

**ENVIRONMENTAL MANAGEMENT COMMISSION
AIR QUALITY COMMITTEE MEETING SUMMARY
May 10, 2017
Archdale Building-Ground Floor Hearing Room
10:00 AM - 11:00 AM**

The Air Quality Committee (AQC) of the Environmental Management Commission (EMC) met on May 10, 2017, in the Ground Floor Hearing Room of the Archdale Building. Attendees of the meeting were as follows: Charles S. Carter, E.O. Ferrell, Jennie Hauser, John D. "JD" Solomon, Gerard "Jerry" Carroll, Clyde "Butch" E. Smith, Jr, Steve Tedder, Julie Wilsey, the Director and staff members of the Division of Air Quality (DAQ), and the general public.

CALL TO ORDER (Charlie Carter)

Agenda Item #1, Call to Order and the State Government Ethics Act, N.C.G.S. §138A-15(e)

General Statute §138A-15(e) mandates that the Chairman inquire as to whether any member knows of any known conflict of interest or appearance of conflict with respect to matters before the Environmental Management Commission's Air Quality Committee. No conflicts were identified.

MINUTES (Charlie Carter)

Agenda Item #2, Review and Approval of March 8, 2017 Meeting Minutes

Chairman Carter inquired if everyone had been able to review the minutes from the January meeting and if there were any changes or corrections. No changes were cited. Chairman Carter asked for a motion to approve the minutes. Mr. Tedder made a motion to approve the minutes and Mr. E.O. Ferrell seconded. The minutes were unanimously approved.

CONCEPTS

None.

DRAFT RULES

Agenda Item #3, Request for Approval of Proposed Rule Revisions and to Proceed to EMC to Request to Proceed to Public Hearing on Adoption of Final Emission Guidelines for Sewage Sludge Incinerators (497a) (Sushma Masemore, DAQ)

Ms. Masemore substituted for Mr. Cuilla due to injury.

Ms. Masemore specified that the DAQ must submit a State Plan to the Environmental Protection Agency (EPA) that implements the Emissions Guidelines (EG) contained in 40 CFR Part 60 Subpart M. The Sewage Sludge Incineration (SSI) State Plan must be "at least as protective as" the EG and must ensure compliance with all applicable requirements not later than 3 years after the State Plan is approved by EPA, but not later than 5 years after the relevant EG are promulgated.

North Carolina automatically adopts the New Source Performance Standards (NSPS); however, rulemaking is necessary to incorporate the EG requirements for SSI units that commenced construction on or before October 14, 2010. These requirements have been already enforced by incorporating them into the current permit requirements for SSI units which are subject of the Federal Plan containing the

identical EG requirements per 40 CFR Part 62, Subpart LLL. Four facilities, owned and operated by local municipalities, currently operate five SSI units in North Carolina. Three of these facilities are permitted by DAQ and the fourth facility is permitted by the Western North Carolina Regional Air Quality Agency. Each unit is assumed to comply with the Federal Plan requirements. Therefore, no change is estimated from the regulatory baseline.

The proposed State Implementation Plan (SIP) amendments update Rule 15A NCAC 02D .1204 to mirror the Federal Plan and the identical EG requirements. A regulatory impact analysis was submitted to the Office of State Budget and Management (OSBM). OSBM has reviewed the DAQ's proposed changes to Rule 15A NCAC 02D .1204, Sewage Sludge Incineration Units, in accordance with G.S. 150B-21.4. OSBM has determined the rule changes have little to no impact on state or local governments and no substantial economic impact.

There was discussion as to why the Federal Plan initiated and whether a timing issue occurred. It was concluded that a timing issue caused the Federal Plan to commence. The DAQ is currently catching up to meet the federal requirements.

Until these amendments go into effect, DAQ is also pursuing a parallel track to take delegation of the Federal Plan. A delegation request was submitted to EPA on December 9, 2016. EPA has drafted a Memorandum of Agreement (MOA) and is in the process of submitting it for DAQ's review. Mr. Ken Mitchell of EPA Region 4 will promptly provide the MOA's timing attributes. Once the MOA is signed and appropriately noticed, the Division will be able to take over and the affected units will not be under direct oversight of EPA.

