

Iowa Department of Natural Resources

**Environmental Protection Commission**

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**ITEM**

**DECISION**

**TOPIC**

**Notice of Intended Action: Air Quality Regulatory Certainty Rules Part 3 - Chapters 20, 22, 23 and 25**

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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,” and Chapter 25, “Measurement of Emissions.”

**Reason for Rulemaking**

Affected businesses and the public benefit from up-to-date air quality requirements and increased effectiveness.

The proposed changes to air quality rules:

- 1) Reduce the cost of government, while providing streamlined services to the public and regulated community.
  
- 2) Update rules to provide regulatory certainty and flexibility. The proposed rules will implement a portion of the Department’s 5-year rules review, achieving a purpose similar to air quality rulemaking packages adopted earlier this year and in 2017.
  
- 3) Offer uniform rules by making changes that match federal regulations. By adopting federal updates into state administrative rules, the Commission is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the EPA, to be the primary agency to implement the air quality requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.

**Summary of Proposed Rule Changes**

The proposed rule changes continue previous efforts to improve rules for air quality programs.

Electronic Emissions Reporting

To simplify the reporting requirements for industry, increase reporting efficiency and reduce cost to the state, the Department is proposing to require the use of electronic emissions reporting for all Title V facilities, beginning with reports due to the Department by March 31, 2019. The transition to entirely electronic reporting will make air emissions information more quickly available to industry seeking to build new facilities or expand existing facilities, and for the public. Additionally, electronic reporting will reduce the cost to the state because Department staff will no longer need to data-enter this information prior to providing it in the annual federally-required emissions report.

### Address Updates

The proposed rule changes update several references for the new location and mailing address of the Department's Air Quality Bureau.

### Consistency with Federal Regulations

The rule revisions adopt technical corrections that EPA made to continuous methods for measuring air pollutant emissions. The rule changes also include adoption of revisions to federal air toxics standards (also known as National Emissions Standard for Hazardous Air Pollutants or NESHAP), new source performance standards (NSPS) and EPA's Emission Guidelines. Adopting EPA's amendments allows state rules to be consistent with federal regulations, and provides certainty to affected businesses and other interested stakeholders.

### **Stakeholder Involvement**

The Department prepared a draft rulemaking package and on TBD, announced the opportunity for informal public input on the draft proposal. The Department announced the public input period through the Air Quality Electronic Newsletter (through GovDelivery) and posted the draft proposal on its air quality public input page (<http://www.iowadnr.gov/airpublicinput>). The Department received [TBD; explanation of any feedback received] during the informal input period.

### **Public Comments and Public Hearing**

If the Commission approves the proposed rulemaking, the Department will hold a public hearing on TBD, at the DNR offices in the Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa. The Department will accept written public comments until 4:30 p.m. on TBD.

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

Memo date: TBD

Iowa Department of Natural Resources

**Administrative Rules  
JOBS IMPACT STATEMENT**

**1. BACKGROUND INFORMATION**

Agency:	Environmental Protection Commission (Commission)/Department of Natural Resources (Department)
IAC Citation:	567 IAC Chapters 20, 22, 23 and 25
Agency Contact:	Christine Paulson (515) 725-9510
Statutory Authority:	Iowa Code sections 455B.133. United States Clean Air Act Sections 110 (42 USC §7410), 111 (42 USC §7411) and 112 (42 USC §7412)
Objective:	<p>The purpose of the proposed air quality rule changes is to:</p> <ol style="list-style-type: none"> <li>1) Reduce the cost of government, while providing streamlined services to the public and regulated community.</li> <li>2) Update rules to provide regulatory certainty and flexibility. The proposed rules will implement a portion of the Department’s 5-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2).</li> <li>3) Offer uniform rules by making changes that match federal regulations and eliminating inconsistency between federal and state rules. By adopting federal updates into state administrative rules, the Commission is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the EPA, to be the primary agency to implement the air quality requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.</li> </ol>
Summary:	<p>The proposed rule changes continue previous efforts to improve rules for air quality programs. Affected businesses and the public benefit from up-to-date air quality requirements and increased effectiveness.</p> <p>The rule changes also include adoption of new and revised federal air toxics standards (also known as National Emissions Standards for Hazardous Air Pollutants or NESHAP), new source performance standards (NSPS) and Emission Guidelines. Adopting EPA’s updated federal regulations allows state rules to be consistent with federal regulations, and provides certainty to affected businesses and other interested stakeholders.</p>

