

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

APR 10 1978

MEMORANDUM

SUBJECT: PSD Determination
Portland Cement Plant

FROM: Director,
Division of Stationary Source Enforcement

TO: Stuart Roth, Attorney
General Enforcement Branch
Region II

This is in response to Stephen A. Dvorkin's memo of December 21, 1977 (forwarded to us on March 14, 1978), concerning the applicability of PSD requirements to the Independent Cement Plant.

As stated in the above referenced memo, this plant was shut down in 1976 and has since changed ownership. The new owners wish to reopen the plant after making certain modifications which will involve eliminating one kiln and rebuilding the other. The result of the modifications will be a net decrease in emissions compared with the emissions level prior to the 1976 shutdown.

In the preamble to the November 3, 1977, Federal Register (42 FR 52479) there is the following discussion on source modifications which do not result in net emissions increases:

"The Administrator interprets the intent of the 1977 Amendments as requiring a change to the provisions in EPA's PSD regulations which exempt from review source modifications which do not result in net emissions increases. The proposed regulation accordingly provides that any major modification must apply best available control technology even if no net increase in emissions will result from the modification. However, where there is no net increase in source emissions

(and air quality will not deteriorate), the Agency would not require an ambient air quality review for either PSD increments or the national ambient air quality standards,"

In accordance with the current draft of the final PSD regulations, the baseline emission level for a source is the allowable emissions level as of August 7, 1977. Since the shutdown of the old Universal Atlas plant was voluntary and not the result of an enforcement order, the baseline for the plant should be the allowable emissions level applicable at the time of the 1976 shutdown. If the proposed modifications will not result in a net increase over the baseline level, they will not be subject to review for impact on PSD increments or NAAQS.

An exception would occur if the plant shutdown in 1976 had resulted in the elimination of the plant emissions from the emissions inventory. Were this the case, the entire plant would be considered a new source.

Additionally, the kiln will be subject to the BACT requirements as described in the preamble quoted previously in this memo, only if the modifications are considered "major modifications" as defined in 42 FR 57483. In order for the rebuilt Independent kiln to be considered a "major modification" it would have to have the potential to emit 100 tons or more per year of a regulated pollutant, regardless of any net decrease which may result from the replacement or elimination of any existing kilns.

Based on the preceding discussions, it is our determination that Independent's rebuilt kiln will be subject to BACT, provided the kiln will potentially emit 100 tons/year of a regulated pollutant. It will not be subject to an air quality review for impact on PSD increments or NAAQS unless either (1) the modifications actually result in a net increase in emissions or (2) the 1976 shutdown of Universal Atlas resulted in eliminating that plant's emissions from the emissions inventory.

In the Record of Communication from Dennis Santella which is attached to Dvorkin's December 21, 1977 memo, there is some discussion regarding the attainment status of the area in which the Independent plant is located. It is not clear whether the area is currently attaining the applicable ambient standard for particulate matter. We would like to point out that if the area falls into the non-attainment category, the Independent plant may be subject to the

requirements of the Interpretative Ruling if the allowable emissions from the rebuilt kiln equal or exceed 100 tons/year.

If you have any questions regarding this memo, please contact Libby Scopino (755-2564) of my staff.


Edward E. Reich

cc: Mike Trutna, CPDD

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