

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

ITEM

16

DECISION

TOPIC

**Notice of Intended Action - Chapters 20, 22, 23, 25, 28 and 33:
Air Quality Program Rules - Updates, Revisions, and Additions**

The Department is requesting permission from the Commission to proceed with the rulemaking process and publish a Notice of Intended Action to amend Chapter 20 "Scope of Title – Definitions-Forms-Rules of Practice," Chapter 22 "Controlling Pollution," Chapter 23 "Emission Standards for Contaminants," Chapter 25 "Measurement of Emissions," Chapter 28 "Ambient Air Quality Standards," and Chapter 33 "Special Regulations and Construction Permit Requirements for Major Stationary Sources—Prevention of Significant Deterioration (PSD) of Air Quality," of 567 Iowa Administrative Code.

This rulemaking was presented to the Commission for information in March. The primary purpose of the rule changes is to update state air quality rules for new federal requirements, including adoption of new National Ambient Air Quality Standards (NAAQS) and adoption of two new federal air toxics standards. The rule changes also include amendments to state air construction permitting requirements and stack testing requirements. Additional amendments to other rules and changes to federal regulations also are being adopted.

This rulemaking includes adoption of two new standards under the National Emission Standards for Hazardous Air Pollutant (NESHAP) program. This program requires new and existing facilities in a particular industry sector that construct and operate specific equipment to meet uniform standards for air toxics. The new NESHAP being adopted are described in the summary for Item 16.

Because of the potential impacts to small businesses and to some previously unregulated facilities, the Department is developing NESHAP implementation strategies in conjunction with the rulemaking. The strategies include cooperative efforts with University of Northern Iowa – Iowa Air Emissions Assistance Program (UNI), Iowa Department of Economic Development (IDED), and the Linn and Polk County local air quality programs to provide outreach, education and compliance assistance to stakeholders. The Department's outreach efforts began in 2008 and are continuing during the rulemaking process. It is hoped that adoption of the NESHAP in conjunction with the Department's outreach efforts will result in reductions in air toxics while minimizing the regulatory burden to small businesses and other affected facilities.

The specific items included in the adopted rules are summarized below. More detail is included in the preamble of the attached Notice.

- Item 1 and Item 19 adopt a revision to the definition of “volatile organic compound” or “VOC.” EPA removed two chemicals from the list of VOC compounds.
- Items 2, 4, 5, 7, 8, 9, 10, 11, 12 and 13 amend the zip code for the Department’s Air Quality Bureau offices. A new zip code will take effect on July 1, 2009.
- Item 3 adds a new construction permit exemption for some non-road diesel fuel engines used to conduct periodic testing and maintenance at natural gas pipelines. The Department has conducted an air quality of assessment of these projects and determined that an exemption from construction permitting is appropriate.
- Item 6 amends the rules for facilities qualifying for the permit by rule for paint booths (PBR) to include new certification requirements regarding the NESHAP for metal fabrication and finishing. This amendment is similar to an amendment adopted earlier in 2009 for the NESHAP for miscellaneous surface coating. As with the earlier amendment, the Department is modifying the required PBR notification form to include questions that will assist the owner or operator with the NESHAP requirements. These changes will help ensure that owners and operators are aware of the NESHAP requirements and realize that all spray applications must be in compliance with or otherwise exempt from the NESHAP by the applicable compliance dates (see also Item 16).
- Item 8, in addition to updating the Air Quality Bureau zip code as explained above, also amends the provisions for applying for a Title V Operating Permit. Facility owners and operators submitting electronic Title V applications will no longer required to also submit hard copy applications to EPA Region VII. The Department has given EPA access to the Department’s database so that EPA may review electronic copies of Title V applications.
- Item 14 adopts EPA amendments to the New Source Performance Standards (NSPS):
 - EPA amended the NSPS for electric utility steam generating units and industrial-commercial-institutional steam generating units. The amendments add compliance alternatives and eliminate the opacity standard for certain types of units.
 - EPA amended the NSPS General Conditions for alternative work practices for equipment leak detection and repair.
 - EPA amended the NSPS for stationary combustion turbines. The amendments revise the SO₂ limits for combustion turbines that burn biogas (e.g. landfill gas and digester gas) to account for the lower heating value of biogas relative to distillate oil. *NOTE: This is a new addition from what was presented for information in March.*
- Item 15 adopts recent EPA amendments to the NESHAP program. EPA amended the NESHAP General Conditions for alternative work practices for equipment leak detection and repair. The new NESHAP being adopted are explained in Item 16.

