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Agenda

1. “At risk” commencement of construction
2. Expedited Permitting
3. 30 TAC 116 rulemaking petition
4. RAP for marine loading
5. Proposed changes to oil and gas Title V (GOP) permits
6. Changes to “qualified facilities”
7. PBR supplemental tables for Title V permits
8. Modeling Updates
9. HGB and DFW ozone nonattainment reclassification

Housekeeping

- How to ask questions?
 - Please enter your questions in the chat box
 - Q & A session at the end
- Can I get a certificate of completion?
 - Webinar attendees will receive a certificate upon request
 - Continuing Education for Certifications/Licenses

“At risk” Commencement of Construction

- HB 2726, Section 382.004

 - ... application for a permit amendment ... may, at the person's own risk, begin construction related to the application after the commission has issued a **draft permit** including the permit amendment ...

- Case by case permit amendment only

- It excludes a concrete batch plant < 880 yards of a property used as a residence

- Became law on 1/1/2020

Only applies to amendment applications filed with the TCEQ after 1/1/2020

“At risk” Commencement of Construction (continued)

- ❑ TCEQ Adopted HB 2726 in new 30 TAC 116.118, effective date: 8/6/2020
- ❑ The good: Since this is during the second public notice period, construction schedule can move up by 30 to 60 days.
- ❑ The risk: If the final permit is denied, the construction is in violation. Facility could face legal and financial consequences.

Expedited Permit Review

- ❑ Program started in Nov. 2014 – consistently evolving
 - Dedicated Expedited Permitting Team & additional funding
- ❑ Covers 30 TAC 106, 116 and 122 (PBR, standard permit, case by case permit, and Title V permit)
- ❑ For case by case, TCEQ has an expedited team under Mechanical/Coatings NSR Permits Section
- ❑ Requires a commitment from applicant & TCEQ
 - Preapplication meeting with TCEQ
 - Response to agency comments/NOD within 10 days
- ❑ Form APD-EXP & public notice statement
- ❑ For PBRs and standard permits without public notice, submit the request through STEERS and use ePay

Expedited Permit Review (continued)

□ Expedited Fee schedule

Permit Type	Fee
PBR and std permit w/o public notice	\$500 non-refundable
Std permit with public notice	\$3,000
Title V GOP	\$3,000
Title V SOP	\$10,000
Case-by-case	\$10,000
PSD (including GHG), NA, PAL, HAP	\$20,000

- If both case-by-case and federal permits are submitted, only pay the federal surcharge.
- If multiple federal permits are submitted, only pay one surcharge.
- **Additional fees may apply if the cost exceeds the collected surcharge**

Petition of 30 TAC 116

- Baker Botts filed a petition with the TCEQ on 2/7/2020
- The petition requests 30 TAC 116 NSR language governing federal new source review to be consistent with the EPA memo dated 3/13/2018
- EPA memo for major modification “Step 1” allows a proposed project to consider both increases and decreases of emissions [*project emission accounting (PEA)*]

Petition of 30 TAC 116 (continued)

- ❑ Ozone Nonattainment: 30 TAC 116.150 "Step 1" only allows decrease to be considered if the project decrease is \geq increase (net to zero)
- ❑ PSD: 30 TAC 116.160 "Step 1" does not allow decrease to be considered for a PSD project
- ❑ Petition request to TCEQ to change TAC 116 consistent with EPA's PEA rule
- ❑ 3/6/2020, TCEQ interoffice memo - initiate rulemaking

New RAP for Marine Loading

- ❑ Released on 6/4/2020
- ❑ It is for both initial or amendment for tanks and/or loading at a marine site
- ❑ Only for sources in Regions 10, 12, 14, or 15.
- ❑ Maximum: 5 tanks, 2 emergency diesel engines, 2 heaters/boilers
- ❑ Control devices (1 flare, 1 VCU, 1 Oxidizer, 1 CAS, 1 temp. flare, 1 temp. VCU, 1 temp. T.O.)