## 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.

<input checked="" type="checkbox"/> <i>Fill in this box if impact meets either of these criteria:</i>
<input checked="" type="checkbox"/> Positive Job Impact on private sector jobs and employment opportunities in the State. <input type="checkbox"/> Negative Job Impact on private sector jobs and employment opportunities in the State.
<i>Description and quantification of the nature of the impact the proposed rule will have on private sector jobs and employment opportunities:</i>
After analysis and review, the Department has determined that most of the proposed changes will have either a positive or a neutral impact on private sector jobs because the proposed rules update and streamline air quality programs.
<b>Electronic Emissions Reporting</b> To simplify the reporting requirements for industry, increase reporting efficiency and reduce cost to the state, the Department is proposing to require the use of electronic reporting for all Title V facilities, beginning with reports due to the Department by March 31, 2019.
Facilities required to obtain Title V permits are also required to annually report actual air pollution emissions. “Title V facilities” are those that are permitted to emit over 100 tons of air pollution annually (or significant levels of specified hazardous air pollutants). There are currently 289 Title V facilities in Iowa, including electric generating utilities, grain processing facilities, manufacturing plants, and others.
The Department has since 2002 offered an electronic submission system for reporting air pollution emissions. In 2015, SLEIS (the State and Local Emissions Inventory System) was introduced, offering a significantly more streamlined method for reporting. This year, 82% of Title V facilities submitted their inventories on SLEIS.
The transition to electronic reporting will make air emissions information more quickly available to industry seeking to build new facilities or expand existing facilities, and for the public. Additionally, electronic reporting will reduce the cost to the state because Department staff will no longer need to data-enter this information prior to providing it in the annual federally-required emissions report.
<b>Address Updates</b> The proposed rule changes also update several references for the new location and mailing address of the Department’s Air Quality Bureau.

### **Consistency with Federal Regulations**

The proposed rules adopt EPA's updates and corrections to federal testing methods. By adopting federal updates into state rules, the Commission is ensuring that Iowa's air quality rules are no more stringent than federal regulations.

### **Adoption of NSPS, NESHAP and Emission Guidelines**

For the adoption of new and amended NSPS, NESHAP and Emission Guidelines, the Department has determined that there may be fiscal impacts to Iowa businesses. However, the proposed amendments are only implementing federally mandated regulations. The amendments are identical to the federal regulations, and would not impose any regulations on Iowa businesses not already required by federal law.

In some cases, the revised federal standards proposed for adoption provide more flexibility and potential cost savings for affected businesses, offering a positive impact on private sector jobs. Further, the proposed amendments allow the Department rather than EPA to be the primary agency to implement the standards in Iowa, thereby allowing the Department to provide compliance assistance to affected facilities.

The Department estimated potential impacts from adopting the new and revised federal NSPS NESHAP and Emission Guidelines, as described below.

#### Sewage Sludge Incineration –NSPS (new facilities) and Emission Guidelines (existing facilities)

Currently, one existing facility is subject to the Emission Guidelines and no facilities are subject to the NSPS. The Commission is adopting these standards by reference so that requirements are no more or less stringent than federal regulations. Affected facilities may incur additional costs to control emissions of mercury, dioxin/furans, lead, cadmium and particular matter. Reconsiderations and the litigation of the federal standards initially published in 2011 have recently been resolved.

#### Portland Cement Manufacturing – Revised NESHAP

EPA's amendments to this NESHAP reflect corrections and clarifications of the previous rule requirements and provisions. EPA states that the amendments results in improved monitoring, compliance, and implementation of the rule. This NESHAP affects three facilities in Iowa (one facility is currently idled).

#### Other Revised NESHAPs

At this time, no facilities in Iowa are affected by the following federal NESHAP amendments proposed for adoption. However, new facilities, or existing facilities that change their production lines, could become subject to these NESHAPs in the future.

