

# Cutting through red tape<sup>1</sup>

## Very small sources (eligible for exemption)

- < 5 tons per year for each specified pollutant and < 10 tons per year for all pollutants
- 1110 facilities
- Comprise 0.6 percent of North Carolina's total emissions (CO, NO<sub>x</sub>, PM<sub>10</sub>, SO<sub>2</sub>, VOC)
- All emissions standards still apply but no permit requirements

## Small sources (eligible for registration)

- ≥ 5 tons per year for each specified pollutant and < 25 tons per year for all pollutants
- 320 facilities
- Comprise 1.2 percent of North Carolina's total emissions (CO, NO<sub>x</sub>, PM<sub>10</sub>, SO<sub>2</sub>, VOC)
- All emissions standards apply
- Inspections will continue
- Registration process will be less burdensome than full permitting

## Executive Summary: Permit Exemptions Rule

The Division of Air Quality (DAQ) adopted changes, effective June 13, 2016, that simplify and improve state air permitting rules while better balancing administrative efforts with potential environmental impacts. Over the years, the rule that governs activities exempted from air quality permit requirements was amended many times to address specific issues. As a result, the rule became difficult to read, understand and implement – causing frustrations for both the DAQ staff and the regulated community.

To address these issues, DAQ took a fresh look at the entire permitting program for small sources. The goal of the review was to see if there were ways to relieve administrative burden while not compromising compliance with air quality rules.

North Carolina currently has 1,599 small permitted facilities, 301 Title V or major sources, and 648 synthetic minor sources (which have agreed to emissions limits to avoid Title V designations). As the review of the permit exemptions rule progressed, DAQ recognized that the administrative effort is relatively high for a large number of small facilities with very low emissions. Small sources account for about 63 percent of the total number of permitted facilities in the state, but only 3.7 percent of the criteria pollutant emissions (CO, NO<sub>x</sub>, PM<sub>10</sub>, SO<sub>2</sub>, VOC) for stationary sources. Synthetic facilities represent about 5.4 percent of the criteria pollutant emissions while the Title V facilities represent 90.9 percent of the criteria pollutant emissions.

After considering input from stakeholders and the Environmental Management Commission's Air Quality Committee and other factors, DAQ proposed changes to the permitting thresholds as the best approach for striking a balance between administrative tasks and maintaining compliance. Other proposed changes would make the rule easier to understand and use. Three public hearings were conducted on the proposed changes. The proposed changes were approved by the Environmental Management Commission on January 14, 2016. Some of the final adopted changes are as follows:

- Facilities are exempt from permitting if they have actual emissions less than 5 tons/year for each specified pollutant and 10 tons/year for all pollutants.
- Facilities are eligible for registration rather than permits if they are not exempt but have actual emissions greater or equal to 5 tons/year for each specified pollutant and have total emissions less than 25 tons/year for all pollutants.
- Permitted facilities can make minor changes to equipment without first modifying their air permits.
- Facilities no longer need air permits for stationary reciprocating internal combustion engines, such as emergency generators, if they are the only source of air emissions at a facility.

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<sup>1</sup> This document was updated on 6/13/2016 and reflects most current data.

The rule changes exempt about 1110 very small facilities from air quality permitting, representing about 0.6 percent of the criteria pollutant emissions (CO, NO<sub>x</sub>, PM<sub>10</sub>, SO<sub>2</sub>, VOC) for stationary sources. Another 320 facilities are eligible for registration with DAQ instead of holding a permit. Small facilities eligible for exemptions or registration could retain their permits if they so desired. The changes do not affect large or major sources emitters.

The changes save businesses an estimated \$771,950 per year in permit fees and associated costs. DAQ may lose about \$280,850 per year in revenue from permit fees currently paid by small facilities, but will no longer have the administrative costs associated with writing and renewing permits for most small sources.