The Committee asked whether the four affected facilities are meeting their EG limits. Recent testing has concluded that the four facilities are meeting their respective limits for compliance. Other discussion outlined significant regulatory changes, if any, regarding new controls. Facilities are impacted by the new EG control requirements but they're all in compliance.

Rule 15A NCAC 02D .1204 currently regulates all sewage sludge and sludge incineration units in North Carolina. The Federal Plan and identical EG requirements apply to SSI units designed to treat domestic sewage sludge; however, they do not address sludge incinerators regulated by the current rule. The remaining units will be regulated under a future amendment to Rule 15A NCAC 02D .1210, Commercial and Industrial Solid Waste Incineration Units. This amendment is planned to be presented before the Committee in July 2017.

A discussion ensued as to whether the EG conditions are present in applicable air permits. They are present due to federally-enforceable-only conditions referencing the guidelines. Other discussion outlined whether the DAQ has finalized amending SSI permits to include the new EG's. Two facilities went through the noticing process to have the federally-enforceable-only language placed in their permits.

The Director recommends that the Committee approve the proposed amendment and regulatory impact analysis for presentation to the EMC, to proceed to EMC to request to proceed to public hearing.

Chairman Carter asked if there were any other questions for Ms. Masemore. No questions were identified. Chairman Carter asked for a motion to proceed to EMC to request to proceed to public hearing. Mr. E.O. Ferrell made a motion to approve and Mr. Gerard "Jerry" Carroll seconded. The agenda item was approved unanimously.

Agenda Item #4, Request for Approval of Proposed Rule Revisions and to Proceed to EMC to Request to Proceed to Public Hearing on Adoption of Final Emission Guidelines for Existing Landfills (540) (Booker Pullen, DAQ)

Mr. Pullen, permitting supervisor, stated that 15A NCAC 02D Section .1700 is proposed for amendment to reflect changes to the federal rule for existing solid waste landfills. Each existing municipal solid waste landfill that accepted waste since November 8, 1987 and that commenced construction, reconstruction, or modification on or before July 17, 2014 is affected. These proposed rule changes are necessary to comply with federal requirements. The EPA revised its Emission Guideline Rules on August 29, 2016 under 40 CFR Part 60, Subpart Cf. These revisions are the result of EPA's periodic review of NSPS as required by the Clean Air Act (CAA). The DAQ will pursue the approval process for Rule revisions into the SIP. The following changes were included in the revised EG Rules:

First, EPA lowered the non-methane organic compound (NMOC) emissions threshold from 50 megagrams (Mg) per year to 34 Mg per year in determining when a gas collection and control system is to be required to control greenhouse gases. Second, EPA is requiring that owners or operators develop a site-specific landfill gas treatment system monitoring plan that includes monitoring parameters addressing all three elements of treatment (filtration, de-watering, and compression) to ensure the treatment system is operating properly for the intended end use of the treated landfill gas. This monitoring process also includes keeping records that demonstrate that such parameters effectively monitor filtration, de-watering, and compression system performance necessary for the end use of the treated landfill gas. Third, EPA is adding additional electronic reporting requirements for existing and new wet areas of landfills that use leachate recirculation. Fourth, EPA is requiring that existing landfills report the latitude and longitude coordinates of each surface emissions exceedance (500 ppm methane or greater).

Rules 15A NCAC 02D .1701 through .1710 are proposed for re-adoption with amendments to reflect federal requirements.

The Director recommends that the Committee approve the proposed amendments for presentation to the EMC for approval to proceed to public comment.

There was discussion regarding the number of affected landfills. There are currently twenty-nine permitted facilities in North Carolina. However, twenty-four facilities will be subject to the EG Rules. They must submit applications, (waived fee by DAQ), for permit revisions that meet the proposed State Rules. The remaining five facilities are subject to NSPS Subpart XXX due to modifications after July 17, 2014. Other discussion outlined the newly mandated monitoring plan that requires placing an in-line meter into the flow system. However, several facilities already conduct monitoring and recordkeeping if they possess an approved gas collection system by the DAQ. Affected facilities that don't possess an approved gas collection system will be required to report their monitoring data to the DAQ under the proposed rule revision.