- Phosphoric Acid Manufacturing and Phosphate Fertilizer Production
- Offsite Waste and Recovery Operations
- Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semicemical Pulp Mills
- Wool Fiberglass Manufacturing

<i>Categories of jobs and employment opportunities that are affected by the proposed rule:</i> Industrial facilities in the manufacturing source categories described above.
<i>Number of jobs or potential job opportunities:</i> Cannot be determined at this time.
<i>Regions of the state affected:</i> All regions of the state.
<i>Additional costs to the employer per employee due to the proposed rule: (if not possible to determine, write "Not Possible to Determine.")</i> No additional costs to the employer.

**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 rules.
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Iowa Department of Natural Resources

## Transition to Electronic Submittal of Annual Title V Emissions Inventories **Support Document**

Facilities required to obtain Clean Air Act Title V permits are also required to annually report actual air pollution emissions. “Title V facilities” are those that are permitted to emit over 100 tons of air pollution annually (or significant levels of specified hazardous air pollutants). There are currently 289 Title V facilities in Iowa, including electric generating utilities, grain processing facilities, manufacturing plants, and others.

To reduce cost to the state, increase reporting efficiency and simplify the Title V emissions reporting requirements for industry, and make emissions information more readily available, the Iowa Department of Natural Resources (DNR) is proposing to require the use of electronic reporting for all Title V facilities, beginning with reports due to the DNR by March 31, 2019. Reporting for facilities that are permitted to emit lesser amounts of air pollution (referred to as “minor sources”) is not addressed in this proposed rulemaking.

DNR has, since 2002, offered an electronic submission system for reporting. In 2015, SLEIS (the State and Local Emissions Inventory System) was introduced, offering a significantly more streamlined method for reporting. This year, 82% of Title V facilities submitted their inventories on SLEIS.

SLEIS greatly simplifies emissions inventory submittals by pre-populating into the database the recent equipment and emissions data for participating facilities, which reduces facilities’ data entry time. Upon request from stakeholders, SLEIS also offers the ability to efficiently import emissions data via a spreadsheet template and is supported by standard web browsers. To continually improve the system and to address customer and DNR needs, new versions of SLEIS are typically released semi-annually.

Over the past two years, DNR has, in stakeholder meetings and in letters to facilities, indicated its interest in requiring all Title V facilities to file reports through SLEIS. DNR has also reached out to the facilities who did not use SLEIS to file reports in March 2018, to discuss the transition and opportunities for training. Annually, DNR provides annual in-person emissions inventory and SLEIS user training at several locations in the state. Online training tutorials are also available on-demand on the DNR’s website. And, upon request, DNR offers one-on-one assistance to companies with multiple facilities in Iowa.

DNR will provide additional notification in December 2018 to remind all Title V facilities of the electronic submittal requirements.

## ENVIRONMENTAL PROTECTION COMMISSION [567]

### Notice of Intended Action

The Environmental Protection Commission (Commission) hereby proposes to amend Chapter 20, “Scope of Title—Definitions,” Chapter 22, “Controlling Pollution,” Chapter 23, “Emission Standards for Contaminants,” and Chapter 25, “Measurement of Emissions,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in 455B.133.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, 455B.133.

#### *Purpose and Summary*

The purposes of this rule making are to:

1. Reduce the cost of government, while providing streamlined services to the public and regulated community
2. Update rules to provide regulatory certainty and flexibility. The amendments implement a portion of the Department of Natural Resources’ (Department’s) five-year review of rules plan to accomplish the requirements of Iowa Code section 17A.7(2).
3. Offer uniform rules by making changes that match federal regulations and eliminate inconsistencies between federal regulations and state rules. By adopting federal updates into state administrative rules, the Commission is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the U.S. Environmental Protection Agency (EPA), to be the primary agency to implement the air quality

requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.

**Items 1 and 6** propose to amend the definition of “EPA reference method” to adopt the technical corrections that EPA made to continuous methods for measuring air pollutant emissions. The corrections were published on August 7, 2017, in the Federal Register and codified in 40 Code of Federal Regulations (CFR) Part 60, Appendix B. **Item 15** also proposes to adopt these federal updates into the methods and procedures established in 567 Chapter 25 for continuous monitoring systems. Adopting EPA’s updates ensures that state reference methods match current federal reference methods and are no more stringent than the federal methods.

