 27, 2017		FR March 27, 2014 40 CFR 63 MMM	
Chromium Electroplating: Amended standards	March 19, 2013 and September 19, 2014	Chromium Electroplating	FR September 19, 2012 (40 CFR 63 N)	None
Wood Furniture: Amended standards	November 21, 2014	Wood Furniture	FR November 21, 2011 (40 CFR 63 JJ)	None
Nitric Acid Plants: Amended standards	Upon start-up	Nitric Acid NSPS	FR August 14, 2012 (40 CFR 60 Ga)	None
Pulp & Paper: Amended standards	September 7, 2015		FR September 11, 2012 (40 CFR 63 S)	None
Oil-Natural Gas Transmission-Distribution-Storage: New and amended standards	Upon start-up (NSPS). October 15, 2015 (NESHAP HHH)		FR August 16, 2012 FR September 23, 2013 (40 CFR 60 OOOO and 63 HHH)	
Updates to Test Methods: Amended standards	N/A	Fact Sheet: Stationary Source Audit Program	FR September 13, 2010 and FR February 27, 2014 Revises 40 CFR 51, 60, 61, and 63,	None

NESHAP, NSPS and Other Rules
Proposed for Rescission

Source(s) Affected	Iowa Rules (567 IAC Chapter 23 and 25)	CFR (Federal rule)
Primary Copper Smelters	23.1(2)"b" and 23.1(4)"bq"	40 CFR 60 Subpart P 40 CFR 63 Subpart QQQ
Primary Zinc Smelters	23.1(2)"n"	40 CFR 60 Subpart Q
Primary Lead Smelters	23.1(2)"o" and 23.1(4)"bt"	40 CFR 60 Subpart R 40 CFR 63 Subpart TTT
Primary Aluminum Reduction Plants	23.1(2)"p" and 23.1(4) "p" and "al"	40 CFR 60 Subpart S 40 CFR 63 Subpart LL
Beryllium	23.1(3)"b"	40 CFR 61 Subpart C
Beryllium Motor Rocket Firing	23.1(3)"c"	40 CFR 61 Subpart D
Inorganic arsenic emissions from arsenic trioxide and metallic arsenic production facilities	23.1(3)"h"	40 CFR 61 Subpart P
Inorganic arsenic emissions from primary copper smelters	23.1(3)"j"	40 CFR 61 Subpart O
Steel Pickling Plants	23.1(4)"bc"	40 CFR 63 Subpart CCC
Taconite Iron Ore Processing	23.1(4)"dr"	40 CFR 63 Subpart RRRRR
Primary Magnesium Refining	23.1(4)"dt"	40 CFR 63 Subpart TTTTT
Secondary Lead Smelting	23.1(4)"x"	40 CFR 63 X
Petroleum Production (rescind current adoptions and not adopting new amendments)	23.1(2)"g" and 23.1(4) "ac"	40 CFR 60 J (rescind) and Ja (not adopting) and 40 CFR 63 CC (rescind)
Ship Building & Ship Repair	23.1(4)"ai"	40 CFR 63 II
Polyvinyl Chloride (PVC) and Copolymers (rescind current adoption and not adopting new amendments)	23.1(4)"j"	40 CFR 63 DDDDDD & HHHHHHH
Mercury Emissions Testing and Monitoring	25.3	Propose to sunset the state rule on April 16, 2015, the compliance date for MATS (40 CFR 63 UUUUU). See the adoption table for MATS information.

**Administrative Rules
JOBS IMPACT STATEMENT**

1. BACKGROUND INFORMATION

Agency:	Environmental Protection Commission(Commission) / Iowa Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 22, 23, 25 and 33
Agency Contact:	Christine Paulson at (515) 725-9510
Statutory Authority:	Iowa Code section 455B.133 and United States Clean Air Act (CAA) Title I (Sections 111 (42 USC §7411), 112 (42 USC §7412), and 129 (42 USC §7429))

Objective:	<p>The purpose of the rulemaking is to adopt by reference new and updated federal New Source Performance Standards (NSPS), air toxics standards (also known as National Emission Standards for Hazardous Air Pollutants or “NESHAP”), and Emission Guidelines. The proposal affects several different industries including utility, industrial, commercial and institutional boilers; solid waste incinerators; cement plants and stationary engines. The Department is proposing to adopt the standards by reference so that all compliance deadlines will be in accordance with federal time lines.</p> <p>Additionally, the Department is proposing to rescind several previously adopted rules, including emission standards for minerals and materials processing and mercury emissions monitoring requirements that apply to utility boilers, to accomplish the Department’s goal of eliminating outdated and unnecessary rules. The Department is also proposing to adopt two minor rule changes to adopt federal regulations, one to implement revised federal test methods and one to remove several compounds from the definition of volatile organic compounds (VOC).</p>
Summary:	Facilities are subject to the federal standards regardless of whether the standards are adopted into Iowa’s rules. By adopting these standards, the Department can provide compliance assistance and outreach to affected facilities as soon as possible. Further, affected small businesses will be eligible for free compliance assistance from the Department’s contracted technical assistance provider, the University of Northern Iowa.

2. JOB IMPACT ANALYSIS

<input type="checkbox"/> <i>Fill in this box if impact meets these criteria:</i>
<input type="checkbox"/> No Job Impact on private sector jobs and employment opportunities in the State.
<input type="checkbox"/> Job Impact cannot be determined.

x Fill in this box if impact meets either of these criteria:

Positive Job Impact on private sector jobs and employment opportunities in the State.

Negative Job Impact on private sector jobs and employment opportunities in the State.

Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:

After analysis and review, the Department has determined that jobs could be impacted. However, the proposed rule is implementing only federally mandated regulations. This rulemaking would not impose any regulations on Iowa businesses not required by federal law. Since the Department is proposing to adopt the federal rules by reference, the rule changes would be identical to federal requirements, and would be no more or less stringent than federal regulations. Additionally, facilities must comply with the federal standards regardless of whether the Department adopts the standards into state administrative rules.

Potential positive job impacts

The Department is minimizing the impact of the federal regulations to the greatest extent possible by waiting to adopt the federal standards until after EPA completed major revisions. Many of EPA's updates offer significant improvements over the previous requirements. In particular, the modified standards will provide more flexibility and potential cost savings to some affected industries.

In particular, stakeholders have expressed support for the Department adopting these standards, even though five of the standards are currently under EPA reconsideration. The reasons for stakeholder support are several. First, stakeholders overwhelmingly stated their preference for the Department to be the primary implementation authority, rather than EPA. Once EPA delegates a federal standard to Iowa, the Department and its compliance assistance partners can assist affected facilities. Additionally, once the Department is the delegated authority, a facility may request an extension to a NESHAP or NSPS compliance date from the Department instead of EPA. Stakeholders recognize that, for the most part, the remaining issues that EPA is reconsidering are relatively minor. EPA has already made significant improvements to the rules. The current rule requirements, including upcoming compliance dates, remain in effect during EPA's reconsideration. Affected facilities want to comply with current requirements, and facilities often seek the Department's help to achieve compliance.

Potential neutral or negative job impacts

According to EPA's regulatory impact analysis, the new and revised standards will have capital and annual costs, but these costs are generally less than the costs estimated for the previous standards. Further, a larger number of affected facilities will have work practice or recordkeeping standards rather than costs associated with controlling and monitoring emissions.

Power Plants

Currently, 14 existing facilities with electric utility steam generating units (EGUs) would be affected by the NESHAP, which EPA calls the Mercury and Air Toxics Standards, or "MATS." In anticipation of MATS and other current and future federal requirements, some facilities are planning to shut down or

switch to burning natural gas (EGUs burning natural gas are not subject to MATS). Several facilities are planning to add control devices to meet the emission limits and other MATS requirements. The cost for an individual facility to comply with MATS will vary widely depending on whether the facility plans to add control equipment, switch fuels, or shut down. The MATS compliance date for existing EGUs is April 16, 2015. A one-year extension may be granted on a case-by-case basis to install control equipment or to take other actions to comply.