- Item 16 adopts two new federal NESHAP for area sources. Area sources, sometimes called minor sources, have potential emissions of less than 10 tons per year of any single air toxic and less than 25 tons per year of any combination of air toxics:
 - Plating and Polishing
This NESHAP affects area sources engaged in specific plating and polishing activities that use or emit cadmium, chromium, lead, manganese, and nickel. Owners and operators must implement management practices and must comply with equipment standards to reduce air toxics. EPA determined that most facilities are already implementing these practices and standards. EPA estimates that the average, on-going costs for each facility for recordkeeping and reporting will be \$1100 per year for the first three years and will be \$713 for each year thereafter. The Department estimates that 100 facilities may be subject to this NESHAP. Owners and operators will have until July 2010 to comply with the NESHAP.
 - Metal Fabrication and Finishing
This NESHAP affects area sources in which the primary activity at the facility falls under one of the designated metal fabrication and finishing categories, and that use or emit cadmium, chromium, lead, manganese, and nickel. Owner and operators must implement management practices to reduce air toxics. EPA determined that most facilities are already implementing these practices, and that the average, on-going costs for each facility for monitoring, recordkeeping and reporting will be \$569 per year. Facilities with spray painting operations may have additional equipment and training costs. The Department estimates that between 60 and 100 facilities may be subject to the NESHAP. Owners and operators of existing facilities will have until July 2011 to comply with the NESHAP requirements.
- Item 17 amends the Department's current rules regarding stack testing notifications, pre-test meetings, and test protocols. The amendments provide clarity and allow more flexibility.
- Item 18 adopts the new NAAQS for ozone and lead. EPA recently strengthened the NAAQS for ozone and lead to more adequately protect public health and welfare.

If the Commission approves this Notice of Intended Action, a public hearing will be held on Monday, July 20, 2009, at 1 p.m. at the Department's Air Quality Bureau offices. The public comment period for the proposed rules will close on July 21, 2009.

An administrative rule fiscal impact statement is attached.

Christine Paulson
Environmental Specialist Senior
Program Development Section, Air Quality Bureau
Memo date: April 27, 2009

ENVIRONMENTAL PROTECTION COMMISSION [567]

Notice of Intended Action

Pursuant to the authority of Iowa Code section 455B.133, the Environmental Protection 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, “Emission Standards for Contaminants,” Chapter 25, “Measurement of Emissions,” Chapter 28, “Ambient Air Quality Standards,” 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 primary purpose of the rule changes is to update state air quality rules for new federal requirements, including adoption of new National Ambient Air Quality Standards (NAAQS) and adoption of two new federal air toxics standards. The rule changes also include amendments to state air construction permitting requirements and stack testing requirements. Additional amendments to other rules and changes to federal regulations also are being adopted.

Item 1 rule 567—20.2(455B), the definition of “volatile organic compound” or “VOC.” EPA removed two compounds, Propylene Carbonate (CAS# 108-32-7) and Dimethyl Carbonate (CAS# 616-38-6), from the definition of VOC in a final regulation published on January 21, 2009. EPA has determined these two compounds are negligibly reactive, meaning they contribute little or nothing to tropospheric ozone formation.

Facilities must still report Propylene Carbonate and Dimethyl Carbonate as VOC for the calendar year 2008 air emissions inventory because they were considered VOC for that year. Facilities will not be required to report Propylene Carbonate and Dimethyl Carbonate as VOC in their air emissions inventory for calendar year 2009.

Item 2 amends rule 567—20.3(455B) to update the zip code for the Department’s Air Quality Bureau offices. The Air Quality Bureau offices will remain in the current location. However, a zip code change for the current location will take effect on July 1, 2009.

Item 3 amends subrule 22.1(2) to add paragraph “oo” providing for an exemption from construction permitting for certain temporary diesel engines used in periodic testing and maintenance of natural gas pipelines. Several times per year, natural gas pipelines require periodic testing and repair. Because of the lead time for this type of project, the owner or operator of the pipeline often does not have sufficient time to apply for and obtain a construction permit prior to installing the engine and must instead apply to the Department for a variance from the permitting requirements of Chapter 22. The Department has conducted an air quality of assessment of these projects and determined that an exemption from construction permitting is appropriate. The exemption contains conditions to ensure that engine emissions will not exceed the emission limits currently allowed under the small unit exemption specified in paragraph 22.1(2)“w.”

