

# **Assessable Emission Policy Update**

## **Plain Language Guide**

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**Overview:** *Assessable Emission fees are user fees assessed upon stationary sources with permits under State Air Quality Control (AQC) Permit Programs. ADEC assesses fees per ton of emissions. ADEC assesses fees on each regulated air pollutant if the assessable emission estimate for that pollutant is ten tons or greater.*

*For a source subject to the Operating Permit Program, ADEC assess an annual fee in July of each year. The basis is either the potential to emit each regulated pollutant, or the projected annual rate of the source's emissions. A permittee may project source emissions by using a tally of the previous year actual emissions. If submitted to ADEC no later than March 30, this projection reduces the source assessable emission basis.*

*For a source required to obtain a Minor Permit based upon emission rates set out in 18 AAC 50.502(c) or owner requested limit requests under 18 AAC 508(6) for emission rate based , but not required to obtain an Operating Permit, ADEC assesses a one-time fee the July following the Minor Permit issue date. For other sources subject only to the Minor Permit Program, ADEC assesses an annual fee in July of each year akin to that for a source subject to the Operating Permit Program.*

*For both programs, an applicant calculates and includes potential and assessable emission estimates in their application. When issuing an AQC permit, ADEC Permit staff confirms the source's potential to emit and maximum assessable emissions. Staff includes the basis for these totals in supporting permit decision documents.*

*Permits for sources requiring an operating permit include an assessable emission standard condition listing the maximum assessable emissions. ADEC staff sums up the maximum assessable emission for each pollutant and include the total into this condition.*

**Proposal:** *ADEC proposes to update the Division of Air Quality Standard Permit Condition Policy provisions for assessable emissions.*

**Why is ADEC updating this Policy?** *The present policy's permit writing instructions are too general. As such, they are unclear how to treat fugitive emissions, emissions from non-road engines, and emissions that may fall under multiple regulated air pollutant categories. For clients subject to fees, this results in inconsistent treatment. Our proposed policy changes add clarity for ADEC staff to document maximum assessable emissions in permit decision documents consistent with the fee provisions in Statute and Regulation.*

*The policy requires ADEC staff to review maximum assessable emission estimates in AQC permit applications and to document the estimates consistently in permit decision packets for subject sources.*

*The policy clarifies the following three items:*

- 1. Fugitive emissions to the extent they are quantifiable, count toward assessable emissions. For example, coal receiving and bunkering activities at a coal power plant have assessable emissions.*
- 2. Non-road engine emissions do not count toward assessable emissions. For example, tracked construction equipment on-site have no assessable emissions.*
- 3. Staff should not double count assessable emissions. For example, benzene, a hazardous air pollutant is also regulated as a volatile organic compound (VOC). The updated policy*

*requires ADEC staff to count that pollutant in the total as a VOC.*

***Who is subject to emission fees?*** *A source subject to an Air Quality Control Minor Permit, Construction Permit, Operating Permit, Letter of Authorization for a General Permit or a Minor General Permit is required to pay emission fees after commencing permitted operations. A minor source regulated under 18 AAC 50.502 ( c) or 18 AAC 50.508(6) is required to pay a one-time emission fee. A larger source subject to the Operating Permit Program is required to pay annual emission fees.*

**Terms of Art and what they mean.** Plain language interpretation followed by statutory or regulatory definition.

Disclaimer—ADEC strived to provide clarity through use of plain English in this paper. However, to the extent this plain language guide conflicts with the regulatory or statutory term, the regulatory or statutory definition trumps the plain language guide.

**Assessable Emissions** See the Overview above. <AS 46.14.240 and 18 AAC 50.410>

**Potential to Emit** The maximum capacity of a stationary source to emit, after emission controls, operational limits and emission limits are considered. <40 CFR 51.166(b)(4)>

**Stationary Source** A source includes most of the emitting activities on properties under common control and related to a general industry group type. The activities include fugitive emissions and exhaust stack emissions but exclude mobile sources. Source properties are contiguous or adjacent, but not necessarily touching. They may be separated by roadways, rivers, or other properties. The governing principle whether nearby properties are part of a single source is whether the activities function together as a single plant. <"Stationary source" and "Building, structure, facility, or installation," 40

CFR 40.51.166(b) or 40 CFR 70.2 as modified by AS 46.14.990(4) and (28), CAA Section 112r(2)>

**Mobile Source** Moving objects that release pollution. They are categorized as on-highway vehicles or as non-road engines. Mobile sources include self-propelled cars, trucks, buses, planes, train locomotives, vessels, motorcycles and construction equipment. Mobile sources also include two classes of non-propelled equipment as discussed below under non-road engines. U.S. EPA regulates mobile sources as on-highway vehicles and non-road engines. <No Citation discovered>

**Non-road Engines** Off highway mobile sources consisting of three categories.

1. Self-propelled vehicles such as motor vessels, locomotives, wheeled or tracked construction equipment.
2. Equipment with motors that must be moved to conduct their function, such as chain saws, mowers, and brush cutters.
3. Other transportable equipment with internal combustion engines such as engine-driven arc welders, portable light plants, engine driven air compressors, and skid or trailer mounted engine driven electric generators. Such equipment loses its mobile source and non-road engine designation and its emissions count as assessable, if the equipment is kept at a single site within a stationary source for greater than 12 months or moved on-site seasonally. <40 CFR 89.2>

**Fugitive emissions** Emissions that cannot reasonably pass through a stack, chimney, vent or equivalent opening. The deciding factor is not whether the emissions do pass through an opening but whether they could pass through an opening. <40 CFR 51.166(b)(20)>

## **How does this policy change affect an Owner or Operators?**

*To avoid application processing delays, an applicant should include complete and accurate fugitive emission estimates with their potential to emit and assessable emission calculations.*

*In the event that an existing source's current permit does not include fugitive emissions as assessable emissions, then ADEC may choose to request information and, if necessary reopen the permit, or ADEC may wait until the permit renewal cycle to correct the inconsistent assessable emissions treatment.*

## **What tools are available to estimate fugitive emissions?**

*U.S. EPA publishes emission factors and software programs to estimate fugitive emissions from common activities such as rock crushing activities, storage and process tanks, equipment leaks, and conveyance systems. Also, trade groups, such as the Gas Producer's Association, publish emission estimating tools for that group. The Department will also consider demonstrations based upon emission source tests, material balance calculations or other methods. Below is the link to EPA's technology transfer Network which includes EPA's stationary source emission factor publication, AP-42 and emission estimation software.*

<http://www.epa.gov/ttn/chief/efpac/index.html>

## **Can Department staff help an applicant estimate emissions?**

*ADEC staff can provide technical assistance. Such assistance is subject to an hourly administrative fee. An owner or operator can contact ADEC Division of Air Quality Accounting staff (907-269-6881) to set up a billing account if their source does not have an open account.*

*ADEC's small business assistance program is available to qualified owners and operators. For more information on this program, please inquire with the ADEC Air Permits Program Permits Team Supervisor (907-269-7582 or 907-465-5303).*