**Item 2** proposes to add a cross reference to the rules for nonattainment areas specified in 567 Chapter 31.

**Items 3, 4, 5, 7, 9, 10 and 11** update the location and mailing address for the Department’s Air Quality Bureau.

**Item 8** proposes to establish electronic submittal of the annual emissions inventories required under the Title V Operating Permit program. To simplify the reporting requirements for industry, increase reporting efficiency and reduce cost to the state, the Commission is proposing to require the use of electronic reporting for all Title V facilities, beginning with reports due to the Department by March 31, 2019.

Facilities required to obtain Title V permits are also required to annually report actual air pollution emissions. “Title V facilities” are those that are permitted to emit over 100 tons of air pollution annually (or significant levels of specified hazardous air pollutants). There are currently 289 Title V facilities in Iowa, including electric generating utilities, grain processing facilities, manufacturing plants, and others.

The Department has since 2002 offered an electronic submission system for reporting air pollution emissions. In 2015, SLEIS (the State and Local Emissions Inventory System) was introduced, offering a significantly more streamlined method for reporting. This year, 82% of Title V facilities submitted their inventories on SLEIS.

SLEIS is the current e-submittal system for emissions inventories. The Department provides annual in-person emissions inventory and SLEIS user training at several locations in the state. Online training tutorials are also available on-demand on the Department's website.

**Item 12** amends subrule 23.1(2) to adopt by reference new and revised New Source Performance Standards (NSPS).

The Commission proposes to adopt the federal NSPS for sewage sludge incineration (SSI) units. The federal standards were published in the Federal Register on March 21, 2011, and apply to SSI units for which construction commenced after October 14, 2010 or for which modification commenced after September 21, 2011. Since publication, the SSI NSPS has been subject to reconsideration petitions and litigation. The Commission is now proposing adoption of these federal amendments because EPA's reconsiderations and the litigation of the federal standards have recently been resolved.

At this time, no facilities in Iowa are affected by this NSPS. A facility that constructs a new SSI unit, or an existing facility that modifies its SSI unit, could become subject to this NSPS in the future. (See Item 14 for a related amendment.)

The amendment in Item 12 also adopts the changes EPA made to the NSPS test methods, as explained in the description above for Items 1, 6 and 15. Amendment to the NSPS are adopted by reference through revision of the adoption date specified in the introductory paragraph of

subrule 23.1(2).

**Item 13** amends subrule 23.1(4) to adopt federal amendments to the federal National Emission Standards for Hazardous Air Pollutants (NESHAP) for source categories, as described below. The federal amendments are adopted by reference through revision of the adoption date specified in the introductory paragraph of subrule 23.1(4). The text in parentheses in each section heading below indicates the applicable subpart(s) in 40 CFR Part 63 and the corresponding paragraph(s) in subrule 23.1(4).

Phosphoric Acid Manufacturing and Phosphate Fertilizer Production (Subpart AA; paragraph “aa”)

Updates to this NESHAP were published in the Federal Register on September 28, 2017. In response to petitions for reconsideration from stakeholders, EPA extended some compliance dates for affected sources, as well as clarifying one option and adding a new option for monitoring requirements. At this time, no facilities in Iowa are affected by this NESHAP. New facilities, or existing facilities that change their production lines, could become subject to this NESHAP in the future.

Offsite Waste and Recovery Operations (Subpart DD; paragraph 23.1(4)“ad”)

The amendment adopts changes to the standards for offsite waste and recovery operations published in the Federal Register on January 29, 2018. EPA’s final amendments address petitions for reconsideration regarding requirements for continuous monitoring on pressure relief devices (PRDs) on containers. EPA’s action removes the additional monitoring requirements for PRDs on containers because EPA that the requirements were unnecessary. At this time, no facilities in Iowa are affected by this NESHAP. New facilities, or existing facilities that change their production lines, could become subject to this NESHAP in the future.

Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semicemical Pulp Mills (Subpart MM; paragraph “am”)

EPA’s rule changes, published in the Federal Register on October 11, 2017, include reducing the opacity (visible emissions) monitoring allowance for recovery furnaces and for lime kilns, adding electronic reporting requirements for semiannual compliance reports, updating monitoring and testing requirements, and requiring periodic stack testing and electronic reporting of stack test results. At this time, no facilities in Iowa are affected by this NESHAP. New facilities, or existing facilities that change their production lines, could become subject to this NESHAP in the future.

