

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

ITEM 8 DECISION

TOPIC **Notice of Intended Action: Air Quality Rules Update - Chapters 20, 21, and 22**

The Commission is requested to approve this Notice of Intended Action to amend Chapter 20, “Scope of Title—Definitions—Forms—Rules of Practice,” Chapter 21, “Compliance,” and “Chapter 22, “Controlling Pollution” of the Iowa Administrative Code (IAC).

Summary of Proposed Rule Changes

Collectively, chapters 20 through 22 regulate air pollution. This proposed rule making will require electronic submission of all air emissions reporting, air permit applications, and other air quality documents.

In more detail, under the proposed rule, minor sources¹ of air emissions will be required to file emissions data using the State and Local Emission Inventory System (SLEIS). It is a well-utilized resource already, with approximately 70% of minor sources choosing to electronically submit their data in 2020. Major sources² have been required to use SLEIS since 2019.

Additionally, under the proposed rule, both major and minor sources of air emissions will be required to use the Iowa Environmental Applications System for Air (Iowa EASY Air) for all air construction and Title V operating permit applications. Iowa EASY Air is a popular resource, and has been since its release in 2019. Over the past year, approximately 89% of Title V new and renewal permits and approximately 80% of construction permit applications were voluntarily submitted through the system.

Need for Proposed Rule Changes

Emissions inventory data collection and analysis is critical to understanding and improving Iowa’s air quality. Having all emissions data in one electronic system makes it easier for the Department to track data, report to the national emissions inventory, and respond to external and internal requests for emissions data. For several years, all paper emission inventories have been manually entered by Department staff into SLEIS. Staff data entry of paper inventories can be time consuming and costly. A fully electronic submission system will eliminate the need to do this, freeing up support staff to work on other tasks.

Iowa EASY Air makes permit application preparation and other submissions easier and more efficient. This expedites the Department’s ability to issue permits and increases data accuracy, thereby cutting costs for both applicants and the Department. Additionally, data available in Iowa EASY Air supplies the Department’s downstream electronic systems, helping to lessen the data entry burden by industry and the Department.

Electronic submittals allow permit applications and emissions inventories to be filed from any location at any time. It likewise enables Department staff to process the submittals remotely. In tandem, this removes the delays inherent in mailing and scanning paper documents.

Stakeholder Engagement

Advisory Group Meeting Summary

An Advisory Group meeting was conducted on August 19, 2021. The Advisory Group included 50 registered group members (20 major sources, 10 minor sources/minor source representation, 20 consultants/other).

Outcome:

¹ Minor sources are limited by permit or rule to emit air pollutants at lesser amounts than major sources (see footnote 2).

² Major sources are permitted in pre-construction permits to emit 100 tons or more of National Ambient Air Quality Standard pollutants, or 10 tons or more of an individual Hazardous Air Pollutant (HAP), or 25 tons or more of all HAP combined.

- None of the attendees expressed opposition to requiring electronic submittals.
- Some revisions to the proposed rule language were recommended and made. No input was provided regarding an effective date for requiring electronic submittals.
- The Department was asked to provide additional information regarding the number of and cost for data entry of air quality paper applications and inventories. This information was provided on September 7. Tracking data was available only for paper applications. The annual cost for data entry of paper applications into Iowa EASY Air was estimated at \$61,000.

Informal Comment Period Summary

The first rule draft was made available on July 22, 2021. Stakeholder engagement lasted through September 6. Suggested clarifications to the draft rules were received at the August 19 Advisory Group meeting. Subsequent to the meeting, three written comments were received through email, none of which were opposed to the draft rulemaking.

A revised draft of the rule was made available on September 7 and the informal comment period was extended through September 17. One comment was received, from the Iowa Association of Business and Industry (ABI), who notified the Department that they had sent the draft documents to their members and received one positive comment supporting the latest version of the draft rule. ABI did not receive any negative feedback from members on the proposal.

Public Comments and Public Hearing

If the Commission approves the proposed rulemaking, the Department will hold a public hearing on Monday, February 14, 2022, at 1:00 p.m., in which participants may participate virtually and by phone. Persons who wish to attend the public hearing should contact Christine Paulson at christine.paulson@dnr.iowa.gov or by phone at 515-725-9510. The public hearing information will be published in the Iowa Administrative Bulletin on January 12, 2022, and will also be provided through the Air Quality e-newsletter (GovDelivery) and on the air quality public input webpage (iowadnr.gov/airpublicinput). The Department will accept written public comments until 4:30 p.m. on February 14, 2022.