New RAP for Marine Loading (continued)

- ❑ Project itself cannot exceed PSD or NA major thresholds
- ❑ For existing major sources, projects requiring netting are not eligible
- ❑ Modified sources meet BACT shown in workbook; Tier II or III BACT is not accepted
- ❑ Fixed and floating roof tank degassing convenience roof landings, regardless of the product stored, must be controlled by control device shown in this workbook

Draft GOP Changes for Oil and Gas

- ❑ 4/24/2020, draft changes to oil and gas GOP 511 to 514 were released
- ❑ 5/26/2020, public hearing was held
- ❑ 5/27/2020, comment period ended
- ❑ EPA review ends on 9/11/2020
- ❑ Expected effective date is 10/15/2020
- ❑ Submit a revised application authorization to operate (ATO) if applicable no later than 1/13/2021

Draft GOP Changes for Oil and Gas (continued)

- ❑ Remove bakery ovens and air conditioning and ventilation systems
- ❑ NSPS OOOO and OOOOa will be added
- ❑ New table for process heaters subject to 40 CFR, Part 63, DDDDD
- ❑ Surface coating will be added for certain GOPs
- ❑ Periodic monitoring (PM): new PMG-OG-PM-001 is proposed for acid gas only flares

Change to Qualified Facilities, TAC 116.116(e)

- ❑ Qualified facilities
 - Received a preconstruction permit or amendment, or qualified for a PBR within 120 months before the physical or operational change to the facility will occur, or
 - Use air pollution control that is at least as effective as the BACT for a permit issued for a similar facility 120 months before the change will occur
- ❑ Used for any type of permits
- ❑ Changes to existing facilities, not construction of new facilities

Change to Qualified Facilities (continued)

- ❑ No new air contaminants
- ❑ The change will not trigger PSD or NA review for an existing major source
- ❑ Cannot change monitoring, determination of emissions, and recordkeeping that are required by a permit
- ❑ Changes relating to all contaminants will not have negative off-property effects
- ❑ No contaminant category emission increase

Change to Qualified Facilities (continued)

- Interchange and intra-plant trading
 - Different pollutants (interchange), different EPNs within the same RN (intra-plant)
 - Increase emissions of one compound can be mitigated by an equivalent decrease of the same or another compound
 - Cannot exchange between air contaminant categories (e.g., not between VOC and PM)

- Allowable or actual emissions are used depending on permit types (PBR, std. permit or case-by-case)

- Submit PI-E and proper application for different permit types (Details in PI-E). May need PI-1S for Pollution Control Project.

PBR Supplemental Table for SOP and GOP

- Starting on 8/1/2020, Form OP-PBRSUP is required for all initial and renewal of SOP, GOP and SOP significant revisions submitted > 2 years prior to the next renewal date
- Previously, Form OP-REQ1, Section XII was used to enter PBR rule number and version/date.
- New Form OP-PBRSUP includes Tables A through D

PBR Supplemental Table for SOP and GOP (continued)

Texas Commission on Environmental Quality
Permit By Rule Supplemental Table (Page 2)

Table B: Claimed (not registered) Permits by Rule (30 TAC Chapter 106) for the Application Area

Date	Permit Number	Regulated Entity Number

Unit ID No.	PBR No.	Version No./Date

- Table B is for claimed (not registered) PBR or standard exemptions granted before 3/14/1997



Modeled Emission Rates for Precursors (MERP)

- PSD project emitting ≥ 100 tpy of NO_x or VOC: needs to evaluate ozone MERP for NO_x and VOC
- Minor or federal permits: needs to evaluate secondary formation of PM_{2.5} for MERP (NO_x and SO₂)
- MERP Values
 - Table-1 is for worst-case ozone. The numbers are:

Precursor	8-hour Ozone, tpy
NO _x	250
VOC	2604

Modeled Emission Rates for Precursors (continued)

- Table-2 is more specific by certain counties (not shown)
- Tier 1: uses ratio technique
- Tier 2: if it can't pass Tier 1, needs more sophisticated case-specific chemical transport models
- Tier 1, Step 1, < 100% of SIL using Table-1

$$\left[\frac{NOx \text{ project emissions}}{NOx \text{ MERP}} + \frac{VOC \text{ project emissions}}{VOC \text{ MERP}} \right] < 100\%$$

$$\left[\frac{200 \text{ tpy}}{250 \text{ tpy}} + \frac{120 \text{ tpy}}{2604 \text{ tpy}} \right] = 0.8 + 0.046 = 84.6\% < 100\%$$

