

ENVIRONMENTAL PROTECTION AGENCY

OCT 5 1978

MEMORANDUM

SUBJECT: PSD Reconstruction Requirements
American Cyanamid Company

FROM: Director
Division of Stationary Source Enforcement

TO: William A. Spratlin, Jr.
Chief, Air Support Branch
Region VII

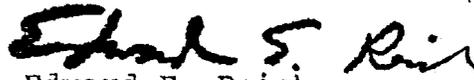
In response to your memo of September 6, 1978, we have reviewed the American Cyanamid Company's claim that a construction project planned at their Hannibal, Missouri, plant is not subject to the PSD review requirements. On the basis of the information submitted by American Cyanamid we are unable to determine whether a reconstruction, as defined in §52.21(b)(17), or a major modification, as defined in §52.21(b)(2), has taken place.

Under the PSD regulations, reconstruction may be applied not only to a source but to a facility as well. The American Cyanamid Company has not demonstrated in their submittal that individual facilities within the source have not been reconstructed. "Facility" is defined by the PSD regulations in §52.21(b)(5) as "an identifiable piece of process equipment". In determining whether a facility is reconstructed, the fixed capital cost of the new components at the facility should be compared to the fixed capital cost of a comparable entirely new facility. Reconstructed facilities are treated as new facilities at the source. The addition of new facilities to a source constitutes a "major modification" of the source if the emissions from the new (reconstructed) facilities equal or exceed 100 tons per year of a regulated pollutant. The American Cyanamid Company should submit cost data which indicates expenditures on a facility by facility basis. The emissions from any facilities which are determined to be reconstructed should then be summed to determine whether a "major modification" has occurred. A "major modification" has occurred if the emissions from the reconstructed facilities are

greater than or equal to 100 tons per year of an individual regulated pollutant.

The American Cyanamid Company has not submitted information which enables us to determine whether potential emissions will increase as a result of the construction program. The company should submit data which compares the potential emission rate prior to the explosion and the potential emission rate of the rebuilt plant. If the potential emission rate increases by 100 tons per year, the construction project will be subject to PSD review as a "major modification", regardless of whether any facilities within the source are reconstructed.

If you have any questions regarding this matter, please contact Libby Scopino of my staff at FTS 755-2564.


Edward E. Reich

cc: Mike Trutna
Peter Wyckoff
Ken Eng, R-II
Glen Hansen, R-III
Winston Smith, R-IV
Steve Rothblatt, R-V
Don Harvey, R-VI
Bob Chanslor, R-VII
Dave Joseph, R-VIII
Lloyd Kostow, R-IX
Mike Johnston, R-X
Linda Murphy, Region I

DSSE:LScopino:ncb:amd:10/3/78:Rm3202:X52564

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: September 6, 1978

SUBJECT: Applicability of Prevention of Significant Deterioration (PSD) Regulations to the Reconstruction of the American Cyanamid Plant in Hannibal, Missouri

FROM: William A. Spratlin, Jr., P.E.
Chief, Air Support Branch
Air and Hazardous Materials Division

TO: Edward E. Reich
Mobile Source Enforcement Division, (EN-340)

American Cyanamid Company submitted information by letter of August 9, 1978, (copy enclosed) to support their claim that a construction project planned at their Hannibal, Missouri, plant is not subject to PSD review. As indicated in the letter, some portions of the material are considered to be confidential and are being treated as such by Region VII. The construction is necessary to replace components damaged in a major explosion which took place during startup of a new facility in October 1977. The company claims that the construction is not subject to PSD because the cost of the construction is less than 50 percent of the cost of a new facility and thus, is not considered as a "reconstruction" as defined in 40 CFR 52.21(b)(17).

Please review the enclosed material and determine if the claim is justified. If additional information will be required to make the determination please contact me at FTS 758-3791.

Enclosure