Portland Cement Manufacturing (Subpart LLL, paragraph “bl”)

EPA’s amendments to this NESHAP were published in the Federal Register on July 25, and August 3, 2018, and reflect corrections and clarifications of the rule requirements and provisions. EPA states that the amendments results in improved monitoring, compliance, and implementation of the rule. This NESHAP affects three facilities in Iowa (one facility is currently idled).

Wool Fiberglass Manufacturing (Subpart NNN; paragraph “bn”)

Amendments to this NESHAP were published in the Federal Register on December 26, 2017. EPA revised the federal standard to require affected facilities to conduct additional monitoring and recordkeeping activities. Also, affected facilities with flame attenuation lines will need to demonstrate compliance with new emission standards. EPA provided existing affected facilities a 3-year period to comply with new NESHAP requirements.

At this time, no facilities in Iowa are affected by this NESHAP. New facilities, or existing facilities that change their production lines, could become subject to this NESHAP in the future.

**Item 14** proposes to adopt by reference the federal Emission Guidelines for existing SSI units. EPA's Emission Guidelines are set forth in 40 CFR Part 60 and direct states to set emission standards by certain deadlines for specific existing sources. Emission Guidelines provide "model rules" that states may adopt by reference in setting the requirements for existing sources. As with the NSPS and NESHAP, the Commission adopts EPA's Emission Guidelines by reference so that the requirements are no more or less stringent than federal requirements.

Concurrent with the NSPS provisions for SSI units described above in Item 12, EPA published the Emission Guidelines for SSI units in the Federal Register on March 21, 2011. The standards apply to SSI units for which construction commenced on or before October 14, 2010. As with the NSPS, the Emission Guidelines have been subject to reconsideration petitions and litigation since publication. The Commission is now proposing adoption of these federal amendments because EPA's reconsiderations and the litigation of the federal standards have recently been resolved. One facility in Iowa is currently affected by these amendments.

#### *Fiscal Impact*

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

#### *Jobs Impact*

A summary of the jobs impacts is provided below. A copy of the complete Jobs Impact Statement is available upon request from the Department.

After analysis and review of this rule making, the Commission has determined that the amendments specified in Items 1-11 and Item 15 will have either a positive or a neutral impact on private sector jobs because the proposed rules update and streamline air quality programs. Affected businesses and the public benefit from up-to-date air quality requirements and increased

effectiveness. These changes also implement a portion of the Department's 5-year rules review plan as required under Iowa Code section 17A.7(2).

In particular, the Department is proposing to require the use of electronic reporting for all Title V facilities (see Item 8), which will simplify the reporting requirements for industry, increase reporting efficiency and reduce cost to the state. The transition to electronic reporting will also make air emissions information more quickly available to industry seeking to build new facilities or expand existing facilities, and for the public. Additionally, electronic reporting will reduce the cost to the state because Department staff will no longer need to data-enter this information prior to providing it in the annual federally-required emissions report.

For the amendments specified in Items 12, 13 and 14, the Commission has determined that there may be fiscal impacts to Iowa businesses. However, the amendments are only implementing federally mandated regulations. The amendments are identical to the federal regulations and would not impose any regulations on Iowa businesses not already required by federal law.

In some cases, the revised federal standards being proposed for adoption provide more flexibility and potential cost savings for affected businesses, offering a positive impact on private sector jobs. Further, the amendments allow the Department, rather than EPA, to be the primary agency to implement the standards in Iowa, thereby allowing the Department to provide compliance assistance to affected facilities. The Department's compliance assistance increases efficiencies and possible cost savings for facilities, potentially offering a positive impact on private sector jobs.

#### *Waivers*

This rule is subject to the waiver provisions of 561—Chapter 10. 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 Commission for a waiver of the discretionary provisions, if any.

*Public Comment*

Any interested person may submit 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 TBD. Comments shall be directed to: Christine Paulson, Department of Natural Resources, Wallace State Office Building, 502 East 9th Street, Des Moines, Iowa 50319; fax (515)725-9501; or by email to [Christine.Paulson@dnr.iowa.gov](mailto:Christine.Paulson@dnr.iowa.gov).

*Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

Date TBD at 1 p.m. at the Department's offices located at the Wallace State Office Building at 502 East 9th Street, Des Moines, Iowa. (Upon arrival to the Wallace Building, attendees should proceed to the fourth floor to check in at the DNR reception desk to receive a visitor's badge and be directed to the hearing location.)