Item 4 amends subrule 22.1(3) to update the zip code for the Department’s Air Quality Bureau offices as explained previously for Item 2.

Item 5 amends subrule 22.3(8) to update the zip code for the Department’s Air Quality Bureau offices as explained previously for Item 2.

Item 6 amends paragraph 22.8(1)“e,” the provisions for applying for a permit by rule for spray booths (PBR) to include new certification requirements regarding National Emission Standards for Hazardous Air Pollutants (NESHAP) for metal fabrication and finishing at area sources (see Item 16 for an explanation of the NESHAP). The amendment is being made because the NESHAP for metal fabrication and finishing does not contain any de minimus usage level for

materials used in spray applications. This amendment is similar to an amendment adopted earlier in 2009 regarding the NESHAP for miscellaneous surface coating at area sources. As with the earlier adopted amendment, the Department is modifying the required PBR notification form to include questions that will assist the owner or operator with the NESHAP requirements for metal fabrication and finishing operations. The amendments to the PBR rules and the revisions to the PBR notification form will help ensure that owners and operators are aware of the NESHAP requirements and realize that all spray applications must be in compliance with or otherwise exempt from the NESHAP by the applicable compliance dates.

Item 7 amends subrule 22.9(3) to update the zip code for the Department's Air Quality Bureau offices as explained previously for Item 2.

Item 8 amends subrule 22.105(1); the requirements for submitting a Title V Operating permit application. The amendment updates the zip code for the Department's Air Quality Bureau offices as explained previously for Item 2. The amendment also amends the provisions for applying for a Title V Operating Permit. Facility owners and operators submitting electronic Title V applications are no longer required to also submit hard copy applications to EPA Region VII. The Department has given EPA access to the Department's database so that EPA may review electronic copies of Title V applications.

Item 9 amends subrule 22.128(4) to update the zip code for the Department's Air Quality Bureau offices as explained previously for Item 2.

Item 10 amends the introductory paragraph of subrule 22.203(1) to update the zip code for the Department's Air Quality Bureau offices as explained previously for Item 2.

Item 11 amends rule 567—22.209(455B) to update the zip code for the Department's Air Quality Bureau offices as explained previously for Item 2.

Item 12 amends the introductory paragraph of paragraph 22.300(8)“a” to update the zip code for the Department’s Air Quality Bureau offices as explained previously for Item 2.

Item 13 amends subrule 22.300(12) to update the zip code for the Department’s Air Quality Bureau offices as explained previously for Item 2.

Item 14 amends the introductory paragraph of subrule 23.1(2), the provisions adopting by reference the federal New Source Performance Standards (NSPS) contained in 40 CFR Part 60.

On December 22, 2008, EPA amended the NSPS General Conditions (Subpart A) for alternative work practices for equipment leak detection and repair. The alternative work practice is an alternative to the current leak detection and repair work practice, which is not being revised. The final regulations add a requirement to perform monitoring once per year using the current EPA Method 21 leak detection instrument.

On January 28, 2009, EPA amended the NSPS for electric utility steam generating units and industrial-commercial-institutional steam generating units (Subparts A, D, Da, Db and Dc). These amendments add compliance alternatives for owners and operators; eliminate the opacity standard for facilities with a particulate matter limit of 0.030 pounds per million Btu (lb/MMBtu) or less that voluntarily install and use particulate matter continuous emission monitors to demonstrate compliance with that limit; and correct technical and editorial errors. The federal amendments are EPA’s response to petitions for reconsideration of the NSPS requirements.

On March 20, 2009, EPA amended the NSPS for stationary combustion turbines (Subpart KKKK). These amendments remove requirements for additional sulfur dioxide (SO₂) emission control on turbines that burn more than 50 percent biogas (such as landfill gas and digester gas), and set a new sulfur dioxide (SO₂) limit of 0.15 lb/MMBtu for these turbines. In finalizing these

amendments, EPA states that it was not its intent to require SO₂ control on turbines that burn predominantly biogas, a fuel with relatively low sulfur content. Biogas that is not burned in combustion turbine is usually flared or emitted directly to the atmosphere.