Concurrent with adopting MATS, the Department is proposing to add a sunset date for the state's current mercury emissions monitoring requirements. The Commission adopted the mercury emissions monitoring rules in 2009 as temporary requirements until EPA finalized its air toxics requirements for EGUs (MATS). Now that EPA has finalized MATS, the state's mercury monitoring rules are unnecessary. The Department is proposing to sunset the mercury monitoring rules on April 16, 2015, which is the compliance date under MATS for existing EGUs. Sunsetting these rules will have a positive impact on affected facilities by eliminating potentially duplicative and expensive testing and monitoring requirements. If a facility receives an extension to comply with MATS, the Department is proposing that the facility continue to comply with the mercury monitoring rules until the date the facility is required to comply with MATS, or otherwise is no longer subject to MATS. Facilities affected by MATS have expressed support for the Department continuing to require mercury monitoring during any extension period.

Other Combustion Sources (Boilers, Incinerators, and Cement Plants)

The new standards for industrial, commercial and institutional (ICI) boilers, incinerators, and cement kilns will incur a regulatory cost and possible jobs impact to affected facilities that need to install emissions control equipment and conduct performance testing. However, EPA has extended compliance dates, providing an additional one to five years to comply with emission limits, depending on the standard and type of facility. The revised standards mitigate the regulatory and jobs impacts over the regulations that EPA originally issued.

The NESHAP for ICI boilers and process heaters (Boiler MACT) affects major sources. EPA revised the requirements so that gas-fired boilers and process heaters have work practice standards such as regular tune-ups and energy audits. The majority of combustion units subject to emission limitations are coal and biomass-fired boilers operating at industrial facilities. A few facilities with boilers that burn primarily fuel oil will also have emissions limitations. EPA revised the emissions and testing standards based on new data and corrections so that limits are more accurate and based on "real world" data. Under the revised standards, EPA provided more flexibility for facilities to operate temporary and seasonal boilers. EPA also extended the compliance dates for emission standards and testing/monitoring requirements by three years, until January 31, 2016. Upon becoming the delegated authority, the Department will be able to assist facilities with understanding and complying with requirements. The Department estimates that between 100-150 facilities will be subject to the Boiler MACT.

EPA also revised the NESHAP for ICI boilers at smaller facilities that are area sources (known as the "Area Source Boiler Rule"). Boilers meeting the definitions of natural gas fired boilers, temporary boilers, and residential boilers are unaffected by this rule. EPA extended the compliance dates to conduct initial tune-ups and energy assessments to March 21, 2014. Upon becoming the delegated authority for

the Area Source Boiler Rule, the Department and its compliance assistance partners will be able to assist potentially impacted facilities with understanding and complying with requirements. The Department estimates that approximately 20 facilities will be subject to the Area Source Boiler Rule. However, most if not all of the affected facilities will have work practice standards rather than emission limits.

The rules for commercial and industrial solid waste incinerators (CISWI) affect new and existing incineration units. EPA's final regulations revise the original CISWI issued in 2000. EPA's updated regulations specify that commercial or industrial boilers that burn solid waste are subject to the CISWI rules for incinerators rather than the Boiler MACT or Area Source Boiler Rule. EPA provided additional criteria for whether materials must be classified as fuel or as solid waste.

Because of the current uncertainty of whether some units will be considered boilers or incinerators, the Department cannot make an accurate estimate at this time of how many facilities will be CISWI-affected. EPA allows states to provide existing incinerators with up to five years to comply with CISWI, until February 7, 2018. Upon becoming the delegated authority for the CISWI rule revisions, the Department will be able to assist potentially impacted facilities with understanding and complying with these requirements. The rules for sewage sludge incineration units will impact one existing municipal sewage sludge incinerator. The facility is preparing to comply with the new requirements.

EPA revised the original NESHAP and NSPS for cement manufacturing to add some additional requirements. EPA's changes to the NESHAP include new emissions standards for cement kilns, and extend the compliance date from the previous standard to September 9, 2015. However, cement kilns that burn non-hazardous solid waste are subject to the CISWI NSPS or Emission Guidelines rather than the cement NESHAP requirements. Equipment at cement plants other than kilns must comply with the emission limits in the cement NESHAP by September 9, 2015. The cement NESHAP also establishes work practice standards for controlling fugitive dust from clinker storage piles. The compliance date for the storage pile requirements was February 12, 2014. At this time, Iowa has three existing cement plants affected by the NESHAP.

Other Affected Industries

EPA changed several existing NESHAP and NSPS based on periodic reviews required under the U.S. Clean Air Act.

Revisions affecting pulp and paper production potentially impact one facility in Iowa. Changes affecting nitric acid plants would impact two existing facilities if the facilities undergo reconstruction or qualifying modifications. New plants will need to comply with the NSPS requirements upon start-up.

One facility is subject to the revised standards for pesticide active ingredient production. The NESHAP requires compliance with some new requirements starting March 27, 2014. Affected facilities will have until March 27, 2017, to comply with new requirements to monitor pressure relief devices.

Currently, the Department has a record of 11 facilities subject to the standards for chromium electroplating. This NESHAP affects both major and area sources. Facilities were required to comply with the basic work practice standards by March 19, 2013. Facilities subject to new emissions or control

requirements will have until September 19, 2014, to comply. Upon becoming the delegated authority for the NESHAP, the Department and its compliance assistance partners will be able to assist facilities with understanding and complying with requirements.

The Department has a record of 9 facilities that are subject to the existing NESHAP for wood furniture manufacturing. This NESHAP affects only major facilities. EPA's revisions establish a work practice limit. Facilities will have until November 21, 2014, to comply with the new requirements. Upon becoming the delegated authority for the NESHAP, the Department will be able to assist facilities with understanding and complying with these requirements.

EPA revised the NSPS and NESHAP standards for oil and natural gas production, transmission and distribution. Iowa currently does not have any oil or natural gas processing facilities. However, the Department is aware of two facilities potentially affected by the requirements in the NSPS for storing oil and natural gas. One facility has notified the Department that it is subject to the NESHAP requirements related to natural gas transmission. The facility is planning to comply with the requirements by the October 15, 2015, compliance date.

Additional positive or neutral jobs impacts

Rescission of Unnecessary Rules

The Department proposes to rescind adoption by reference of NESHAP and NSPS that affect the following industries:

- secondary lead smelting
- ship building and ship repair
- PVC and copolymer production
- petroleum refining
- primary copper, lead and zinc smelting
- primary aluminum reduction
- primary magnesium refining
- taconite iron ore processing
- beryllium processing and beryllium rocket motor firing
- arsenic trioxide and metallic arsenic production
- arsenic emissions from primary copper smelting and
- steel pickling.

Iowa currently has no industries affected by these standards and it is very unlikely that any such industries would locate to Iowa. If an affected facility should plan to locate to Iowa in the future, the Department will evaluate whether to request adoption of the standards at that time. Rescinding these standards will streamline state air quality rules and will have a positive impact on regulated entities that use the Department's air quality rules.

Other proposed rule updates

EPA revised federal test methods to make technical and editorial corrections, eliminate outdated procedures, add alternative testing methods, and restructure the audit program. The Department is

proposing to adopt these updates so that test methods will match current, federal test methods. The rule changes should have a positive jobs impact by providing up-to-date federal test methods.

In addition, EPA revised the definition of VOC to exclude several compounds because the compounds make a negligible contribution to tropospheric ozone formation. The Department is proposing to adopt EPA's revisions so that state rules will match federal regulations. These changes will have a positive impact on facilities emitting the now-excluded compounds because the excluded compounds no longer need to be included in potential emissions and emissions inventory calculations and reporting.

Categories of jobs and employment opportunities that are affected by the proposed rule:
Municipal utilities, institutional facilities, industrial plants and other businesses with engines, combustion units, or other equipment covered under the proposed rule.

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

Regions of the state affected:
All regions of the state.

Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")
Not possible to determine.

3. 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:

No other less intrusive or expensive method exists for achieving the purpose of the proposed rule. Facilities must comply with the federal requirements regardless of whether the Department adopts the standards. By adopting these standards, Iowa becomes the delegated authority and the Department can provide compliance assistance and outreach to affected facilities as soon as possible.

4. 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.

ENVIRONMENTAL PROTECTION COMMISSION [567]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection Commission (Commission) hereby gives Notice of Intended Action to amend Chapter 20, “Scope of Title—Definitions—Forms—Rules of Practice,” Chapter 22, “Controlling Pollution,” Chapter 23, “Emissions Standards for Contaminants,” Chapter 25, “Measurement of Emissions,” and Chapter 33, “Special Regulations and Construction Permit Requirements for Major Stationary Sources—Prevention of Significant Deterioration (PSD) of Air Quality,” Iowa Administrative Code.