Persons who wish to make oral comments at the public hearing may 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 attend the hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Christine Paulson at (515) 725-9510 or by email at [Christine.Paulson@dnr.iowa.gov](mailto:Christine.Paulson@dnr.iowa.gov) 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 action proposed:

**ITEM 1.** Amend rule **567—20.2(455B)**, definition of “EPA reference method,” as follows:

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

1. No change.
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 ~~August 30, 2016~~ August 7, 2017); 40 CFR 60, Appendix F (as amended through August 30, 2016); 40 CFR 75, Appendix A (as amended through August 30, 2016); 40 CFR 75, Appendix B (as amended through August 30, 2016); and 40 CFR 75, Appendix F (as amended through August 30, 2016).

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

**22.1(1)** *Permit required.* Unless exempted in subrule [22.1\(2\)](#) or to meet the parameters established in paragraph “c” of this subrule, no person shall construct, install, reconstruct or alter any equipment, control equipment or anaerobic lagoon without first obtaining a construction permit, or permit pursuant to rule [567—22.8\(455B\)](#), or permits required pursuant to rules [567—22.4\(455B\)](#), [567—22.5\(455B\)](#), [567—31.3\(455B\)](#), and [567—33.3\(455B\)](#) as required in this

subrule. A permit shall be obtained prior to the initiation of construction, installation or alteration of any portion of the stationary source or anaerobic lagoon.

*a.* and *b.* No change.

*c.* New, reconstructed, or modified sources may initiate construction prior to issuance of the construction permit by the department if they meet the eligibility requirements stated in subparagraph (1) below. The applicant must assume any liability for construction conducted on a source before the permit is issued. In no case will the applicant be allowed to hook up the equipment to the exhaust stack or operate the equipment in any way that may emit any pollutant prior to receiving a construction permit.

(1) Eligibility.

1. and 2. No change

3. The source is not subject to rule 567—22.4(455B), 567—subrule 23.1(2), 567—subrule 23.1(3), 567—subrule 23.1(4), 567—subrule 23.1(5), 567—31.3(455B), or paragraph “*b*” of this subrule. Prevention of significant deterioration (PSD) provisions and prohibitions remain applicable until a proposed project legally obtains PSD synthetic minor status (i.e., obtains permitted limits which limit the source below the PSD thresholds).

(2) through (4). No change.

*d.* No change.

**ITEM 3.** 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. One copy 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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa 50319. 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. An owner or operator applying for a permit as required pursuant to rule 567—31.3(455B) (nonattainment new source review) or 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.

**ITEM 4.** 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 rule [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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa 50319, and shall include the following information:

*a. through c.* No change.

**ITEM 5.** 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, which 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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa, 50319, by September 1, 2005.

**ITEM 6.** 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. No change.
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 ~~August 30, 2016~~ August 7, 2017); 40 CFR 60, Appendix F (as amended through August 30, 2016); 40 CFR 75, Appendix A (as amended through August 30, 2016); 40 CFR 75, Appendix B (as amended through August 30, 2016); and 40 CFR 75, Appendix F (as amended through August 30, 2016).

**ITEM 7.** Amend subrule 22.105(1) as follows:

**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 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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> 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. 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.* and *b.* No change.

**ITEM 8.** Amend subrule 22.106(2) as follows:

**22.106(2) *Emissions inventory and documentation due dates.*** The emissions inventory shall be submitted ~~with forms~~ through the electronic format specified by the department. ~~For emissions located in Polk County or Linn County, three copies of the forms documenting actual~~

~~emissions for the previous calendar year shall be submitted annually by March 31. For emissions in all other counties, two copies of the forms documenting actual emissions for the previous calendar year shall be submitted annually by March 31.~~

~~Alternatively, an An owner or operator ~~may shall, by March 31,~~ submit ~~the required emissions inventory information through the electronic submittal format specified by the department~~ documentation of actual emissions for the previous calendar year.~~

~~If there are any changes to the emission calculation form, the department shall make revised forms available to the public by January 1. If revised forms are not available by January 1, forms from the previous year may be used and the year of emissions documented changed. The department shall calculate the total statewide Title V emissions for the prior calendar year and make this information available to the public no later than April 30 of each year.~~

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

**22.128(4)** *Submission of copies.* Two 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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa 50319.