Item 15 amends subrule 23.1(4), the emission standards for hazardous air pollutants for source categories, also known as National Emission Standards for Hazardous Air Pollutants or “NESHAP,” to adopt recent amendments that EPA made to 40 CFR Part 63. On December 22, 2008, EPA amended the NESHAP General Conditions for alternative work practices for equipment leak detection and repair. The amendments are the same as those described in Item 14. The new NESHAP proposed for adoption are described in Item 16.

Item 16 amends subrule 23.1(4) by adopting new paragraphs “ew” and “ex.” This amendment adopts by reference two new NESHAP for new and existing area sources. Area sources are usually smaller commercial or industrial operations. Specifically, area sources have potential emissions less than 10 tons per year (tpy) of any single HAP and less than 25 tpy of any combination of HAP and are classified as minor sources for HAP. Facilities that have potential HAP emissions greater than or equal to these levels are classified as major sources.

Because of the potential impacts to small businesses and previously unregulated facilities, the Department developed implementation strategies in conjunction with the rulemaking. The strategies include cooperative efforts with University of Northern Iowa – Iowa Air Emissions Assistance Program (UNI), Iowa Department of Economic Development, and the Linn and Polk County local air quality programs to provide outreach, education and compliance assistance to affected facilities. The Department's outreach efforts began in 2008 and are continuing during the rulemaking process. It is hoped that these new rules in conjunction with the Department's outreach efforts will result in reductions in air toxics while minimizing the

regulatory burden to small businesses and other affected facilities.

On July 1, 2008, EPA finalized the NESHAP area source standards for plating and polishing operations (Subpart WWWW). The NESHAP affects area sources engaged in specific plating and polishing activities that use or emit cadmium, chromium, lead, manganese, or nickel. The NESHAP requirements impact plating and polishing tanks, dry mechanical polishing operations, and thermal spraying operations. Owners and operators must implement management practices such as the use of wetting agents or fume suppressants, and also must comply with equipment standards such as the use of tank covers or control devices and the capture and control of emissions from thermal spraying and dry mechanical blasting. EPA determined that most facilities already are implementing these management and equipment standards. EPA estimates that the average, on-going costs for each facility for recordkeeping and reporting will be \$1100 per year for the first three years and will be \$713 for each year thereafter.

The Department estimates that 100 facilities may be subject to the NESHAP for plating and polishing. The Department in conjunction with UNI is developing compliance tools for affected businesses and is already working directly with several affected facilities. Owners and operators will have until July 2010 to comply with the NESHAP.

On July 23, 2008, EPA finalized the NESHAP for nine metal fabrication and finishing area source categories (Subpart XXXXXX). The NESHAP affects area sources that use or emit cadmium, chromium, lead, manganese, or nickel and the primary activity at the facility is one of the following: (1) Electrical and Electronic Equipment Finishing Operations; (2) Fabricated Metal Products; (3) Fabricated Plate Work (Boiler Shops); (4) Fabricated Structural Metal Manufacturing; (5) Heating Equipment, except Electric; (6) Industrial Machinery and Equipment

Finishing Operations; (7) Iron and Steel Forging; (8) Primary Metal Products Manufacturing; and (9) Valves and Pipe Fittings. Owner and operators of affected facilities must implement management practices to reduce air toxics from dry abrasive blasting, machining, dry grinding and dry polishing with machines, spray painting, and welding. EPA determined that most facilities already are implementing these management practices, and that the average, on-going costs for each facility for monitoring, recordkeeping and reporting will be \$569 per year. Facilities with spray painting operations may have additional equipment and training costs.

The Department estimates that between 60 and 100 facilities may be subject to the NESHAP for metal fabrication and finishing. The Department in conjunction with UNI is developing outreach materials for affected businesses and is already working directly with a number of affected facilities. Owners and operators of existing facilities will have until July 2011 to comply with the NESHAP.

Item 17 amends paragraph 25.1(7)"a" to better reflect the Department's current practices regarding stack testing notifications, pre-test meetings, and test protocols. The amendments provide clarity and allow more flexibility.

Item 18 amends rule 567—28.1(455B) to adopt by reference new National Ambient Air Quality Standards (NAAQS). EPA recently strengthened the NAAQS for ozone and for lead to more adequately protect public health and welfare. EPA issued final rules to revise the NAAQS for ozone on March 27, 2008. EPA issued final rules to revise the NAAQS for lead on November 12, 2008.

