

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

SUBJECT: Clarification of Current Air Program Issues

DATE: JUL 9 1976

FROM: Richard G. Rhoads, Acting Director  
Control Programs Development Division

TO: G. T. Helms, Jr., Deputy Director  
Air and Hazardous Materials Division, Region IV

Hopefully, this memo will clarify the five issues you raised in your memo of June 21. Here are my thoughts on the issues in the order in which you presented them. Of course, these general responses do not substitute for specific decisions which must be made on a case-by-case basis.

1. Since the 0.7%S oil figure was used to determine the maximum emission rate in effect prior to January 1975, switching to 2.5%S oil in June 1976 will increase actual emissions over the 1974 baseline. Consequently, this change would count against the increment(s).
2. The baseline is normally figured from the maximum emissions level that a source actually emitted during 1974. The emission rate used may vary with the time frame for which the baseline is being established. It is true that those sources which have taken the initiative in cleaning up the air in their vicinity might be penalized if cleaner air is considered a "penalty."
3. Any changes in the emission requirements do indeed constitute a SIP revision and therefore are subject to public hearings and participation, CFR notices, and other procedural requirements.
4. There is no general, hard-and-fast rule concerning what percent sulfur fuel constitutes RACT. Rather, the judgment has to be made after all the relevant factors have been taken into account on a case-by-case basis.
5. If you mean that source (A) would finance the construction of a taller stack at source (B), then there is no regulation on the books that could prevent it. If the construction of the taller stack contributes to the saving of ambient air quality values, source (A) may be subject to more relaxed emission standards but only after a rigorous control strategy demonstration shows that the relaxation of the standards does not interfere with the attainment and maintenance of NAAQS.

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FROM: G. T. Helms, Jr., P.E., Deputy Director  
Air and Hazardous Materials Division, Region IV

TO: Richard G. Rhoads, Acting Director  
Control Programs Development Division  
Office of Air Quality Planning & Standards  
Research Triangle Park, NC

SUMMARY

In our recent discussions with Region IV sources, several issues have surfaced which we hope to clarify. They are as follows:

1. What is the PSD baseline and how does it apply?

- Example--a source was permitted for 0.7%S oil prior to January 1975 but in June 1976 secured a regulatory change and revised permit to allow for 2.5%S oil. What emissions should be considered in the baseline? Does the change from 0.7 to 2.5%S count against the increment?
- Example--a source operated at a reduced capacity and at a level of control better than that required by the SIP. Is the baseline figured at the SIP limit and for full, actual, or what capacity? Figuring baselines at less than the SIP limit appears to penalize those sources who have done a good job and give breaks to sources who fought control.

2. How does the RACT/stack policy really apply? Specifically:

- If a source meets all the qualifications of our stack policy and the State wants to use the policy, shouldn't any changes in emission requirements be treated as an SIP revision with full public hearings, public participation, and CFR notices?
- What criteria should be considered in assessing what per cent sulfur fuel constitutes reasonably available control technology? Resistivity problem of existing electrostatic precipitators? Transportation costs of lower sulfur fuels? Penalties for breaking long-term fuel contracts? Can 3% sulfur coal even be considered RACT?

- In an area with an ambient S02 problem, can one source (A), not meeting BACT or RACT, erect a taller stack for a neighboring source (B) meeting BACT and/or RACT, in order to allow for a relaxed SIP regulation for source (A)? The existing sources (A) and (B) together currently contribute to an ambient violation.

ACTION

We would appreciate any insight that you can provide relative to these issues.

BACKGROUND

None.