Christine Paulson, Environmental Specialist Senior
Program Development and Support Section, Air Quality Bureau
Environment Services Division

Memo date: November 29, 2021

**Administrative Rules
JOBS IMPACT STATEMENT**

1. BACKGROUND INFORMATION

Agency:	Environmental Protection Commission (Commission)/ Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 21, and 22
Agency Contact:	Christine Paulson at (515) 725-9510; christine.paulson@dnr.iowa.gov
Statutory Authority:	Iowa Code sections 455B.133 and 455B.134.
Objective:	The proposed rule will increase government efficiency and reduce programmatic costs by requiring the electronic submission of air quality documents.
Summary:	The proposed rule will require both major and minor sources of air emissions to file emissions data into the State and Local Emission Inventory System, and to submit all air construction and Title V operating permit applications through the Iowa Environmental Applications System for Air.

2. JOB IMPACT ANALYSIS

<input type="checkbox"/> <i>Fill in this box if impact meets these criteria:</i>
<input checked="" type="checkbox"/> No Job Impact on private sector jobs and employment opportunities in the State. <i>(If you make this determination, you must include the following statement in the preamble to the rule: "After analysis and review of this rulemaking, no impact on jobs has been found.")</i>
Explanation: After analysis and review of this rule making, the amendments will have a neutral impact on private-sector jobs. As described above, the proposed rule ultimately benefits the private sector by streamlining the implementation of air quality programs.

<input type="checkbox"/> <i>Fill in this box if impact meets either of these criteria:</i>
<input type="checkbox"/> Positive Job Impact on private sector jobs and employment opportunities in the State.
<input type="checkbox"/> Negative Job Impact on private sector jobs and employment opportunities in the State.
<i>Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:</i>
<i>Categories of jobs and employment opportunities that are affected by the proposed rule:</i>
<i>Number of jobs or potential job opportunities:</i>
<i>Regions of the state affected:</i>
<i>Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")</i>

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 less expensive method exists for achieving the purpose of the proposed rule.

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.

5. PREAMBLE

The information collected and included in this Jobs Impact Statement must be included in the preamble of the proposed rule, written in paragraph form. For rules that have no impact on jobs (see the first box in number 2 above), the following statement must be included in the preamble: "After analysis and review of this rulemaking, no impact on jobs has been found."

Administrative Rule Fiscal Impact Statement

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

IAC Citation: 567 IAC Chapters 20, 21, and 22

Agency Contact: Christine Paulson at (515) 725-9510; christine.paulson@dnr.iowa.gov

Summary of the Rule: The proposed rule will require both major and minor sources of air emissions to file emissions data into the State and Local Emission Inventory System, and to submit all air construction and Title V operating permit applications through the Iowa Environmental Applications System for Air.

Fill in this box if 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 its existing budget and resources to implement the rule.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	Year 1 (FY)	Year 2 (FY)
Revenue by Each Source:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify)	\$0	\$0
TOTAL REVENUE	\$0	\$0
Expenditures:		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify) Air Contaminant Fee	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0

NET IMPACT

This rule is required by State law or Federal mandate.

Please identify the state or federal law:

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 use existing resources to implement the proposed rule.

Fiscal impact to persons affected by the rule: None.

Fiscal impact to Counties or other Local Governments (required by Iowa Code 25B.6): Linn County and Polk County have state-approved local air quality programs, and may adopt changes to their ordinances and procedures that mirror changes to state rules. Local governments subject to air quality permitting or emissions inventory reporting requirements will also be required to use the electronic systems.

ENVIRONMENTAL PROTECTION COMMISSION [567]

Notice of Intended Action

Rule making related to air quality

The Environmental Protection Commission (Commission) hereby proposes to amend Chapter 20, “Scope of Title—Definitions,” Chapter 21, “Compliance,” and “Chapter 22, “Controlling Pollution”.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 455B.133 and 455B.134.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code sections 455B.133 and 455B.134.

Purpose and Summary

Collectively, chapters 20 through 22 regulate air pollution. This proposed rule making will require the electronic submittal of all air emissions reporting, air permit applications, and other air quality documents. In brief, electronic submittals will increase government efficiencies and reduce the Department of Natural Resources’ (Department) programmatic costs. Electronic submittals allow permit applications and emissions inventories to be filed from any location at any time. It also enables Department staff to timely review and process the submittals regardless of staff’s work location. In tandem,

this removes the delays and costs inherent in mailing and scanning paper documents.