Item 19 amends subrule 33.3(1), the definition for "volatile organic compound" or "VOC" as described in Item 1.

Any person may make written suggestions or comments on the proposed amendments on or before July 21, 2009. Written comments should be directed to Christine Paulson, Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, Urbandale, Iowa 50322, fax (515) 242-5094, or by electronic mail to christine.paulson@dnr.iowa.gov.

A public hearing will be held on Monday, July 20, 2009, at 1 p.m. in the conference rooms at the Department's Air Quality Bureau office located at 7900 Hickman Road, Urbandale, Iowa. At the public hearing, comments on the proposed amendments may be submitted orally or in writing. All comments must be received no later than July 21, 2009.

Any person who intends to attend the informational meeting or the public hearing and has special requirements, such as those related to hearing or mobility impairments, should contact Christine Paulson at (515) 242-5154 to advise of any specific needs.

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

The following amendments are proposed.

ITEM 1. Amend rule **567—20.2(455B)**, the definition of “volatile organic compound” or “VOC” as follows:

“Volatile organic compound” or “VOC” means any compound included in the definition of volatile organic compound found at 40 CFR Section 51.100(s) as amended through ~~January 18, 2007~~ January 21, 2009.

ITEM 2. Amend rule **567—20.3(455B)** as follows:

567—20.3(455B) Air quality forms generally. The following forms are used by the public to apply for various departmental approvals and to report on activities related to the air programs of the department. All forms may be obtained from ~~the central office~~:

~~Administrative Support Station—Environmental Protection Division~~

Iowa Department of Natural Resources – Air Quality Bureau

~~Henry A. Wallace Building~~

~~900 East Grand~~7900 Hickman Road, Suite 1

~~Des Moines~~Windsor Heights, Iowa 5031950324

Properly completed forms should be submitted in accordance with the instructions to the form. Where not specified in the instructions, forms should be submitted to the program operations division.

ITEM 3. Amend subrule **22.1(2)** to add **new** paragraph “oo” as follows:

oo. A non-road diesel fueled engine, as defined in 40 CFR 1068.30 and as amended through October 8, 2008, with a brake horsepower rating of less than 1,100 at full load measured at the shaft, used to conduct periodic testing and maintenance on natural gas pipelines. For the purposes of this exemption, the manufacturer’s nameplate rating shall be defined as the brake horsepower output at the shaft at full load. To qualify for the exemption, the engine must:

1. Be used for periodic testing and maintenance on natural gas pipelines outside the compressor station which shall not exceed 330 hours in any 12 month consecutive period at a single location; or
2. Be used for periodic testing and maintenance on natural gas pipelines within the compressor station which shall not exceed 330 hours in any 12 month consecutive period.

The owner or operator shall maintain a monthly record of the number of hours the engine operated, and a record of the rolling 12-month total of the number of hours the engine operated

for each location outside the compressor station and within the compressor station. These records shall be maintained for two years. Records shall be made available to the department upon request. This exemption shall not apply to the replacement or substitution of engines for backup power generation at a pipeline compressor station.

ITEM 4. Amend subrule **22.1(3)** as follows:

22.1(3) Construction permits. The owner or operator of a new or modified stationary source shall apply for a construction permit unless a conditional permit is required by Iowa Code chapter 455B or subrule 22.1(4) or requested by the applicant in lieu of a construction permit. Two copies of a construction permit application for a new or modified stationary source shall be presented or mailed to Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324. Alternatively, the owner or operator may apply for a construction permit for a new or modified stationary source through the electronic submittal format specified by the department. The owner or operator of any new or modified industrial anaerobic lagoon or a new or modified anaerobic lagoon for an animal feeding operation other than a small operation as defined in rule 567—65.1(455B) shall apply for a construction permit. Two copies of a construction permit application for an anaerobic lagoon shall be presented or mailed to Department of Natural Resources, Water Quality Bureau, Henry A. Wallace Building, 502 East Ninth Street, Des Moines, Iowa 50319.

ITEM 5. Amend subrule **22.3(8)** as follows:

22.3(8) Ownership change of permitted equipment. The new owner shall notify the department in writing no later than 30 days after the change in ownership of equipment covered by a construction permit pursuant to 567—22.1(455B). The notification to the department shall be mailed to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman

Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324, and shall include the following information:

- a. The date of ownership change;
- b. The name, address and telephone number of the responsible official, the contact person and the owner of the equipment both before and after ownership change; and
- c. The construction permit number of the equipment changing ownership.