Modeled Emission Rates for Precursors (continued)

- Tier 1, Step 2, < 100% of SIL using Table 2

$$\left[\frac{800 \text{ tpy}}{746 \text{ tpy}} + \frac{310 \text{ tpy}}{3355 \text{ tpy}} \right] = 1.072 + 0.092 = 116.4\% > 100\%$$

- Tier 1, Step 3, add background and compare to NAAQS

$$60 \text{ ppb} + \left[\frac{800 \text{ tpy}}{746 \text{ tpy}} + \frac{310 \text{ tpy}}{3355 \text{ tpy}} \right] * 1 \text{ ppb(SIL)} = 61.164 \text{ ppb} < 70 \text{ ppb}$$

HGB and DFW Reclassification

- Effective 9/23/2019, both HGB and DFW were redesignated from moderate to serious ozone NA (2008 ozone standard)
- Impacts both NSR and Title V permits
- Wise County is now classified as serious ozone NA
- Major source (serious) for both NSR and Title V: 50 tpy of NO_x or 50 tpy of VOC
- NSR: greenfield or existing minor, project itself triggers major if > 50 tpy of NO_x or VOC

HGB and DFW Reclassification (continued)

- NSR: existing major, project increase > 5 tpy triggers netting (*was 40 tpy*)
- NSR: significance threshold is 25 tpy (*was 40 tpy*)
- NSR: minimum offset ratio = 1.2:1 (*was 1.15:1*)
- Title V: apply for initial FOP no later than 9/23/2020 (*unless Federally Enforceable limit taken*)

Resources

- ❑ “At risk” commencement of construction

<https://www.all4inc.com/4-the-record-articles/what-happened-air-quality-bills-to-watch-in-the-86th-texas-legislative-session/>

<https://capitol.texas.gov/tlodocs/86R/billtext/html/HB02726I.htm>

https://www.tceq.texas.gov/assets/public/legal/rules/rule_lib/adoptions/19129116_ado_clean.pdf

- ❑ Expedited review program

<https://www.all4inc.com/4-the-record-articles/tceqs-expedited-permitting-program-update/>

<https://www.tceq.texas.gov/assets/public/permitting/air/Guidance/NewSourceReview/epp-in-impl-guide-external-6258.pdf>

- ❑ Baker Botts petition and TCEQ memo for rulemaking

https://www.tceq.texas.gov/assets/public/comm_exec/agendas/comm/backup/Agendas/2020/03-25-2020/0254PET.pdf

Resources (continued)

- ❑ New RAP for marine loading

<https://www.tceq.texas.gov/permitting/air/guidance/newsourcereview/rap/rap-marine-loading.html>

<https://www.tceq.texas.gov/assets/public/permitting/air/Forms/NewSourceReview/20874.xlsx>

- ❑ Draft GOP language change for oil and gas

https://www.tceq.texas.gov/permitting/air/nav/titlev_news.html

- ❑ Change to “qualified facilities”

<https://www.tceq.texas.gov/assets/public/permitting/air/Guidance/NewSourceReview/qual-fac-guidance.pdf>

<https://www.tceq.texas.gov/assets/public/permitting/air/Forms/NewSourceReview/10230.pdf>

<https://www.all4inc.com/4-the-record-articles/changes-to-qualified-facilities-in-texas/>

Useful Links (continued)

- PBR supplemental table for SOP and GOP

https://www.tceq.texas.gov/assets/public/permitting/air/Forms/Title_V/PotentialRequirements/20875.pdf

- Modeling Guide

<https://www.tceq.texas.gov/assets/public/permitting/air/Modeling/guidance/airquality-mod-guidelines6232.pdf>

- HGB and DFW Ozone Nonattainment Reclassification

<https://www.cognitofirms.com/ALL410/TexasOzoneNonattainmentAreaReclassificationPotentialTitleVOperatingPermitImplications>

Questions?

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