**ITEM 10.** Amend subrule 22.300(8) as follows:

**22.300(8)** *Registration and reporting requirements.*

*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 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 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 rule ~~567—22.104~~(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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa 50319, one original and one copy of a timely and complete registration form in accordance with this rule.

(1) through (4). No change.

*b.* No change.

**ITEM 11.** 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, Windsor Heights, Iowa 50324~~ 502 E. 9<sup>th</sup> Street, Des Moines, Iowa 50319, and shall include the following information:

*a.* and *b.* No change.

**ITEM 12.** Amend subrule 23.1(2) 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 ~~September 14, 2016~~ August 7, 2017, 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.

*a. through bbbb.* No change

*cccc. Sewage Sludge Incineration Units. Each sewage sludge incineration (SSI) unit that commenced construction or reconstruction after October 14, 2010, or for which modification commenced after September 21, 2011, must comply. (Subpart LLLL)*

**ITEM 13.** 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 ~~September 14, 2016~~ August 3, 2018, 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 (Fbio) 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 14.** Amend subrule 23.1(5) 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~~ March 21, 2011, 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~~ indicated in the paragraphs of this subrule (23.1(5)). 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.

a. through d. No change.

e. Emission guidelines and compliance times for existing sewage sludge incineration units that commenced construction on or before October 14, 2010 (Subpart M MMM). Emission guidelines and compliance times for control of designated pollutants from affected sewage sludge incineration (SSI) units that commenced construction or reconstruction on or before October 14, 2010, shall be in accordance with federal standards established in Subpart M MMM of 40 CFR Part 60, as amended through March 21, 2011.

**ITEM 15.** Amend subrule 25.1(9) as follows:

**25.1(9) *Methods and procedures.*** Stack sampling and associated analytical methods used to evaluate compliance with emission limitations of 567—Chapter 23 or a permit condition are as follows:

a. No change.

b. *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 ~~August 30, 2016~~ August 7, 2017); 40 CFR 60, Appendix F (as amended through August 30, 2016); 40 CFR 75, Appendix A (as amended through August 30, 2016); 40 CFR 75, Appendix B (as amended through August 30, 2016); and 40 CFR 75, Appendix F (as amended through August 30, 2016). The owner of the equipment or the owner's authorized agent may use an alternative methodology for continuous monitoring systems if the methodology is approved by the department in writing before the minimum performance specification and quality assurance procedure is conducted.

c. No change.

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Date

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Bruce Trautman, Acting Director

## Administrative Rule Fiscal Impact Statement

Date: August 9, 2018

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

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

**Agency Contact:** Christine Paulson

**Summary of the Rule:**

The proposed air quality rule changes will:

**1) Reduce the cost of government, while providing streamlined services to the public and regulated community.**

**2) Rescind unnecessary rules and update other rules to provide regulatory certainty and flexibility.** The proposed rules will implement a portion of the Department’s 5-year rules review plan to accomplish the requirements of Iowa Code section 17A.7(2). The proposed rule changes continue previous efforts to identify rules that can be rescinded or amended for air quality programs. The proposed rules achieve a purpose similar to the Regulatory Certainty rulemaking package adopted earlier this year and in 2017.

**3) Offer uniform rules by making changes that match federal regulations and eliminating inconsistency between federal and state rules.** By adopting federal updates into state administrative rules, the Commission is ensuring that Iowa’s air quality rules are no more stringent than federal regulations. Additionally, the updates allow the Department, rather than the EPA, to be the primary agency to implement the air quality requirements in Iowa, thereby allowing the Department to provide compliance assistance and outreach to affected facilities.

*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 rule.

*Assumptions:*

*Describe how estimates were derived:*

*Estimated Impact to the State by Fiscal Year*

	<u>Year 1 (FY 2015)</u>	<u>Year 2 (FY 2016)</u>
<b>Revenue by Each Source:</b>		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify)	\$0	\$0
	\$0	\$0
<b>TOTAL REVENUE</b>		
<b>Expenditures:</b>		
GENERAL FUND	\$0	\$0
FEDERAL FUNDS	\$0	\$0
Other (specify)	\$0	\$0
	\$0	\$0
<b>TOTAL EXPENDITURES</b>		
	\$0	\$0
<b>NET IMPACT</b>		

This rule is required by State law or Federal mandate.