ITEM 6. Amend paragraph **22.8(1)“e”** as follows:

e. Notification letter.

(1) Facilities which claim to be permitted by provisions of this rule must submit to the department a written notification letter, on forms provided by the department, certifying that the facility meets the following conditions:

- 1. All paint booths and associated equipment are in compliance with the provisions of subrule 22.8(1);
- 2. All paint booths and associated equipment are in compliance with all applicable requirements including, but not limited to, the allowable particulate emission rate for painting and surface coating operations of 0.01 gr/scf of exhaust gas as specified in 567—subrule 23.4(13); and
- 3. All paint booths and associated equipment currently are or will be in compliance with or otherwise exempt from the national emissions standards for hazardous air pollutants (NESHAP) for paint stripping and miscellaneous surface coating at area sources (40 CFR Part 63, Subpart HHHHHH) and the NESHAP for metal fabricating and finishing at area sources (40 CFR Part 63, Subpart XXXXXX) by the applicable NESHAP compliance dates.

(2) The certification must be signed by one of the following individuals.

1. For corporations, a principal executive officer of at least the level of vice president, or a responsible official as defined at 567 IAC 22.100(455B).
2. For partnerships, a general partner.
3. For sole proprietorships, the proprietor.
4. For municipal, state, county, or other public facilities, the principal executive officer or the ranking elected official.

ITEM 7. Amend subrule **22.9(3)** as follows:

22.9(3) Duty to self-identify. The owner or operator or designated representative of a facility meeting the conditions of subrule 22.9(2) shall submit two copies of a completed BART Eligibility Certification Form #542-8125. The BART Eligibility Certification Form #542-8125 shall include all information necessary for the department to complete eligibility determinations. The information submitted shall include source identification, description of processes, potential emissions, emission unit and emission point characteristics, date construction commenced and date of startup, and other information required by the department. The completed form was required to be submitted to the Air Quality Bureau, Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324, by September 1, 2005.

ITEM 8. Amend subrule **22.105(1)** as follows:

22.105(1) Duty to apply. For each source required to obtain a Title V permit, the owner or operator or designated representative, where applicable, shall present or mail a complete and timely permit application in accordance with this rule to the following locations: Iowa Department of Natural Resources, Air Quality Bureau, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324 (two copies); and U.S. EPA Region VII, 901 North 5th Street, Kansas City, Kansas 66101 (one copy); and, if applicable, the local permitting

authority, which is either Linn County Public Health Department, Air Quality Division, 501 13th Street NW, Cedar Rapids, Iowa 52405 (one copy); or Polk County Public Works, Air Quality Division, 5885 NE 14th Street, Des Moines, Iowa 50313 (one copy). Alternatively, an owner or operator may submit a complete and timely application through the electronic submittal format specified by the department. ~~If an application is submitted electronically, the owner or operator shall provide one hard copy of the application to U.S. EPA Region VII.~~

ITEM 9. Amend subrule **22.128(4)** as follows:

22.128(4) *Submission of copies.* The original and three copies of all permit applications shall be presented or mailed to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324.

ITEM 10. Amend subrule **22.203(1)**, introductory paragraph, as follows:

22.203(1) *Duty to apply.* Any source which would qualify for a voluntary operating permit and which would not qualify under the provisions of rule 22.300(455B), Operating permit by rule for small sources, must apply for either a voluntary operating permit or a Title V operating permit. Any source determined not to be eligible for a voluntary operating permit shall be subject to enforcement action for operation without a Title V operating permit, except as provided for in rule 22.202(455B) and rule 22.300(455B). For each source applying for a voluntary operating permit, the owner or operator or designated representative, where applicable, shall present or mail to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324, an original and one copy of a timely and complete permit application in accordance with this rule.

ITEM 11. Amend rule ~~567—~~**22.209(455B)** as follows:

567—22.209(455B) Change of ownership for facilities with voluntary operating permits.

The new owner shall notify the department in writing no later than 30 days after the change of ownership of equipment covered by a voluntary operating permit. The notification to the department shall be mailed to Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324, and shall include the following information:

1. The date of ownership change;
2. The name, address and telephone number of the responsible official, the contact person and the owner of the equipment both before and after the change of ownership; and
3. The voluntary operating permit number for the equipment changing ownership.

