

## Engineering Guide #61

### Question:

What is Ohio EPA's policy for limiting the potential to emit (PTE) of air contaminant emissions at a facility for purposes of avoiding federal permitting?

### Answer:

In response to the January 25, 1995 and September 6, 1995 guidance memoranda from John S. Seitz, Director, Office of Air Quality Planning and Standards, USEPA, on limiting an entity's PTE to avoid federal permitting requirements, Ohio EPA has prepared the following guidance document. We asked USEPA Region V staff to review this document, and they concurred that this engineering guide is consistent with federal policy.

#### **Inherent Physical Limitations**

An entity can take advantage of an inherent physical limitation that in effect limits the entity's potential air pollution emissions. These inherent physical limitations can now be considered as a true restriction for calculating the PTE for each regulated pollutant as defined in OAC rule 3745-77-01(DD) or in federal new source review law (PSD & Nonattainment New Source Review). For example, a machine may be physically limited in operation well below the 8760 hours that the theoretical potential to emit has been traditionally based. An entity must document this inherent physical limitation (e.g., using a manufacturer's specification for maximum operating conditions for a specific machine) and use this "common sense" approach to establish a more accurate PTE. Again, the inherent physical limitation makes it impossible to exceed these limitations. If necessary, records (e.g., production records or operating hours) may be maintained that demonstrate the inherent physical limitation is not exceeded. USEPA points out that for small entities these inherent physical limitations are straightforward. Seasonal operations or limited shifts [where physical conditions limit the operations (e.g., the operations can only occur during daylight hours)] are other examples of inherent physical limitations. Operational records must be maintained for seasonal or shift limitations to prove compliance with the inherent physical limitation. For larger facilities, it may be difficult to prove that an inherent physical limitation exists. If an entity can take advantage of an inherent physical limitation, we request that the entity's representative notify Ohio EPA that it now qualifies for non-Title V status. Please submit this notification by May 15, 1995 or immediately after the determination is made in accordance with the instructions described below.

#### **Presumed Inherent Physical Limitations (Title V applicability only)**

Ohio EPA is taking the position that a very small emitting facility is presumed to have inherent physical limitations if the facility's actual emissions are below twenty percent of any major regulated pollutant threshold. Owners and operators of such small facilities can take advantage of this presumption by maintaining actual emission records showing that emissions are less than twenty percent of the major threshold. Also, owners and operators of facilities that take advantage of this presumed inherent physical limitation due to size, must initially notify Ohio EPA in writing (only once) that the facility is a non-Title V facility. Please submit this notification by May 15, 1995 or immediately after the determination is made in accordance with the instructions described below. Since all owners and operators of air emitting (non-Title V and Title V) facilities are required to maintain actual emission records for fee purposes (OAC Chapter 3745-78), these same records can be used as documentation that the entity has presumed inherent physical limitations. Ohio EPA's common sense position eliminates the need for very small air pollution emitting facilities to obtain federally enforceable State operating permits (FESOP's). If an entity avoiding Title V permitting is taking advantage of this presumption, and in a future year the regulated pollutant emissions exceed the twenty percent threshold, then the entity will have one year to obtain a FESOP or submit a complete Title V permit application.

#### **Two-Year Transition Period (Title V applicability only)**

Ohio will take advantage of the discretion that USEPA allows to facilities that are potential major Title V facilities, but have actual emissions that are less than fifty percent of the major threshold. Persons owning or operating qualifying facilities may choose to delay obtaining federally enforceable conditions in a FESOP for up to three and one half years (July 31, 1998) and operate as a non-Title V facility. Eligible participating facilities must maintain adequate records on site to demonstrate that emissions are maintained below these thresholds for the entire facility. Again, a person owning or operating any facility that qualifies, who intends to delay obtaining a FESOP, must notify the Ohio EPA in writing (only once). Please submit this notification by May 15, 1995 or immediately after the determination is made in accordance with the instructions described below.

#### **Other Possible Synthetic Minors**

If a person owns or operates a facility that has a potential to emit over the major threshold, but actual emissions for one or more regulated pollutants are at or above fifty percent of the major threshold, the owner or operator needs to obtain a FESOP or file a complete Title V application within the required deadline. Since Ohio's FESOP State Implementation Plan (SIP) request was approved on December 27, 1994, Ohio will not take advantage of the temporary programs that USEPA has created for states that do not have approved FESOP SIP's.