The purpose of the rulemaking is to adopt by reference new and updated federal New Source Performance Standards (NSPS), air toxics standards (also known as National Emission Standards for Hazardous Air Pollutants or “NESHAP”), and Emission Guidelines. The proposal affects several different industries including utility, industrial, commercial and institutional boilers; solid waste incinerators; cement plants and stationary engines. The Commission and the Department of Natural Resources (Department) are proposing to adopt the standards by reference so that all compliance deadlines will be in accordance with federal time lines.

By adopting these standards, the Department can provide compliance assistance and outreach to affected facilities as soon as possible. Further, affected small businesses will be eligible for free compliance assistance from the Department’s contracted technical assistance provider, the University of Northern Iowa.

Additionally, the Commission is proposing to rescind several previously adopted rules, including emission standards for minerals and materials processing and mercury emissions monitoring requirements that apply to utility boilers, to accomplish the Department’s goal of eliminating outdated and unnecessary rules. The Commission is also proposing to adopt two minor rule changes to adopt federal regulations, one to implement revised federal test methods and one to remove several compounds from the definition of volatile organic compounds (VOC).

Background

The U.S. Clean Air Act (CAA) obligates the U.S. Environmental Protection Agency (EPA) to issue standards to control air pollution. Three categories of standards, the New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP) and Emission Guidelines, set standards and deadlines for industrial, commercial or institutional facilities to meet uniform standards for equipment operation and air pollutant emissions.

Because the standards proposed for adoption are federal regulations, affected sources are subject to the federal requirements regardless of whether the Commission adopts the standards into state rules. However, the CAA allows a state or local agency to implement NSPS and NESHAP as a “delegated authority.” Upon state adoption, the Department becomes the delegated authority for the specific NSPS or NESHAP, and is the primary implementation agency in Iowa. Two local air agencies, Polk County and Linn County, implement these standards within their counties. Iowa’s rules, including all compliance deadlines, are identical to the federal NSPS and NESHAP as of a specific date.

Stakeholders have expressed support for the Department adopting these standards, even though five of the standards are currently under EPA reconsideration. The reasons for stakeholder support are several. First, stakeholders overwhelmingly stated their preference for the Department to be the primary implementation authority, rather than EPA. Once EPA delegates a federal standard to Iowa, the Department and its compliance assistance partners can assist affected facilities. Additionally, once the Department is the delegated authority, a facility may request an extension to a NESHAP or NSPS compliance date from the Department instead of EPA. Stakeholders recognize that, for the most part, the remaining issues that EPA is reconsidering are relatively minor. EPA has already made significant improvements to the rules. The current rule requirements, including upcoming compliance dates, remain in effect during EPA’s reconsideration. Affected facilities want to comply with current requirements, and facilities often seek the Department’s help to achieve compliance.

Summary of proposed rule

Item 1 amends rule 567—20.2(455B) to revise the definitions of “EPA reference method,” “PM₁₀,” and

“volatile organic compounds,” or “VOC.”

On September 13, 2010, and on February 27, 2014, EPA revised NSPS and NESHAP test methods, as well as other federal test methods, to make technical and editorial corrections, eliminate outdated procedures, add alternative testing methods, and restructure the audit program. EPA’s changes to the audit program allow providers to supply audit samples and require facilities to obtain and use these samples from the accredited providers instead of from EPA. The Commission is proposing to adopt these updates so that test methods will match current, federal test methods.

The Commission is proposing to revise the definition of “PM₁₀” to make the description consistent with the description in the definition of “PM_{2.5}.”

Between July 2, 2012, and October 22, 2013, EPA published revisions to remove several compounds from the definition of VOCs. The Commission is proposing to adopt EPA’s revisions so that state rules will match current federal regulations. The excluded compounds are HFO-1234ze, HFE-134, HFE-236cal2, HFE-338pcc13, H-Galden 1040X (H-Galden ZT 130, 150 or 180), SolsticeTM 1233zd(E), and HFO-1234yf. EPA removed the compounds because the compounds make a negligible contribution to tropospheric ozone formation. The compounds are no longer counted towards potential or actual VOC emissions for permitting or emission inventory purposes.

Item 2 amends rule 567—22.100(455B) to revise the definition of “EPA reference method” for the Title V Operating Permit Program. The changes to this definition are identical to the revisions for the definitions in Item 1.

Item 3 amends subrule 23.1(2) to specify the Federal Register publication date through which the Commission proposes to adopt new and amended NSPS in 40 Code of Federal Regulations (CFR) Part 60.

The NSPS revisions adopted by updating the date in the introductory paragraph of subrule 23.1(2) are, as follows (text in parenthesis indicates the subpart(s) in 40 CFR Part 60 and the corresponding paragraph(s) in subrule 23.1(2)):

- Fossil fuel-fired steam generators (Subpart D; paragraph “a”);

- Electric utility steam generating units (Subpart Da; paragraph “z”);
 - Industrial, commercial, and institutional steam generating units (Subpart Db; paragraph “ccc”);
 - Small industrial, commercial, and institutional steam generating units (Subpart Dc; paragraph “lll”);
 - Stationary internal combustion engines (Subparts IIII and JJJJ; paragraphs “yyy” and “zzz.”);
- and
- Test methods (Part 60).

Fossil Fuel-fired Steam Generators (Subparts D, Da, Db, and Dc)

EPA revised the NSPS for various categories of fossil fuel-fired steam generators on February 12, 2012, and again on April 24, 2013. However, EPA made substantive changes only to the NSPS for electric utility steam generating units (EGUs) under Subpart Da. EPA amended Subpart Da for EGUs to revise the standards that coal- and oil-fired EGUs must meet for particulate matter (PM), sulfur dioxide (SO₂), and nitrogen oxides (NO_x). The revisions affect only EGUs that began construction, modification, or reconstruction after May 3, 2011. EPA also made technical clarifications and corrections to the provisions in Subparts D, Db, and Dc, but did not impose any additional requirements on affected sources.

Stationary Internal Combustion Engines (Subparts III and YYYY)

On January 30, 2013, EPA updated the NSPS for stationary internal combustion engines (also known as the Engine NSPS), and issued subsequent corrections on March 6, 2013. EPA revised the Engine NSPS concurrently with changing the NESHAP for stationary reciprocating internal combustion engines (commonly known as the RICE NESHAP).

In Executive Order (EO) 72, Governor Branstad rescinded adoption by reference of earlier changes EPA made to the RICE NESHAP. Subsequent to EO 72, EPA revised the RICE NESHAP to provide more clarity and regulatory relief to affected facilities. The Commission subsequently adopted by reference the January 30, 2013, RICE NESHAP revisions in a previous rulemaking (see **ARC 1014C**, IAB 9/18/13).

The updated Engine NSPS includes corrections and clarifications, and matches the RICE NESHAP to

provide more circumstances than the previous regulations for emergency engines and for engines that participate in electricity management programs to operate under non-emergency conditions. The Commission is now proposing to adopt by reference EPA's changes to the Engine NSPS.

On September 5, 2013, EPA published a notice of reconsideration for limited aspects of both the RICE NESHAP (see Item 13) and Engine NSPS. Because of support from stakeholders, the Commission is proposing to adopt the current federal standards.

Test Methods (Part 60)

The Commission is proposing to adopt the changes EPA made to the NSPS test methods, as explained in the description above for Item 1.

Item 4 amends paragraph 23.1(2)"c," the NSPS for Portland Cement Plants (Subpart F) to remove the October 17, 2000, amendment date. The Commission is proposing to adopt the current revisions published on February 12, 2013. The recent revisions apply only to sources that commenced construction or reconstruction after May 6, 2009.

Item 5 rescinds paragraphs 23.1(2) "g," "m," "n," "o," and "p" to remove the adoption by reference of NSPS for petroleum production, primary copper smelters, primary zinc smelters, primary lead smelters, and primary aluminum reduction plants, respectively. Iowa does not have any facilities affected by these NSPS and is unlikely to have any affected facilities in the future. The rescissions will help accomplish the Department's five-year plan to remove outdated and unnecessary rules.