A few existing landfill facilities will be required to submit a design plan for their voluntary gas collection and control systems. Out of the twenty-five facilities in NC, twelve contain voluntary approved systems by the DAQ. There was a brief discussion outlining the regulatory requirements and history of facilities containing voluntary systems. Originally, facilities below the 50 Mg/year threshold were not required by regulation to possess approved gas collection systems and could voluntarily obtain them; whether approved by DAQ or not. However, since EPA lowered the threshold to 34 Mg/year, facilities originally below the 50 Mg/year threshold are now subject to the new regulation.

The discussion advanced towards the topic of landfill leachate aerosolization. It was concluded that this rulemaking does not impact that topic. However, the DAQ would proceed through the normal permitting

process if a facility decides to invest in these aerosol disposal technologies. Other discussion outlined the number of private and governmental facilities affected by this rulemaking. The DAQ will provide exact numbers later, however, it was estimated that there are seven privately owned and eighteen government owned facilities.

A separate discussion described why facilities must make future investments for the gas collection and control systems. The facilities will eventually cross the 50/Mg threshold as you add waste to the facility. Many of the facilities had already passed the 34/Mg threshold, so the timeline for investing was accelerated when the EG threshold was lowered. If a facility doesn't exceed 50/Mg after closing, they will not have the system online. However, active landfills regularly test NMOC emissions. The DAQ uses the testing results of active facilities to project when NMOC emissions will surpass the limit.

There was discussion regarding the fiscal impacts of this rulemaking. The DAQ is currently working on the fiscal analysis with OSBM. The discussion continued in support of presenting the fiscal analysis results in Committee before allowing the rulemaking to proceed to the EMC. Also, the Committee wishes to know the probability that EPA or Congress will rescind this rulemaking due to administration changes.

Additional discussion regarding the time schedule revealed that the Committee wishes to defer this rulemaking until they have access to the requested information and a Departmental opinion of EPA's future actions. Also, the Committee wishes to know the Department's figure(s) used to calculate the cost per ton of greenhouse gas. There was a side note that the Department doesn't regulate greenhouse gasses. This rulemaking only incorporates societal costs of greenhouse gasses.

Chairman Carter asked if there were any other questions for Mr. Pullen. No questions were identified. Chairman Carter asked for a motion to defer the rulemaking until the July AQC. Mr. Gerard "Jerry" Carroll made a motion to approve and Mr. E.O. Ferrell seconded. The agenda item was deferred unanimously.

Agenda Item #5, Request for Approval of Proposed Rule Revisions and to Proceed to EMC to Request to Proceed to Public Hearing on Session Law 2013-413 (H74) Readoption of Air Quality Rules 15A NCAC 02Q Sections .0100 through .0500, .0800, and .0900 (542) (Joelle Burleson, DAQ)

Ms. Burleson stated that the Air Quality Committee (AQC) is requested to approve proposed rule revisions for readoption of several rules in 15A NCAC 02Q to proceed to the EMC for approval of request to proceed to comment. Pursuant to S.L. 2013-413, rules in several sections are proposed for readoption with primarily minor administrative updates and repeal of one rule that is no longer needed. The DAQ held a stakeholder meeting on March 6, 2017 to receive feedback from the regulated community.

There was discussion regarding the number of rules in the Group 2 package. Group 2 contains seventy-eight rules for readoption.

Section .0100 – General Provisions

Rules 02Q .0101 through .0113 in are proposed for readoption without substantive changes to update mailing addresses, update addresses where a copy of referenced material may be obtained, and to revise the format of references.

Section .0200 – Permit Fees

Rules 02Q .0201 through .0206 are proposed for readoption without substantive change to make administrative changes including to revise format of references, alphabetize definitions, update website links, and update the Department's name. 02Q .0207 is proposed for readoption with substantive change

to remove a nitrogen oxides (NOx) and volatile organic compound (VOC) emissions reporting requirement for >25 tpy and <100 tpy sources for a portion of the former 1997 8-hour ozone maintenance area.