In more detail, under the proposed rule, minor sources of air emissions will be required to file emissions data into the State and Local Emission Inventory System (SLEIS). SLEIS is a well-utilized resource already, with approximately 70% of minor sources choosing to electronically submit their data in 2020. Major sources have been required to use SLEIS since 2019.

Emissions inventory data collection and analysis is critical to understanding and improving Iowa's air quality. Having all emissions data in one electronic system makes it easier for the Department to track data, report to the national emissions inventory, and respond to external and internal requests for emissions data. For several years, all paper emission inventories have been manually entered by Department staff into SLEIS. Staff data entry of paper inventories can be time consuming and costly. A fully electronic submission system will eliminate the need to do this, freeing up support staff to work on other tasks.

Similarly, under the proposed rule, both major and minor sources of air emissions will be required to use the Iowa Environmental Applications System for Air (Iowa EASY Air) for all air construction and Title V operating permit applications. Iowa EASY Air is also a popular resource, and has been since its release in 2019. Over the past year, approximately 89% of Title V new and renewal permits and approximately 80% of construction permit applications have been voluntarily submitted through the system.

Iowa EASY Air makes air construction and Title V operating permit application preparation and other submissions easier and more efficient for the regulated

community. The Department issues over 2,000 air quality permits every year. Over time, Iowa EASY Air has increased the Department's permit review and issuance rate and data accuracy, thereby cutting costs for both applicants and the Department. Additionally, data available in Iowa EASY Air supplies the Department's downstream electronic systems, helping to lessen the data entry burden by industry and the Department.

The Department will continue to offer training, outreach, and helpdesk assistance to all system users.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa. A copy of the fiscal impact statement is available from the Department upon request.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found. A copy of the jobs impact statement is available from the Department upon request.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 561—Chapter 10.

Public Comment

Any interested person may submit written comments concerning this proposed rule

making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on February 14, 2022. Comments should be directed to:

Christine Paulson
Department of Natural Resources
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Email: christine.paulson@dnr.iowa.gov

Public Hearing

A public hearing at which persons may present their views orally will be held as follows. Persons who wish to participate in the virtual hearing/conference call should contact Christine Paulson at christine.paulson@dnr.iowa.gov. A conference call number and login instructions will be provided prior to the hearing. Persons who wish to make oral comments at the public hearing should submit a request to Ms. Paulson prior to the hearing to facilitate an orderly hearing.

Monday, February 14, 2022
1 to 2 p.m.

Virtual hearing/teleconference

Persons who wish to make oral comments at the public hearing will be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to participate in the hearing and have special requirements, such as those related to hearing or vision impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee

which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend **567—20.2(455B)**, definition of “Electronic format,” as follows:

“Electronic format,” “electronic submittal,” and “electronic submittal format,” for purposes of the rules in 567—Chapters 20 through 35, mean a software, Internet-based, or other electronic means specified by the department for submitting air quality information or fees to the department related to, but not limited to, applications, certifications, determination requests, emissions inventories, forms, notifications, payments, permit applications and registrations. References to these information submittal methods in 567—Chapters 20 through 35 may, as specified by the department, include electronic submittal as stated in the applicable administrative rules.

ITEM 2. Amend subrule **21.1(3)** as follows:

21.1(3) Emissions inventory. The person responsible for equipment as defined herein shall provide information on fuel use, materials processed, air contaminants emitted (including greenhouse gases as “greenhouse gas” is defined in rule 567—20.2(455B)), estimated rate of emissions, periods of emissions or other air pollution information to the director upon the director's written request for use in compiling and maintaining an emissions inventory for evaluation of the air pollution situation in the

state and its various parts. ~~The~~ Until December 31, 2022, the information requested shall be submitted on forms or by electronic format specified by the department. On or after January 1, 2023, the information requested shall be submitted in the electronic format specified by the department, if electronic submittal is provided. All information in regard to both actual and allowable emissions shall be public records, and any publication of such data shall be limited to actual and allowable air contaminant emissions.