ITEM 12. Amend paragraph **22.300(8)"a,"** introductory paragraph, as follows:

a. Duty to apply. Any person who owns or operates a source otherwise required to obtain a Title V operating permit and which would be eligible for an operating permit by rule for small sources must either register for an operating permit by rule for small sources, apply for a voluntary operating permit, or apply for a Title V operating permit. Any source determined not to be eligible for an operating permit by rule for small sources, and operating without a valid Title V or a valid voluntary operating permit, shall be subject to enforcement action for operation without a Title V operating permit, except as provided for in the application shield provisions contained in rules 22.104(455B) and 22.202(455B). For each source registering for an operating permit by rule for small sources, the owner or operator or designated representative, where applicable, shall present or mail to the Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa 50322 50324, one original and one copy of a timely and complete registration form in accordance with this rule.

ITEM 13. Amend subrule **22.300(12)** as follows:

22.300(12) Change of ownership. The new owner shall notify the department in writing no later than 30 days after the change of ownership of equipment covered by an operating permit by rule for small sources. The notification to the department shall be mailed to Air Quality Bureau, Iowa Department of Natural Resources, 7900 Hickman Road, Suite 1, ~~Urbandale~~ Windsor Heights, Iowa ~~50322~~ 50324, and shall include the following information:

- a. The date of ownership change; and
- b. The name, address and telephone number of the responsible official, the contact person and the owner of the equipment both before and after the change of ownership.

ITEM 14. Amend subrule **23.1(2)**, 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 2, 2008~~, March 20, 2009, 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. 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 15. Amend subrule **23.1(4)**, 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 ~~July 22, 2008~~, December 22, 2008, 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. 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. The provisions of 40 CFR Part 60, Subparts A, B, Da, and HHHH for the Clean Air Mercury Rule (CAMR), are found at subrules 23.1(2) and 23.1(5) and in 567—Chapter 34.

ITEM 16. Adopt the following new paragraphs **23.1(4) “ew”** and **“ex”**:

ew. Emission standards for hazardous air pollutants for area sources: plating and polishing. This standard applies to plating and polishing activities at new and existing facilities that are area sources for hazardous air pollutant emissions. (Part 63, Subpart WWWWWW)

ex. Emission standards for hazardous air pollutants for area sources: metal fabrication

and finishing. This standard applies to new and existing facilities in which the primary activity or activities at the facility is metal fabrication and finishing and that are area sources for hazardous air pollutant emissions. (Part 63, Subpart XXXXXX)

ITEM 17. Amend paragraph **25.1(7)"a"** as follows:

a. General. The owner of new or existing equipment or the owner's authorized agent shall notify the ~~director~~ department in writing; not less than 30 days; before a required test or before a performance evaluation of a continuous emission monitor is performed to determine compliance with applicable requirements of 567—Chapter 23 or a permit condition. ~~For the department to consider test results a valid demonstration of compliance with applicable rules or a permit condition, such notice shall be given.~~ Such notice shall include the time, the place, the name of the person who will conduct the tests and other information as required by the department. If the owner or operator does not provide timely notice to the department, the department shall not consider the test results or performance evaluation results to be a valid demonstration of compliance with applicable rules or permit conditions. Upon written request, the department may allow a notification period of less than 30 days. Unless specifically waived by the department, At the department's request, a pretest meeting shall be held not later than 15 days prior to conducting the compliance demonstration. The department may accept a testing protocol in lieu of the pretest meeting. A testing protocol shall be submitted to the department no later than 15 days prior to conducting the compliance demonstration. A representative of the department shall be permitted to witness the tests. Results of the tests shall be submitted in writing to the director in the form of a comprehensive report within six weeks of the completion of the testing.

ITEM 18. 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), ~~and~~ 71 Federal Register 61144-61233 (October 17, 2006), 73 Federal Register 16436 – 16514 (March 27, 2008), and 73 Federal Register 66964 – 67062 (November 12, 2008), 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. The department shall implement these rules in a time frame and schedule consistent with implementation schedules in federal laws, regulations and guidance documents.

ITEM 19. Amend subrule **33.3(1)**, the definition of “volatile organic compound” 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 18, 2007~~January 21, 2009.