Item 6 amends paragraph 23.1(2)"vvv," the NSPS for commercial and industrial solid waste incinerators (CISWI), to adopt revisions that EPA made to the standard. On March 21, 2011, EPA issued revisions to Subpart CCCC to control emissions of mercury, dioxin/furans, lead, cadmium, particulate matter, and other pollutants from CISWI units. EPA's revisions specify that commercial or industrial boilers that burn solid waste are subject to the NSPS and Emission Guidelines for CISWI rather than the NESHAP for boilers or process heaters (see Items 14 and 15).

On February 7, 2013, EPA further revised the CISWI regulations in conjunction with amending the solid

waste regulations for non-hazardous secondary materials. EPA's recent updates provide revised criteria for whether materials must be classified as fuel or as solid waste. EPA also streamlined the process for petitioning classification of materials as fuel (for materials not already designated as fuel in the standard).

The updated NSPS requirements affect CISWI that commenced construction after June 4, 2010, or CISWI that commenced modification or reconstruction after August 7, 2013. The Department is aware of possible future facilities or projects that may be affected by the CISWI NSPS. However, because facilities are still determining whether they will be combusting solid waste, it is unclear at this time how many facilities, if any, will be affected by the NSPS. Under the NSPS, compliance is required upon start-up of the CISWI unit.

Incinerators constructed, reconstructed or modified prior to the dates EPA specified in Subpart CCCC are covered under the Emission Guidelines in Subpart DDDD (see Item 17).

Item 7 adopts new paragraphs 23.1(2) "bbbb," "cccc," and "dddd" to adopt by reference the NSPS regulations for sewage sludge incinerators (Subpart LLLL), crude oil and natural gas production, transmission and distribution (Subpart OOOO), and nitric acid plants (Subpart Ga).

Sewage Sludge Incinerators (Subpart LLLL)

EPA published final NSPS for sewage sludge incineration (SSI) units on March 21, 2011, to control emissions of mercury, dioxin/furans, lead, cadmium, particulate matter, and other pollutants. The standards apply to wastewater treatment facilities that treat domestic sewage sludge with an incineration unit for which construction commenced after October 14, 2010, or for which modification commenced after September 21, 2011. Iowa currently does not have any SSI units that meet this definition. Incinerators constructed prior to the dates EPA specified in Subpart LLLL are covered under the Emission Guidelines in Subpart MMMM (see Item 17).

Oil and Natural Gas

EPA finalized the NSPS for new crude oil and natural gas production, transmission, and distribution facilities on August 16, 2012, and revised the standards on September 23, 2013. The Department is aware of two facilities potentially affected by the NSPS.

Nitric Acid Plants (Subpart Ga)

EPA published revisions on August 14, 2012, to the NSPS regulations for nitric acid plants. However, the revisions apply only to plants commencing construction, reconstruction, or modification after October 14, 2011. Nitric acid plants are typically located at fertilizer production facilities. Fertilizer plants affected by the updated NSPS will need to comply with the requirements upon start-up.

Item 8 amends subrule 23.1(3) to adopt revisions to the NESHAP standards in 40 CFR Part 61. The Commission is proposing to adopt the changes EPA made to the NESHAP Part 61 test methods, as explained in the description above for Item 1.

Item 9 rescinds paragraphs 23.1(3) “b,” “c,” “h” and “j” to remove the adoption by reference of NESHAP under 40 CFR Part 61 for beryllium, beryllium rocket motor firing, inorganic arsenic emissions from arsenic trioxide and metallic arsenic production facilities, and inorganic arsenic emissions from primary copper smelters, respectively. Iowa has never had any facilities affected by these standards and is unlikely to have any affected facilities in the future. The rescissions will help accomplish the Department’s five-year plan to remove outdated and unnecessary rules.

Item 10 amends subrule 23.1(4) to specify the Federal Register publication date through which the new and amended NESHAP in 40 CFR Part 63 are proposed to be adopted by reference.

NESHAP regulations differ depending on whether a facility is a “major source” or an “area source.” Major sources are typically larger facilities and have potential emissions of 10 tons or more per year of any single air toxic or 25 tons or more of any combination of air toxics. Area sources have potential air toxics emissions at less than the major source thresholds. Although area sources generally emit less air toxics than major sources, area sources are more numerous and may collectively cause adverse impacts to public health.

The NESHAP revisions adopted by updating the date in the introductory paragraph of subrule 23.1(4) are as follows (text in parenthesis indicates the subpart in 40 CFR Part 63 and the corresponding paragraph in subrule 23.1(4)):

- Chromium Electroplating (Subpart N; paragraph “n”);

- Pulp and Paper Industry (Subpart S; paragraph “s”);
- Wood Furniture Manufacturing (Subpart JJ; paragraph “aj”);
- Natural Gas Transmission and Storage (Subpart HHH; paragraph “bh”);
- Pesticide Active Ingredient Production (Subpart MMM; paragraph “bm”); and
- Test methods (Part 63).

Chromium Electroplating (Subpart N)

On September 19, 2012, EPA published revisions to the NESHAP for chromium electroplating facilities. This NESHAP affects both major and area sources. EPA’s revisions establish new work practice and emission standards that will lower chromium emissions from some facilities and equipment.

Currently, the Department estimates that eleven existing facilities are subject to this NESHAP. Facilities were required to comply with the work practice standards specified in the NESHAP by March 19, 2013. Facilities subject to new emissions or control requirements will have until September 19, 2014, to comply.

Wood Furniture Manufacturing (Subpart JJ)

EPA published revisions to this standard on November 21, 2011. This NESHAP affects only major sources. EPA’s revisions establish a work practice limit to reduce formaldehyde emissions from affected facilities. At this time, the Department estimates that nine existing facilities are subject to the NESHAP. Facilities will have until November 21, 2014, to comply with the new requirements.

Pulp and Paper Industry (Subpart S)

The Commission is proposing to adopt EPA’s revisions to the Pulp and Paper NESHAP standards. This will require facilities to conduct periodic emissions testing every five years and includes other updates to the standard. The Department is aware of one facility that is potentially subject to this standard at this time.

Natural Gas Transmission and Storage (Subpart HHH)

EPA revised the NESHAP for natural gas transmission and storage on August 16, 2012. One facility has notified the Department that it is subject to the new NESHAP requirements. The facility is planning to comply with the requirements by the October 15, 2015, compliance date.

Pesticide Active Ingredient Production (Subpart MMM)

One facility is subject to the revised NESHAP for pesticide active ingredient production. The revised NESHAP requires compliance with some new requirements starting March 27, 2014. Affected facilities will have until March 27, 2017, to comply with new requirements for monitoring pressure relief devices.

Test Methods

The Commission is proposing to adopt the changes EPA made to the NESHAP Part 63 test methods, as explained in the description above for Item 1.

Item 11 rescinds paragraphs 23.1(4) “j,” “p,” “x,” “ac,” “ai,” “al,” “bc” “bq,” “bt,” “dr,” and dt,” to remove the adoption by reference of the NESHAP for polyvinyl chloride and copolymers production, primary aluminum production plants, secondary lead smelting, petroleum production, ship building and ship repair, steel pickling plants, primary copper smelting, primary lead smelting, taconite iron ore processing, and primary magnesium refining, respectively. Iowa does not have any facilities affected by these NESHAP and is unlikely to have any affected facilities in the future. The rescissions will help accomplish the Department’s five-year plan to remove outdated and unnecessary rules.

Item 12 amends paragraph 23.1(4) “bl,” the NESHAP for Portland Cement Manufacturing (Subpart LLL) to remove the December 20, 2006, amendment date. The Commission is proposing to adopt the current federal rule published on February 12, 2013.

EPA issued revisions to the NESHAP for cement manufacturing on February 12, 2013. The revisions include new emissions standards for cement kilns, and extend the compliance date from the previous standard to September 9, 2015. However, cement kilns that burn non-hazardous solid waste are subject to the CISWI NSPS or Emission Guidelines rather than the cement NESHAP requirements (see Items 6 and 17). Equipment at cement plants other than kilns must comply with the emission limits specified in the cement NESHAP by September 9, 2015. The cement NESHAP also establishes work practice standards for controlling fugitive dust from clinker storage piles. The compliance date for the storage pile requirements was February 12, 2014. Iowa has three existing cement plants affected by the NESHAP.

Item 13 amends paragraph 23.1(4)“cz” to adopt minor technical corrections to the RICE NESHAP (Subpart ZZZZ) that EPA published on March 6, 2013. The Commission proposes to amend the January 30, 2013, standard specified in paragraph “cz” because it is no longer current.