*Please identify the state or federal law:*

The rule change will implement Iowa Code sections 455B.133, as well as the United States Clean Air Act sections 110 (42 USC §7410), 111 (42 USC §7411) and 112 (42 USC §7412).

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 at this time.

### ***Fiscal impact to Persons Affected by the Rule***

After analysis and review, the Department has determined that most of the proposed changes will have either a positive or a neutral impact on private sector jobs because the proposed rules update and streamline air quality programs. These changes implement a portion of the Department's 5-year rules review plan as required under Iowa Code section 17A.7(2). Affected businesses and the public benefit from up-to-date air quality requirements and increased effectiveness.

#### **Electronic Emissions Reporting**

To simplify the reporting requirements for industry, increase reporting efficiency and reduce cost to the state the Department is proposing to require the use of electronic reporting for all Title V facilities, beginning with reports due to the Department by March 31, 2019.

Facilities required to obtain Title V permits are also required to annually report actual air pollution emissions. "Title V facilities" are those that are permitted to emit over 100 tons of air pollution annually (or significant levels of specified hazardous air pollutants). There are currently 289 Title V facilities in Iowa, including electric generating utilities, grain processing facilities, manufacturing plants, and others.

The Department has, since 2002, offered an electronic submission system for reporting air pollution emissions. In 2015, SLEIS (the State and Local Emissions Inventory System) was introduced, offering a significantly more streamlined method for reporting. This year, 82% of Title V facilities submitted their inventories on SLEIS.

The transition to electronic reporting will make air emissions information more quickly available to industry seeking to build new facilities or expand existing facilities, and for the public. Additionally, electronic reporting will reduce the cost to the state because Department staff will no longer need to data-enter this information prior to providing it in the annual federally-required emissions report.

#### **Address Updates**

The proposed rule changes also update several references for the new location and mailing address of the Department's Air Quality Bureau.

#### **Consistency with Federal Regulations**

Additionally, the proposed rules adopt the most current EPA methods for measuring air pollutant emissions (stack testing and continuous monitoring). By adopting federal updates into state rules, the Commission is ensuring that Iowa's air quality rules are no more stringent than federal regulations.

#### **Adoption of NSPS, NESHAP and Emission Guidelines**

For the adoption of new and amended NSPS, NESHAP and Emission Guidelines, the Department has determined that there may be fiscal impacts to Iowa businesses. However, the proposed amendments are only implementing federally mandated regulations. The amendments are identical to the federal regulations, and would not impose any regulations on Iowa

businesses not already required by federal law.

In some cases, the revised federal standards proposed for adoption provide more flexibility and potential cost savings for affected businesses, offering a positive impact on private sector jobs. Further, the proposed amendments allow the Department rather than EPA to be the primary agency to implement the standards in Iowa, thereby allowing the Department to provide compliance assistance to affected facilities.

The Department estimated potential impacts from adopting the new and revised federal NSPS NESHAP and Emission Guidelines, as described below.

Sewage Sludge Incineration –NSPS (new facilities) and Emission Guidelines (existing facilities)

Currently, one existing facility is subject to the Emission Guidelines and no facilities are subject to the NSPS. The Commission is adopting these standards by reference so that requirements are no more or less stringent than federal regulations. Affected facilities may incur additional costs to control emissions of mercury, dioxin/furans, lead, cadmium and particular matter. Reconsiderations and the litigation of the federal standards initially published in 2011 have recently been resolved.

Portland Cement Manufacturing – Revised NESHAP

EPA’s amendments to this NESHAP reflect corrections and clarifications of the previous rule requirements and provisions. EPA states that the amendments results in improved monitoring, compliance, and implementation of the rule. This NESHAP affects three facilities in Iowa (one facility is currently idled).

Other Revised NESHAPs

At this time, no facilities in Iowa are affected by the following federal NESHAP amendments proposed for adoption. However, new facilities, or existing facilities that change their production lines, could become subject to these NESHAPs in the future.

- Phosphoric Acid Manufacturing and Phosphate Fertilizer Production
- Offsite Waste and Recovery Operations
- Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semicemical Pulp Mills
- Wool Fiberglass Manufacturing

***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 would likely adopt changes to their ordinances and procedures that match any changes to state rules. If a city or county government were subject to the air quality rules being amended, the local governments would be affected in the same manner as described above for industries and businesses.