Section .0300 – Construction And Operation Permits

Rules .0301, .0311, and .0316 are proposed for readoption without change, Rules .0308 through .0310, .0312 through .0315, and .0317, without substantive change and .0303 through .0307 with substantive changes to update format of references, add definition of responsible official to match the definition used in the Title V rules and delete language “appropriate official” for consistency, clarify definitions of new and modified facilities, update number of copies of letters and applications needed per current business practice, and eliminate outdated language related to timeframe prior to EPA initial approval of the Title V program

Section .0400 – Acid Rain Procedures

Rules .0401 and .0402 are proposed for readoption without substantive changes to update formatting of references, correct cross references, and update the Department’s name.

Section .0500 – Title V Procedures

Rules .0505, .0510, .0519, .0520, .0524 are proposed for readoption with no change. Rules .0501, .0502, .0504, .0508, .0509, .0512 through .0518, .0521, .0522, and .0525 through .0528 are proposed for readoption without substantive changes, and .0503, .0507, .0514, and .0523 proposed for readoption with substantive changes to update format of references, clarify language, remove obsolete references related to initial implementation of Title V, update number of copies of applications needed per current business practice, update referenced web address, and make the language consistent with 40 CFR Part 70.

Section .0800 – Exclusionary Rules

Rules .0801 is proposed for readoption with substantive change, and Rules .0802 through .0807, .0808, and .0810 are proposed for readoption without substantive changes, to update format of references, make various language clarifications, clarify need to maintain records and submit reports per individual source category rule. Rule 02Q .0809 is proposed for readoption as a repeal of the concrete batch plant rule as it is no longer needed based on potential emissions calculation under current methodology and recent updates to 02Q .0102

Section .0900 – Permit Exemptions

Rule .0901 is proposed for readoption without substantive changes, and Rule .0902 is proposed for readoption with substantive changes, to update format of references, clarify submittal of test report in the temporary crusher rule, remove unnecessary language related to Title II engines, make various minor language clarifications, format updates, and typographical error corrections. Rule .0903 is proposed for readoption without change.

The Director recommends that the Committee approve the proposed amendments for presentation to the EMC for approval to proceed to public comment.

Chairman Carter asked if there were any other questions for Ms. Burlison. No questions were identified. Chairman Carter asked for a motion to proceed to EMC to request to proceed to public hearing. Mr. Tedder made a motion to approve and Mr. Gerard “Jerry” Carroll seconded. The agenda item was approved unanimously.

Agenda Item # 6, Request to Proceed to Public Hearing on the Ambient Air Quality Standards to Incorporate the 2015 Ozone National Ambient Air Quality Standards (534) (Mark Cuilla, DAQ)

This agenda item was not presented orally since it was on the May EMC agenda.

Agenda Item # 7, Request to Proceed to Hearing on Session Law 2013-413 (H74) Readopting of Air Quality Rules 15A NCAC 02D Sections .0100, .0200, .0300, .0400, .1300, .2000, and .2200 (537) (Joelle Burleson, DAQ)

Due to time constraints, Ms. Burleson provided a quick summary of changes since the March AQC before they're presented at the May EMC. 15A NCAC 02D .0305, .0306, and .0307 are proposed for re-adoption with substantive change to reference the open burning rule and eliminate redundant language in Paragraph 4. Upon further investigation, staff recommends that language initially proposed to be added to .0305, .0306, and .0307 simply for consistency with Appendix L guidance not be added since it's not required.

Agenda Item #8, Director's Remarks (Mike Abraczinskas, DAQ)

Director Abraczinskas expressed his gratitude and appreciation to DAQ staff for their efforts. Next, he transitioned to the topic of Prevention of Significant Deterioration (PSD) permit E-noticing. The DAQ reported during the concept phase that E-noticing would impact five air quality permit actions per year. However, after several meetings with the affected parties, the DAQ decided to abandon the concept since the costs would surmount the benefits. There was discussion as to which parties opposed the PSD E-noticing. It was concluded that newspaper groups opposed the concept.

As a final note, the Director stated that the EPA is expected to respond to the DAQ's recommendation to be considered "Attainment" for the 2015 Ozone NAAQS. EPA is scheduled to respond to the initial recommendations by June 2, 2017. Final designations will occur by October 1, 2017.

Chairman Carter asked for additional questions or comments, and upon hearing none, noted that the next meeting of the AQC would be July 12 2017. Chairman Carter adjourned the meeting.