On September 5, 2013, EPA published a notice of reconsideration for limited aspects of both the RICE NESHAP and the Engine NSPS (see Item 3). Because of support from stakeholders, the Commission is proposing to adopt the current federal standards.

Item 14 amends paragraph 23.1(4)“dd” to adopt the NESHAP for major source industrial, commercial, and institutional (ICI) boilers and process heaters (Subpart DDDDD, also known as the “Boiler MACT”) that EPA published on March 21, 2011, and subsequently amended on January 31, 2013.

Under the revised Boiler MACT, natural gas-fired boilers will have work practice standards, such as periodic boiler tune-ups. Limited use and very small boilers will also have work practice standards. Larger solid and liquid fuel fired boilers will have numeric emission limits and required compliance demonstrations, depending on the type of boiler and fuel burned. EPA’s revised standards provide additional flexibilities for affected facilities, including alternative testing and monitoring options. EPA also extended the compliance date for existing boilers to January 31, 2016. The Department estimates that between 100-150 facilities have boilers potentially affected by the Boiler MACT.

EPA recently announced that it will reconsider limited aspects of both the Boiler MACT and Area Source Boiler Rule (see Item 15). EPA has not yet published its proposed reconsideration. Because of support from stakeholders, the Commission is proposing to adopt the current federal standards.

Item 15 adopts new paragraphs 23.1(4) “du” and “ej” to adopt the new NESHAP regulations for major and area source coal and oil-fired EGUs (Subpart UUUUU) and area source boilers (Subpart JJJJJ).

EGUs (Subpart UUUUU)

EPA issued new standards for emissions from EGUs on February 16, 2012, and published subsequent revisions on April 24, 2013. EPA issued the NESHAP (which EPA calls the Mercury and Air Toxics Standards, or “MATS”) to reduce emissions of mercury, other heavy metals, and acid gases from new and existing coal

and oil-fired EGUs. EGUs that burn only natural gas or that burn fuel oil only during natural gas curtailment are not affected by MATS. The compliance dates for existing EGUs is April 16, 2015. New EGUs must comply with MATS upon start-up.

The Department estimates that 14 existing facilities are currently operating EGUs potentially affected by MATS. In response to MATS and other current and future federal requirements, some facilities are planning to shut down EGUs or switch to burning natural gas before the MATS compliance date. Several facilities are planning to add control devices to meet the emission limits and other MATS requirements.

EPA is in the process of finalizing a limited reconsideration on specific aspects of MATS. Because of support from stakeholders, the Commission is proposing to adopt the current federal standards.

ICI Boilers at Area Sources (Subpart JJJJJ)

EPA published the NESHAP for ICI boilers at area sources on March 21, 2011, and subsequently revised the NESHAP on February 1, 2013. The NESHAP, also known as the Area Source Boiler Rule, exempts from this rule all boilers meeting the definition of natural gas-fired boilers, temporary boilers, and residential boilers. Additionally, boilers burning solid or liquid fuels that are very small, limited use, or seasonal will have work practice standards but will not have emission standards. Other boilers burning solid or liquid fuels will have to meet numeric emission limits for some air toxics, depending on the type of boiler and specific fuel burned, and will have required testing or monitoring. However, EPA's revised standards provided alternative compliance methods and more flexible monitoring for some boilers.

EPA extended the compliance date for required tune-ups on existing boilers to March 21, 2014. The compliance date for existing boilers for emission limits, initial compliance testing, and other requirements is also March 21, 2014. The Department estimates that approximately 20 facilities in Iowa have boilers potentially affected by the Area Source Boiler Rule. However, most if not all of the affected facilities will have work practice standards rather than emission limits.

Item 16 amends rule 23.1(5) to update Iowa's adoption of EPA's Emission Guidelines for existing sources. CAA sections 111 and 129 require EPA to establish NSPS for new units, whereas sections 111(d) and

129 require EPA to establish Emission Guidelines for existing units.

Item 17 adopts new paragraphs 23.1(5)“e” and “f” to adopt the federal Emission Guidelines for existing CISWI and SSI units.

EPA’s Emission Guidelines provide “model rules” that states may adopt by reference in setting the requirements for existing solid waste combustion units. EPA requires states to establish Emission Guidelines that are at least as rigorous as EPA’s model rules. As with NSPS and NESHAP, the Commission adopts Emission Guidelines (model rules) by reference so that the requirements are no more or less stringent than federal requirements. If the Commission does not adopt the Emission Guidelines, EPA will impose federal emission guidelines on affected facilities. EPA may impose standards with compliance deadlines that are earlier than allowed under state plans.

Commercial and Industrial Solid Waste Incinerators (CISWI) (Subpart DDDD)

On March 21, 2011, EPA issued Emission Guidelines for states to control emissions of mercury, dioxin/furans, lead, cadmium, particulate matter, and other pollutants from existing CISWI units. As with the NSPS, EPA’s revisions specify that commercial or industrial boilers that burn solid waste are subject to the NSPS or Emission Guidelines for CISWI rather than the NESHAP for boilers (see Items 14 and 15). On February 7, 2013, EPA further revised the Emission Guidelines to provide criteria for whether materials must be classified as fuel or as solid waste. EPA also streamlined the process for petitioning classification of materials as fuel (for materials not already designated as fuels in the standard).

The updated Emission Guidelines affect CISWI that commenced construction after November 30, 1999, but no later than June 4, 2010. The Emission Guidelines also affect CISWI units commencing modification or reconstruction after June 1, 2001, but no later than August 7, 2013. EPA requires that the state’s plan include a compliance date for existing CISWI that is no later than February 7, 2018. The Department will request that EPA approve a February 7, 2018, compliance date.

At this time, the Department does not have an estimate on the number of facilities potentially affected by the Emission Guidelines for CISWI. The owners and operators of existing facilities are still determining

whether they will burn solid waste after the compliance date for the standard.

Sewage Sludge Incineration (SSI) Units (Subpart MMMM)

Also on March 21, 2011, EPA published Emission Guidelines for states to control emissions of mercury, dioxin/furans, lead, cadmium, particulate matter, and other pollutants from SSI units. One facility in Iowa is affected by the Emission Guidelines. EPA requires that the state's plan include a compliance date for existing SSI units that is no later than March 21, 2016. The Department will request that EPA approve a March 21, 2016, compliance date.

In August 2013, the U.S. Court of Appeals for the District of Columbia Circuit remanded back to EPA a portion of the NSPS and Emission Guidelines for SSI units. EPA is required to develop new rules for the remanded requirements. The current compliance dates and requirements remain in effect. Because of preliminary stakeholder support, the Commission is proposing to adopt the current federal standards.

Item 18 amends paragraph 25.1(9)"a" to change the methods and procedures to evaluate compliance with emission limitations or permit conditions. The revision updates the federal reference methods for performance tests so that the provisions are identical to the revisions to the definition of "EPA reference method" (see Item 1).

Item 19 amends rule 567—25.3 (455B) to add a "sunset date" for the state's mercury monitoring requirements. The Commission adopted the mercury emissions monitoring rules in 2009 as a temporary requirement until EPA finalized its air toxics requirements for EGUs (MATS). Now that EPA has finalized MATS, the state's mercury monitoring rules are unnecessary. The Commission is proposing to sunset the mercury monitoring rules on April 16, 2015, which is the compliance date for existing EGUs under MATS. If a facility receives an extension to comply with MATS, the Commission is proposing that the facility continue to comply with the mercury monitoring rules until the date the facility is required to comply with MATS. The facilities planning to request extensions have expressed support for the Department continuing to require mercury monitoring during the extension period.

Item 20 amends subrule 33.3(1) to revise the definition of "volatile organic compounds" or "VOC." The

changes to this definition are identical to the revisions for the definitions in Item 1.

Any person may make written suggestions or comments on the proposed rule changes on or before DATE TBD. Written comments should be directed to Christine Paulson, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Windsor Heights, Iowa, 50324, fax (515) 725-9501, or by E-mail to christine.paulson@dnr.iowa.gov.

A public hearing will be held on DATE TBD at TIME TBD in the conference rooms at the Department's Air Quality Bureau office located at 7900 Hickman Road, Windsor Heights, Iowa. All comments must be received no later than 4:30 p.m. on DATE TBD.

Any person who intends to attend the public hearing and has special requirements such as those related to hearing or mobility impairments should contact Christine Paulson at (515) 725-9510 , or by E-mail at christine.paulson@dnr.iowa.gov to advise of any specific needs.