ITEM 3. Amend subrule **22.1(3)**, introductory paragraphs, as follows:

22.1(3) *Construction permits.* The owner or operator of a new or modified stationary source shall apply for a construction permit. ~~One~~ Until December 31, 2022, one copy of a construction permit application for a new or modified stationary source shall be presented or mailed to the air quality bureau of the department of natural resources. 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. References to “application(s),” “certification(s),” “determination request(s),” “emissions inventory(ies),” “fees,” “form(s),” “notification(s),” “payment(s),” “permit application(s),” and “registration(s)” in rules 567—22.1(455B) through 567—22.10(455B) may, as specified by the department, include electronic submittal.

~~An~~ Until December 31, 2022, an owner or operator applying for a permit as required pursuant to rule 567—31.3(455B) (nonattainment new source review) or rule 567—33.3(455B) (prevention of significant deterioration (PSD)) shall present or mail to the department one hard copy of a construction permit application to the address specified above and, upon request from the department, shall also submit one electronic

copy and one additional hard copy of the application.

Application submission methods may include, but are not limited to, U.S. Postal Service, private parcel delivery services, and hand delivery. Applications are not required to be submitted by certified mail.

The owner or operator of any new or modified industrial anaerobic lagoon shall apply for a construction permit as specified in this subrule and as provided in 567—Chapter 22. The owner or operator of a new or modified anaerobic lagoon for an animal feeding operation shall apply for a construction permit as provided in 567—Chapter 65.

On or after January 1, 2023, construction permit applications, including the information referenced above and in rules 567—22.1(455B) through 567—22.10(455B), shall be submitted in the electronic format specified by the department, if electronic submittal is provided.

ITEM 4. Amend rule **567—22.105(455B)** as follows:

567—22.105(455B) Title V permit applications.

22.105(1) Duty to apply. For each source required to obtain a Title V operating permit, the owner or operator or designated representative, where applicable, shall, until December 31, 2022, 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, 502 East 9th Street, Des Moines, Iowa 50319 (one copy); and U.S. EPA Region VII, 11201 Renner Boulevard, Lenexa, Kansas 66219 (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). Application submission methods may include, but are not limited to, U.S. Postal Service, private parcel delivery services, or hand delivery. Applications are not required to be submitted by certified mail.

Alternatively, an owner or operator may submit a complete and timely application through the electronic submittal format specified by the department.

On or after January 1, 2023, Title V operating permit applications, including the information referenced above and in rules 567—22.100(455B) through 567—22.116(455B), shall be submitted in the electronic format specified by the department, if electronic submittal is provided. An owner or operator of a source required to obtain a Title V permit pursuant to subrule 22.101(1) shall submit all required fees as required in 567—Chapter 30.

a. to b. No change

22.105(2) *Standard application form and required information.* To apply for a Title V permit, applicants shall, until December 31, 2022, complete the standard permit application form available only from the department and supply all information required by the filing instructions found on that form. Alternatively, an owner or operator may submit a complete and timely application through the electronic submittal format specified by the department.

On or after January 1, 2023, the standard application form shall be submitted in the electronic format specified by the department, if electronic submittal is provided. The information submitted must be sufficient to evaluate the source and its application and to determine all applicable requirements and to evaluate the fee amount required by rule

567—30.4(455B).

If a source is not a major source and is applying for a Title V operating permit solely because of a requirement imposed by paragraphs 22.101(1)“c” and “d,” then the information provided in the operating permit application may cover only the emissions units that trigger Title V applicability.

The applicant shall submit the information called for by the application form for each emissions unit to be permitted, except for activities which are insignificant according to the provisions of rule 567—22.103(455B). The applicant shall provide a list of all insignificant activities and specify the basis for the determination of insignificance for each activity.

~~Nationally~~—Unless otherwise specified in subrule 22.128(4), nationally standardized forms shall be used for the acid rain portions of permit applications and compliance plans, as required by regulations promulgated under Title IV of the Act. The standard application form and any attachments shall require that the following information be provided:

a. to j. No change.

22.105(3) to 22.105(5). No change.

ITEM 5. Amend subrule **22.128(4)** as follows:

22.128(4) *Submission of copies.* One copy of all permit applications shall, until December 31, 2022, be presented or mailed to the air quality bureau of the department of natural resources. ~~Alternatively~~ On or after January 1, 2023, the designated representative may shall submit the application in the electronic format specified by the department, if

electronic submittal is provided.

Date

Kayla Lyon, Director