#### **Hazardous Air Pollutants**

Under Ohio's current approved FESOP SIP (effective December 27, 1994), the owner or operator can limit potential hazardous air pollutant (HAP) emissions that are federally enforceable in a permit to operate issued under the provisions of OAC rule 3745-35-07.

#### **Emergency Generators**

For purposes of this guidance, an emergency generator means a generator whose sole function is to provide back-up power when electric power from the local utility is interrupted. The emission source for such generators is typically a gasoline or diesel-fired engine, but can in some cases include a small gas turbine.

For emergency generators, a reasonable and realistic worst-case estimate of the number of hours that power would be expected to be unavailable from the local utility may be used as the maximum capacity of such generators for the purpose of estimating their potential to emit. Potential to emit for emergency generators should be determined based upon an estimate of the maximum amount of hours the generator could operate, taking into account: (1) the number of hours power would be expected to be unavailable; and (2) the number of hours for maintenance activities. Ohio EPA will accept an assumption of 500 hours per year as the maximum amount of hours an emergency generator could operate, unless there is clear evidence that more hours of operation have been experienced in the past and will be experienced in future years. The owner or operator of an emergency generator may assume less than 500 hours per year of operation for purposes of calculating potential to emit based upon historical operating experience and future operating projections.

This guidance is only meant to address emergency generators as described. Specifically, the guidance does not address: (1) peaking units at electric utilities; (2) generators at industrial facilities that typically operate at low rates, but are not confined to emergency purposes; and (3) any standby generator that is used during time periods when power is available from the utility. This guidance is also not intended to discourage Ohio EPA from establishing operational limitations in PTI's when such limitations are deemed appropriate or necessary. Additionally, this guidance is not intended to be used as the basis to rescind any such restrictions already in place.

#### **Title V Fees**

Facilities that are considered minors because of physically inherent limitations or presumed physically inherent limitations are not required to pay a Title V fee or file a Title V fee emission report. Two-year transition facilities will not be required to pay a Title V fee or file a Title V fee emission report during the two-year transition period [i.e., for the 1995 fee (assessed for CY 1994 emissions) and the 1996 fee (assessed for CY 1995 emissions)].

#### **Notifications**

If a facility is requested or required to notify the Ohio EPA as discussed in the sections on physically inherent limitations, presumed physical inherent limitations, or two-year transition period facilities, the notification should be sent to

Mike Ahern  
Ohio Environmental Protection Agency  
Division of Air Pollution Control  
Lazarus Government Center  
P.O. Box 1049  
Columbus, Ohio 43216-1049

The appropriate Ohio EPA District Office or local air agency should be copied.

**Calculating Potential to Emit**

For your convenience, the guidance is attached that has been provided to Ohio facilities to instruct them on how to calculate potential to emit. This instruction has been revised to reflect the most current guidance and understanding.

**Instructions for Calculating Potential To Emit**

"Potential to emit" means the maximum capacity of a stationary source to emit any regulated air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as a part of its design if the limitation is enforceable by the administrator of the USEPA. The term does not alter or affect the use of this term for any other purposes under the Act, or the term "capacity factor" as used in Title IV of the Clean Air Act or the regulations promulgated thereunder.

**Note:** For potential to emit purposes, to take credit for air pollution control equipment or operational restrictions there must be federally enforceable limitations. What this means is that USEPA must be able to enforce the restrictions that are established with a State Implementation Plan (SIP) limitation (e.g., an emission limitation rule which USEPA has approved as part of Ohio's SIP), or federally enforceable limitations established in a permit to install (issued first as a draft, then issued final), or FESOP that both the public and USEPA had an opportunity for comment prior to final issuance. If there is no SIP emission limit or federally enforceable PTI or PTO restriction, then you must calculate the potential to emit for the emission based on the uncontrolled emission rate at maximum capacity.

"Nitrogen oxides" means all oxides of nitrogen which are determined to be ozone precursors, including, but not limited to nitrogen oxide and nitrogen dioxide, but excluding nitrous oxide, collectively expressed as nitrogen dioxide.

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