Jobs Impact Statement

The following is a summary of the jobs impact statement. The complete jobs impact statement is available from the Department upon request.

After analysis and review, the Department has determined that jobs could be impacted. However, the proposed revisions would only implement federally mandated regulations. This rulemaking would not impose on Iowa businesses any regulations that are not required by federal law. The Commission is proposing to adopt the federal standards by reference so the rules will be identical to federal requirements. Additionally, facilities would be impacted by the federal standards regardless of whether the Commission adopts the standards into state administrative rules.

The Commission has minimized the jobs impacts by waiting to propose adoption of the standards until after EPA completed significant improvements to the standards. EPA's final rules generally provide regulatory relief from, and clarity to, the requirements that EPA initially mandated.

These revisions are intended to implement Iowa Code section 455B.133 and U.S. Clean Air Act Title I

Sections 111 (NSPS), 112 (NESHAP), and 129 (Emission Guidelines) (as codified in 42 USC §7411, 42 USC §7412, and 42 USC §7429).

The following amendments are proposed.

Item 1. Amend rule **567—20.2(455B)**, definitions of “EPA reference method,” “PM₁₀,” “and “Volatile Organic Compounds” or “VOC,” as follows:

“*EPA reference method*” means the following methods used for performance tests and continuous monitoring systems:

1. Performance test (stack test). A stack test shall be conducted according to EPA reference methods specified in 40 CFR 51, Appendix M (as amended through ~~December 21, 2010~~ February 27, 2014); 40 CFR 60, Appendix A (as amended through ~~September 9, 2010~~ February 27, 2014); 40 CFR 61, Appendix B (as amended through ~~October 17, 2000~~ February 27, 2014); and 40 CFR 63, Appendix A (as amended through ~~August 20, 2010~~ February 27, 2014).

2. Continuous monitoring systems. Minimum performance specifications and quality assurance procedures for performance evaluations of continuous monitoring systems are as specified in 40 CFR 60, Appendix B (as amended through September 9, 2010); 40 CFR 60, Appendix F (as amended through September 9, 2010); 40 CFR 75, Appendix A (as amended through March 28, 2011); 40 CFR 75, Appendix B (as amended through March 28, 2011); and 40 CFR 75, Appendix F (as amended through March 28, 2011).

“*PM₁₀*” means particulate matter as defined in this rule with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by an EPA-approved reference method.

“*Volatile organic compounds*” or “*VOC*” means any compound included in the definition of

“volatile organic compounds” found at 40 CFR Section 51.100(s) as amended through ~~January 21, 2009~~ October 22, 2013.

Item 2. Amend rule **567—22.100(455B)**, definition of “EPA reference method,” as follows:

“*EPA reference method*” means the following methods used for performance tests and continuous monitoring systems:

1. Performance test (stack test). A stack test shall be conducted according to EPA reference methods specified in 40 CFR 51, Appendix M (as amended through ~~December 21, 2010~~ February 27, 2014); 40 CFR 60, Appendix A (as amended through ~~September 9, 2010~~ February 27, 2014); 40 CFR 61, Appendix B (as amended through ~~October 17, 2000~~ February 27, 2014); and 40 CFR 63, Appendix A (as amended through ~~August 20, 2010~~ February 27, 2014).

2. Continuous monitoring systems. Minimum performance specifications and quality assurance procedures for performance evaluations of continuous monitoring systems are as specified in 40 CFR 60, Appendix B (as amended through ~~September 9, 2010~~ February 27, 2014); 40 CFR 60, Appendix F (as amended through ~~September 9, 2010~~ February 27, 2014); 40 CFR 75, Appendix A (as amended through March 28, 2011); 40 CFR 75, Appendix B (as amended through March 28, 2011); and 40 CFR 75, Appendix F (as amended through March 28, 2011).

ITEM 3. Amend subrule **23.1(2)**, the introductory paragraph, as follows:

23.1(2) *New source performance standards.* The federal standards of performance for new stationary sources, as defined in 40 Code of Federal Regulations Part 60 as amended or corrected through ~~June 28, 2011,~~ February 27, 2014, are adopted by reference, except § 60.530 through § 60.539b (Part 60, Subpart AAA), and shall apply to the following affected facilities. The corresponding 40 CFR Part 60 subpart designation is in parentheses. An earlier date for adoption by reference may be included with the subpart designation in parentheses. Reference test methods (Appendix A), performance specifications (Appendix B), determination of emission rate change (Appendix C), quality assurance procedures (Appendix F) and the general provisions (Subpart A) of 40 CFR Part 60 also apply to the affected facilities.

ITEM 4. Amend paragraph **23.1(2)“c”** as follows:

c. Portland cement plants. Any of the following in a Portland cement plant: kiln; clinker cooler; raw mill system; finish mill system; raw mill dryer; raw material storage; clinker storage; finished product storage; conveyor transfer points; bagging and bulk loading and unloading systems. (Subpart F ~~as amended through October 17, 2000~~)

ITEM 5. Rescind and reserve **paragraphs** 23.1(2) “g,” “m,” “n,” “o,” and “p.”

ITEM 6. Amend **paragraph** 23.1(2)“vvv” as follows:

vvv. Commercial and industrial solid waste incineration. Unless exempted, this standard applies to units for which construction is commenced after ~~November 30, 1999,~~ June 4, 2010, or for which modification or reconstruction is commenced on or after ~~June 1, 2001~~ August 7, 2013. (Part 60, Subpart CCCC)

ITEM 7. Adopt the following **new** paragraphs 23.1(2) “bbbb,” “cccc,” and “dddd.”

bbbb. Sewage Sludge Incineration (SSI) Units. Unless otherwise exempted, these standards apply to any sewage sludge incineration (SSI) unit for which construction commenced after October 14, 2010, or for which modification commenced after September 21, 2011. (Subpart LLLL)

cccc. Crude oil and natural gas production, transmission, and distribution. Unless otherwise exempted, these standards apply to any affected facility that commenced construction, modification, or reconstruction after August 23, 2011. (Subpart OOOO)

dddd. Nitric acid plants. Unless otherwise exempted, these standards apply to any nitric acid production unit that commenced construction, reconstruction or modification after October 14, 2011. (Subpart Ga)

ITEM 8. Amend subrule **23.1(3)**, the introductory paragraph, as follows:

23.1(3) *Emission standards for hazardous air pollutants.* The federal standards for emissions of hazardous air pollutants, 40 Code of Federal Regulations Part 61 as amended or corrected through ~~May 16, 2007, February 27, 2014,~~ and 40 CFR Part 503 as adopted on August 4, 1999, are adopted by reference, except 40 CFR §61.20 to §61.26, §61.90 to §61.97, §61.100 to §61.108, §61.120 to §61.127, §61.190 to §61.193, §61.200 to §61.205, §61.220 to §61.225, and §61.250 to §61.256, and shall apply to the following affected pollutants and facilities and activities listed below. The corresponding 40 CFR Part 61 subpart designation is in parentheses. Reference test methods (Appendix B), compliance status information requirements (Appendix A), quality assurance procedures (Appendix C) and the general provisions (Subpart A) of Part 61 also apply to the affected activities or facilities.

ITEM 9. Rescind and reserve **paragraphs** 23.1(3) “b,” “c,” “h,” and “j.”

ITEM 10. Amend subrule **23.1(4)**, the introductory paragraph, as follows:

23.1(4) *Emission standards for hazardous air pollutants for source categories.* The federal standards for emissions of hazardous air pollutants for source categories, 40 Code of Federal Regulations Part 63 as amended or corrected through ~~September 19, 2011,~~ March 27, 2014, are adopted by reference, except those provisions which cannot be delegated to the states. The corresponding 40 CFR Part 63 subpart designation is in parentheses. An earlier date for adoption by reference may be included with the subpart designation in parentheses (~~except for paragraph 23.1(4) “e,” which specifies a later date for adoption by reference~~). 40 CFR Part 63, Subpart B, incorporates the requirements of Clean Air Act Sections 112(g) and 112(j) and does not adopt standards for a specific affected facility. Test methods (Appendix A), sources defined for early reduction provisions (Appendix B), and determination of the fraction biodegraded (F_{bio}) in the biological treatment unit (Appendix C) of Part 63 also apply to the affected activities or facilities. For the purposes of this subrule, “hazardous air pollutant” has the same meaning found in 567—22.100(455B). For the purposes of this subrule,

a “major source” means any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, considering controls, in the aggregate, 10 tons per year or more of any hazardous air pollutant or 25 tons per year or more of any combination of hazardous air pollutants, unless a lesser quantity is established, or in the case of radionuclides, where different criteria are employed. For the purposes of this subrule, an “area source” means any stationary source of hazardous air pollutants that is not a “major source” as defined in this subrule. Paragraph 23.1(4) “a,” general provisions (Subpart A) of Part 63, shall apply to owners or operators who are subject to subsequent subparts of 40 CFR Part 63 (except when otherwise specified in a particular subpart or in a relevant standard) as adopted by reference below.

