

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

ITEM

5

INFORMATION

**TOPIC Executive Order 80 Workgroup for Voluntary Operating Permits for
 Minor Sources – Submission of Recommendations**

The Voluntary Operating Permits (VOP) for Minor Sources stakeholder group will be presenting their final recommendations to the Environmental Protection Commission and Department of Natural Resources.

Governor Branstad issued Executive Order 80 (EO 80) on August 20, 2013, to increase stakeholder involvement and input on administrative processes and rules. The Director, in consultation with the Governor’s office, selected a stakeholder group to review administrative rule provisions for the voluntary operating permit program, pursuant to Executive Order 80.

The purpose of the stakeholder group was to make recommendations to the Department regarding the air quality Voluntary Operating Permit rule provisions to increase efficiency and streamline the permit application review and issuance process. A list of the stakeholder group members is attached.

Background: What is a VOP?

To assist facilities, that want to take voluntary limitations on emissions and operations to avoid having to obtain a Title V operating permit, the DNR developed the “Voluntary Operating Permit” (or VOP). By applying for a VOP in lieu of a Title V permit, and requesting emissions and operating limits, facilities have been able to obtain an “application shield” that allowed them to continue to operate without a Title V permit. At that time, in the mid-1990’s, EPA required DNR to have a federally enforceable operating permit program to address existing facilities that wanted to establish limits below the Title V operating permit program thresholds. DNR created the VOP program to meet EPA’s requirement.

The VOP addresses air pollution control requirements for each facility and must be renewed every five years. It requires much work for both the facility to apply for the permit, and for the department to review and issue the permit.

EPA has since agreed that the DNR’s Air Construction Permit program can also provide a mechanism to establish limits to remain below the Title V operating permit program thresholds. Utilizing Air Construction Permits to establish enforceable limits can be a more efficient way to establish these voluntary limits. Construction permits can contain emissions and operating limits, and do not require renewal. No further action is required after a construction permit is issued unless there is a change to the source of emissions, or a change in how the facility plans to operate the equipment.

The stakeholder group met on March 7, 2013, and on March 12, 2013 via conference call. The group unanimously approved the attached recommendations.

Mary Boote

Environmental Protection Commissioner

Mission Statement:

The mission of the voluntary operating permit (VOP) for minor source stakeholder group is to make recommendations to the EPC to streamline the VOP process for minor sources by using existing DNR permitting programs.

Background:

The IDNR implemented chapter 22 rules for the VOP program in the mid 1990's as a measure to address minor source status facilities' need for a permit shield. The permitting process is not managed through the SIP for the State of Iowa nor is it included in the Title V program budget for the State. Currently, there are 18 covered facilities in the State which have operating shields under the program (less than 2% of the potential Title V regulated population in Iowa). The IDNR believes three of these have been closed. The remaining 15 permittees must renew their applications (similar to Title V program) every 5 years. The last permit expired and was up for renewal in 2012. Since these rules were enacted in the mid 1990's, the IDNR has promulgated rules that address many of the concerns expressed by the regulated community at that time. The current construction permit program in the State provides federally enforceable permits to all facilities and through this mechanism, provides the synthetic minor limits to allow a facility to remain outside of the Title V program. Additional rules around exempt source permitting for small sources is also another avenue that can be used to address some of these plant's emissions. At this time, the last initial VOP permit application was submitted prior to 2000 and the IDNR has steered facilities seeking permitting away from the program as the other alternatives mentioned here are more robust and straight forward.

Recommendations:

The VOP Stakeholder Committee provides the below recommendations to the EPC for action:

- The EPC shall rescind the rules through administrative action located at 567 IAC 22.200-209 with a target date of December 31, 2014.
 - This action will streamline and simplify the permitting process by providing more current options to the public. It also lessens the burden on the regulated community and the IDNR by removing renewal requirements for the facility and permit renewal issuance by the IDNR.
- The IDNR will work with each VOP holder on an individual basis to bring the affected facilities into compliance (targeted as December 31, 2014) with other existing permitting options that meet the needs of the facility and the IDNR. These may include but are not limited to construction permitting program, Title V program, small source exemption rules at IAC 567 22.1(2) or others that may apply.
 - To facilitate the transition, we suggest the IDNR consider providing resources in the form of personnel and equipment to successfully execute the steps below:
 - Contact these facilities and make every reasonable effort to notify them of the pending rule change.
 - IDNR will assist each facility with the applicable permitting process for these sources to migrate from the VOP program to existing permitting programs in Iowa Code.
 - Commit to the affected facilities:
 - Air Dispersion Modeling requirements will not apply to existing permitted sources (in the event modifications or new sources are discovered which are not covered by the VOP, current permitting practices will apply)
 - Limits in newly issued permits will be substantially representative of current limits in existing VOP permits.
 - Develop GHG emissions estimates for the facilities reference using tools available to the department.