Date

Richard A. Leopold, Director

Administrative Rule Fiscal Impact Statement

Date: April 27, 2009

Agency: Department of Natural Resources

IAC Citation: 567 IAC 20.2, 20.3, 22.1(2), 22.1(3), 22.3(8), 22.8(1)"e," 22.9(3), 22.105(1), 22.128(4), 22.203(1), 22.209, 22.300(8)"a," 22.300(12), 23.1(2), 23.1(4), 25.1(7)"a," 28.1 and 33.3(1).

Agency Contact: Christine Paulson

Summary of the Rule: The rules will update air quality rules for new federal requirements, including adoption of new ambient air standards for lead and ozone, and adoption by reference of two new air toxics standards for metal fabrication and finishing operations and for plating and polishing operations. Additional, minor amendments to federal regulations are also being adopted by reference. The rules also add a new construction permitting exemption for some temporary diesel engines used in periodic testing and maintenance of natural gas pipelines. Additionally, the rules add clarity and flexibility to the procedures for emissions testing. The rules also update references to the Department's Air Quality Bureau office address to reflect a zip code change that will take effect on July 1, 2009.

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:

Fill in the form below if the impact does not fit the criteria above:

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

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

Assumptions:

The Air Quality Bureau must establish a new ambient air monitoring network for lead to meet the revised requirements of the ambient air quality standard. Additional equipment will also be needed for laboratory analysis of samples collected from the monitoring network for lead. At least 50% of the monitoring network for lead must be installed and operational by January 1, 2010. The second half of the network must be installed and operating by January 1, 2011. No additional state or federal money is being provided to establish the ambient air monitoring network for lead. Funds to cover the costs of the network will be provided through Title V operating permit fees.

Describe how estimates were derived:

Cost estimates were provided by the University Hygienic Laboratory at the University of Iowa and Air Quality Bureau Ambient Monitoring Unit staff. Costs for year 1 (FY 2010) include the installation and operation of up to three monitors for lead and the purchase and installation of equipment needed to conduct laboratory analysis of the monitoring samples. Cost for year 2 (FY 2011) include the installation of up to another three additional monitors for lead and operating costs related to these monitors and the monitors installed in the previous year.

Estimated Impact to the State by Fiscal Year

	<u>Year 1 (FY 2010)....</u>	<u>Year 2 (FY 2011)..</u>
Revenue by Each Source:		
GENERAL FUND		
FEDERAL FUNDS		
Other (Title V Operating Permit fees)	\$255,000	\$221,000
TOTAL REVENUE	<hr/>	<hr/>
Expenditures:		
GENERAL FUND		
FEDERAL FUNDS		
Other (Title V Operating Permit fees)	\$255,000	\$221,000
TOTAL EXPENDITURES	<hr/> \$255,000	<hr/> \$221,000
NET IMPACT	\$0	\$0

This rule is required by State law or Federal mandate.

Please identify the state or federal law:

Clean Air Act sections 110, 111, 112, and 502(a) as codified in 40 Code of Federal Regulations, Parts 51, 52, 60, 63 and 70.

Funding has been provided for the rule change.

Please identify the amount provided and the funding source:

For the implementation of the revised ambient air quality standard for lead, funding will be provided through Title V operating permit fees.

Funding has not been provided for the rule.

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

The agency will not need additional revenue to implement the other changes proposed in this rulemaking.

Fiscal impact to persons affected by the rule:

The rule changes will primarily affect regulated parties (industry) with applicable air emissions or emission equipment. This rulemaking will incorporate federal new source performance standards (NSPS) and emission standards for hazardous air pollutants (NESHAP). Owners and operators of affected air emissions sources are subject to the federal requirements regardless of whether the state incorporates these federal requirements into the Iowa Administrative Code. Therefore, the incorporation by reference of the federal standards will not impose any additional costs to the affected sources.

The addition of the construction permit exemption for diesel engines used in pipeline repair and maintenance will be a benefit because the affected owners and operators will no longer need to apply for variances for these projects. The amendments to the emissions testing procedures will also be a benefit to affected parties because the changes add clarity and provide additional flexibility.

The state is responsible for implementing the revisions to the ambient air quality standards for ozone and lead regardless of whether the state incorporates the revised ambient air quality standards into Iowa Administrative Code.

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

Some county or local governments may be impacted by these rule changes and would be impacted in the same manner as described above for other regulated parties.

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

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