ITEM 11. Rescind and reserve paragraphs 23.1(4) “j,” “p,” “x,” “ac,” “ai,” “al,” “bc” “bq,” “bt,” “dr,” and dt.”

ITEM 12. Amend paragraph 23.1(4) “bl” as follows:

bl. Emission standards for hazardous air pollutants for Portland cement manufacturing operations. These standards apply to all new and existing major and area sources of Portland cement manufacturing unless exempted. Cement kiln dust (CKD) storage facilities, including CKD piles and landfills, are excluded from this standard. Affected processes include, but are not limited to, all cement kilns and in-line kiln/raw mills, unless they burn hazardous waste. (Subpart LLL as amended through December 20, 2006)

ITEM 13. Amend paragraph 23.1(4) “cz” as follows:

cz. Emission standards for stationary reciprocating internal combustion engines. These standards apply to new and existing major sources and to new and existing area sources with stationary reciprocating internal combustion engines (RICE). For purposes of these standards, stationary RICE means any reciprocating

internal combustion engine which uses reciprocating motion to convert heat energy into mechanical work and which is not mobile. (Part 63, Subpart ~~ZZZZ~~, as amended through January 30, 2013)

ITEM 14. Amend paragraph 23.1(4)“dd” as follows:

dd. Emission standards for industrial, commercial and institutional boilers and process heaters.

These standards apply to new and existing major sources with industrial, commercial or institutional boilers and process heaters. (Part 63, Subpart DDDDD)*

~~*As of April 15, 2009, the adoption by reference of Part 63, Subpart DDDDD, is rescinded. On July 30, 2007, the United States Court of Appeals for the District of Columbia Circuit issued its mandate vacating 40 CFR Part 63, Subpart DDDDD, in its entirety, and requiring EPA to repromulgate final standards for industrial, commercial or institutional boilers and process heaters at new and existing major sources.~~

ITEM 15. Adopt the following new paragraphs 23.1(4) “du” and “ej.”

du. Emission standards for hazardous air pollutants: coal- and oil-fired electric utility steam generating units (EGUs). This standard applies to new and existing coal-fired electric utility steam generating units (EGUs) and oil-fired EGUs. (Subpart UUUUU)

ej. Emission standards for hazardous air pollutants for area sources: industrial, commercial, and institutional boilers. This standard applies to new and existing industrial, commercial, and institutional boilers at area sources. (Subpart JJJJJ)

ITEM 16. Amend subrule 23.1(5), introductory paragraph, as follows:

23.1(5) Emission guidelines. The emission guidelines and compliance times for existing sources, as defined in 40 Code of Federal Regulations Part 60 as amended through ~~June 9, 2006~~, February 7, 2013, shall apply to the following affected facilities. The corresponding 40 CFR Part 60 subpart designation is in

parentheses. The control of the designated pollutants will be in accordance with federal standards established in Sections 111 and 129 of the Act and 40 CFR Part 60, Subpart B (Adoption and Submittal of State Plans for Designated Facilities), and the applicable subpart(s) for the existing source. Reference test methods (Appendix A), performance specifications (Appendix B), determination of emission rate change (Appendix C), quality assurance procedures (Appendix F) and the general provisions (Subpart A) of 40 CFR Part 60 also apply to the affected facilities.

ITEM 17. Adopt the following new paragraphs 23.1(5) “e,” and “f:”

e. Emission guidelines and compliance schedules for commercial and industrial solid waste incineration units that commenced construction after November 30, 1999 (CISWI) but no later than June 4, 2010. Emission guidelines and compliance schedules for the control of designated pollutants from affected commercial and industrial solid waste incinerators (CISWI) that commenced construction after November 30, 1999, but no later than June 4, 2010, (or commenced modification or reconstruction after June 1, 2001, but no later than August 7, 2013), shall be in accordance with the requirements for CISWI units established in 40 CFR Part 60 Subpart DDDD.

f. Emission guidelines and compliance schedules for sewage sludge incineration units (SSI) that commenced construction on or before October 14, 2010. Emission guidelines and compliance schedules for the control of designated pollutants from affected sewage sludge incineration units (SSI) that commenced construction on or before October 14, 2010 shall be in accordance with the requirements for SSI established in 40 CFR Part 60 Subpart MMMM, sections §60.5085 through §60.5250.

ITEM 18. Amend paragraph 25.1(9)“a,” as follows:

a. Performance test (stack test). A stack test shall be conducted according to EPA reference methods as specified in 40 CFR 51, Appendix M (as amended through ~~December 21, 2010~~ February 27, 2014); 40 CFR 60, Appendix A (as amended through ~~September 9, 2010~~ February 27, 2014); 40 CFR 61, Appendix B

(as amended through ~~October 17, 2000~~ February 27, 2014); and 40 CFR 63, Appendix A (as amended through ~~August 20, 2010~~ February 27, 2014). The owner of the equipment or the owner's authorized agent may use an alternative methodology if approved by the department in writing before testing. Each test shall consist of at least three separate test runs. Unless otherwise specified by the department, compliance shall be assessed on the basis of the arithmetic mean of the emissions measured in the three test runs.

ITEM 19. Amend rule **567—25.3 (455B)**, introductory paragraph, as follows:

567—25.3 (455B) Mercury emissions testing and monitoring. Any stationary, coal-fired boiler or stationary, coal-fired combustion turbine serving, at any time since the later of November 15, 1990, or the start-up of the unit's combustion chamber, a generator with a nameplate capacity of more than 25 megawatt electrical (MWe) producing electricity for sale is an affected source under the provisions of this rule.

The provisions of this rule expire on April 16, 2015, except for any affected facility that receives an extension to comply with the emission standards for hazardous air pollutants: coal- and oil-fired electric utility steam generating units (EGUs) (40 CFR Part 63, Subpart UUUUU, commonly known as "MATS"). Any facility receiving an extension from the MATS compliance date shall continue to comply with the provisions of this rule until the date the facility is required to comply with MATS or alternatively is no longer subject to the MATS compliance requirements. However, facilities complying with the requirements of this rule as specified in subrule 25.3(3) (continuous emissions monitoring systems (CEMS)) may submit a written request to the department to discontinue concurrent, annual stack tests. The department will evaluate and grant requests on a case-by-case basis, based upon previous stack test results and how recent the last stack test occurred or other extenuating circumstances, such as those that may cause testing conditions to be unrepresentative of normal operations or unsafe to perform. If the department grants a request, the facility will be required to continue operating CEMS and conduct relative accuracy test audits (RATAs), as specified in subrule 25.3(3), until the facility is required to comply with MATs or alternatively is no longer subject to MATS compliance requirements.

ITEM 20. Amend subrule **33.3(1)**, the definition of “Volatile organic compounds” or “VOC,” as follows:

“*Volatile organic compounds*” or “*VOC*” means any compound included in the definition of “volatile organic compounds” found at 40 CFR 51.100(s) as amended through ~~January 21, 2009~~ October 22, 2013.

Date

Chuck Gipp, Director

Administrative Rule Fiscal Impact Statement

Date: March 31, 2014

Agency: Environmental Protection Commission (Commission) / Department of Natural Resources (Department)

IAC Citation: 567 IAC Chapters 20, 22, 23, 25, and 33

Agency Contact: Christine Paulson

Summary of the Rule:

The purpose of the rulemaking is to adopt by reference new and updated federal New Source Performance Standards (NSPS), air toxics standards (also known as National Emission Standards for Hazardous Air Pollutants or “NESHAP”), and Emission Guidelines. The proposal affects several different industries including utility, industrial, commercial and institutional boilers; solid waste incinerators; cement plants and stationary engines. The Department is proposing to adopt the standards by reference so that all compliance deadlines will be in accordance with federal time lines.

Additionally, the Department is proposing to rescind several previously adopted rules, including emission standards for minerals and materials processing and mercury emissions monitoring requirements that apply to utility boilers, to accomplish the Department’s goal of eliminating outdated and unnecessary rules. The Department is also proposing to adopt two minor rule changes to adopt federal regulations, one to implement revised federal test methods and one to remove several compounds from the definition of volatile organic compounds (VOC).

Facilities are subject to the federal standards regardless of whether the standards are adopted into Iowa’s rules. By adopting these standards, the Department can provide compliance assistance and outreach to affected facilities as soon as possible. Further, affected small businesses will be eligible for free compliance assistance from the Department’s contracted technical assistance provider, the University of Northern Iowa.

Fill in this box if the impact meets 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 use existing budget and resources to implement the proposed rules.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	<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\$
	<hr/>	<hr/>
TOTAL REVENUE	0\$	0\$
Expenditures:		
GENERAL FUND	0\$	0\$
FEDERAL FUNDS	0\$	0\$
Other (specify)	0\$	0\$
	<hr/>	<hr/>
TOTAL EXPENDITURES	0\$	0\$

NET IMPACT

This rule is required by State law or Federal mandate.

Please identify the state or federal law:

Iowa Code section 455B.133 and United States Clean Air Act (CAA) Title I (Sections 111 (42 USC §7411), 112 (42 USC §7412), and 129 (42 USC §7429)), as codified in 40 Code of Federal Regulations Parts 51, 60, 61, and Part 63.

Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

Funding has not been provided for the rule.

Please explain how the agency will pay for the rule change:

The Department will utilize existing resources at this time.

Fiscal impact to persons affected by the rule:

See next page.

This rulemaking would not impose any regulations on Iowa businesses not required by federal law. Since the Department is proposing to adopt the federal revisions by reference, the rule changes are identical to federal requirements, and are no more or less stringent than federal regulations. Additionally, facilities must comply with the federal standards regardless of whether the Department adopts the standards into state administrative rules.

The Department is minimizing the impact of the federal regulations to the greatest extent possible by waiting to adopt the federal standards until after EPA completed major revisions. Many of EPA's updates offer significant improvements over the previous requirements. In particular, the modified standards will provide more flexibility and potential cost savings to some affected industries.

According to EPA's regulatory impact analysis, the new and revised standards will have capital and annual costs, but these costs are generally less than the costs estimated for the previous standards. Further, a larger number of affected facilities will have only work practice or recordkeeping standards rather than costs associated with controlling and monitoring emissions.

Stakeholders have expressed support for the Department adopting these standards, even though five of the standards are currently under EPA reconsideration.

Power Plants

Currently, 14 existing facilities with electric utility steam generating units (EGUs) would be affected by the NESHAP, which EPA calls the Mercury and Air Toxics Standards, or "MATS." In anticipation of MATS and other current and future federal requirements, some facilities are planning to shut down or switch to burning natural gas (EGUs burning natural gas are not subject to MATS). Several facilities are planning to add control devices to meet the emission limits and other MATS requirements. The cost for an individual facility to comply with MATS will vary widely depending on whether the facility plans to add control equipment, switch fuels, or shut down.

The Department is proposing to sunset the mercury monitoring rules on April 16, 2015, which is the compliance date for existing EGUs under MATS. Sunsetting these rules will have a positive impact on affected facilities by eliminating duplicative and expensive testing and monitoring requirements. If a facility receives an extension to comply with MATS, the Department is proposing that the facility continue to comply with the mercury monitoring rules until the date the facility is required to comply with MATS. The facilities planning to request extensions have expressed support for the Department continuing to require mercury monitoring during the extension period.

Other Combustion Sources (Boilers, Incinerators, and Cement Plants)

The new standards for industrial, commercial and institutional (ICI) boilers, incinerators, and cement kilns will likely result in a regulatory cost and possible jobs impact for affected facilities that need to install emissions control equipment and conduct performance testing. However, EPA has extended compliance dates for these standards, providing an additional one to five years to comply with emission limits, depending on the standard and type of facility. Therefore, the revised standards mitigate the regulatory and jobs impacts that were associated with the regulations that EPA originally issued.

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The NESHAP for ICI boilers and process heaters (Boiler MACT) affects major sources. EPA revised the requirements so that gas-fired boilers and process heaters have work practice standards such as regular tune-ups and energy audits. The majority of combustion units subject to emission limitations are coal and biomass-fired boilers operating at industrial facilities. EPA's updated standards provide more flexibility for facilities to operate temporary and seasonal boilers. EPA also extended the compliance dates for emission standards and testing/monitoring requirements by three (3) years, until January 31, 2016. The Department estimates that between 100-150 facilities are subject to the Boiler MACT.

EPA also revised the NESHAP for ICI boilers at smaller facilities that are area sources (known as the "Area Source Boiler Rule"). Boilers meeting the definitions of natural gas fired boilers, temporary boilers, and residential boilers are unaffected by this rule. EPA extended the compliance dates to conduct initial tune-ups and energy assessments to March 21, 2014. The Department estimates that approximately 20 facilities in Iowa have boilers potentially affected by the Area Source Boiler Rule. However, most if not all of the affected facilities will have work practice standards rather than emission limits.

Commercial or industrial boilers and incinerators (CISWI) that burn solid waste are subject to the CISWI rules for incinerators rather than the Boiler MACT or Area Source Boiler Rule. EPA provided additional criteria for whether materials are classified as fuel or as solid waste. Because of the current uncertainty of whether some units will be considered boilers or incinerators, the Department cannot make an accurate estimate at this time of how many facilities will be CISWI-affected. EPA allows states to provide existing incinerators with up to five years to comply with CISWI, until February 7, 2018.

The Sewage Sludge Incinerator Rule will impact one existing municipal sewage sludge incinerator. The facility is aware of the regulations and is preparing to comply.

EPA revised the original NESHAP and NSPS for cement manufacturing to add some additional requirements. Cement kilns that burn non-hazardous solid waste are subject to the CISWI NSPS or Emission Guidelines rather than the cement NESHAP requirements. Equipment at cement plants other than kilns must comply with the emission limits in the cement NESHAP by September 9, 2015. The compliance date for the storage pile requirements is February 12, 2014. At this time, the NESHAP affects three existing cement plants.

Other Affected Industries

NESHAP revisions affecting pulp and paper production potentially impact one facility in Iowa. The changes affecting nitric acid plants would impact two existing fertilizer plants if the facilities undertake reconstruction or qualifying modifications. New facilities must comply with the updated NSPS upon start-up.

One facility is subject to the revised NESHAP for pesticide active ingredients. The NESHAP requires compliance with some new requirements starting March 27, 2014, and facilities will have until March 27, 2017, to comply with other new requirements.

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Currently, the Department has a record of 11 facilities subject to the NESHAP for chromium electroplating. Facilities must comply with the basic work practice standards by March 19, 2013. Facilities subject to new emissions or control requirements will have until September 19, 2014, to comply.

At this time, the Department has a record of 9 facilities that are subject to the existing NESHAP for wood furniture manufacturing. EPA's revisions establish a work practice limit. Facilities will have until November 2014 to comply with the new requirements.

The Department is aware of two facilities potentially affected by the requirements in the NSPS for storing oil and natural gas. One facility has notified the Department that it is subject to the NESHAP requirements related to natural gas transmission. The facility is planning to comply with the requirements by the October 15, 2015, compliance date.

Rescission of Unnecessary Rules

The Department proposes to rescind adoption by reference of specific standards for which Iowa does not have any affected industries. If any such industries would locate to Iowa in the future, the Department will evaluate at that time whether to adopt the standards.

Other proposed rule updates

EPA revised federal test methods to make technical and editorial corrections, eliminate outdated procedures, add alternative testing methods, and restructure the audit program. The Department is proposing to adopt these updates so that test methods will match current, federal test methods. In addition, EPA revised the definition of VOC to exclude several compounds because the compounds make a negligible contribution to tropospheric ozone formation. The Department is proposing to adopt EPA's revisions so that state rules will match federal regulations.

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

The fiscal impact to municipally owned utilities, counties or other local government entities with stationary engines, boilers, incinerators, and the other equipment covered by the proposed rules would be the same as described above for other facilities potentially affected by these rules.