**Meeting Minutes for NSR Workgroup meeting - June 14, 2005**

**Those in attendance**:

Ron Amirikian, DNREC
David Bacher, NRG
Al Denio, Sierra Club
Michael Fiorentino, MAELC
Deanna Morozowich, DNREC
Rose Nino, EPA R3
John Peronti, GM
Gene Pettingill, DNREC
Tom Webster III, Daimler-Chrysler

**Old Business:**

The Delaware State Chamber of Commerce will be sponsoring a meeting on Tuesday, June 28 at 1:00 at the CONECTIV Conference Center in Newark, DE. The purpose of the meeting is to discuss DNREC's conceptual plans to implement an alternative approach (the FEL program) to major NSR regulations for existing air emission sources operating in Delaware. The alternate approach was developed by the NSR Review Advisory Committee that was established by DNREC to review DE's current major NSR Regulations. The new approach is similar to a "Plantwide Applicability Limit" or PAL-type permit, and provides environmental benefit, industry flexibility, and more clarity to air pollution regulations.

The Department has not received any further comments on the minutes from the last meeting held on May 3, 2005. The Department will take comments at any time, but would like to finalize those meeting minutes soon. Committee members interested in submitting comments to the draft meeting minutes should contact Gene Pettingill or Deanna Morozowich for any changes as soon as possible.

In an effort to continue discussions on the NSR Reforms, Gene reminded the Committee that the calendar has been extended by three more meetings. The scheduled dates are:

- Tuesday, July 26, 2005
- Tuesday, August 16, 2005
- Tuesday, September 6, 2005

As always, the meetings will be held from 10:00 am – 12:00 pm in Conference Room B of the Lukens Drive Office. Mark your calendars now!

One committee member asked if Ali Mirzakhalili would be attending. Ali had prior commitments and couldn't attend. The committee member indicated that he had submitted comments to Ali, there has been a Department response but issues have not been resolved and further discussions are ongoing.

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**NEW BUSINESS:**

The topic of the meeting was to review prior topics of discussion. Documentation was distributed to the committee (electronic versions were posted on the NSR Reform webpage on the Department website 6/13/05); the handouts consisted of comparison charts of the following:

- Actual-to-Projected Actual Applicability Test
- Baseline Determination
- Clean Unit Comparison
- PAL Comparison

The charts were distributed to the committee to summarize all previous meetings to date and to show where concept differences occur between the Department and industry. All of the reforms have been discussed and the Department is not sure what the best way to proceed would be. The committee has had much debate on Actuals-to-Projected Actuals, Baseline determinations, Clean Units, and PALs. As a way of proceeding, the Department feels that draft regulatory language should be put together at this point for the committee to review.

One committee member agreed that this was a straightforward approach to the NSR Reform meetings and the summary charts were beneficial. The individual concept meetings have drawn the lines in the sand.

The committee chose to discuss normal operations. Start-ups, shutdowns, and malfunctions are not part of normal operations. One committee member disagreed. Star-ups and shutdowns are planned events and should be considered as normal operations but malfunctions (and emergencies) cannot be planned and therefore should not be included in normal operations. The committee also discussed two scenarios in calculating emissions:

- If an emission is in included in the baseline then those emissions should be compared to the potential to emit
- If an emission is not included in the baseline then those emissions should not be compared to the potential to emit

One committee member asked if emissions can be predicted. Gene answered the question by giving a yes and no answer and defining two types of emissions:

- Yes, those emissions planned for at shutdown to control excess emissions can be predicted.
- No, those emissions at an emergency shutdown can be out of control.

One committee member stated that start-up and shutdown emissions at their vehicle assembly plant are minimal, whereas another commented that load change swings at power utility plant are hard to predict due to a variety of reasons, i.e., the weather, usage, and market demand.

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Industry is looking for a ten (10) year lookback on a business cycle because a five (5) year lookback provides no economic incentive to put in abatement equipment. Committee members feel that they would be forced to stay status quo and move their company to a Greenfield site after a few years. Committee members feel that they are doing what they can to bring down emissions (such as using better paints and solvents) while at the same time trying to bring growth and opportunities for production to their respective company. The committee would be in more support of regulation 25 if the Department had a definitive start point or end point and looking for something that is more representative of normal operations where facilities are looked at on a case-by-case basis. In the case of a utility company, there are no trends in run time, because weather patterns market trends, and other factors which determine normal operation tend to fluctuate.

Industry is looking for a common regulation that will be easier to use and not put a company out of business. The industry members on the committee would like to be able to institute changes in their processes that will not trigger NSR and NSPS. The bottom line boils down to economics and making things as efficient as possible. For example, the auto industry has been reducing emissions and looking at ways to conserve and reduce – it saves money!

The problems of regional ozone and modeling were discussed. If all state sources were shutdown, the state would be in non-attainment and if all sources were to continue to run, the state would still be non-attainment. The committee then discussed actuals-to-projected actuals. PTE is allowable under circumstances but the committee is not sure how well PTE in Delaware would be received by the EPA. It is a preferred method by the Department. The committee members feel PTE could place restrictions on industry. The committee members feel that there would be penalties for "guessing" wrong and the projected actual number will limit production. The Department indicated that is not true. A company would simply need to contact the Department if there were a significant increase in net emissions. Industry feels a compromise could be reached using the potential actual numbers and the enforceable limit was in the permit. If the FEL limit were to be adopted, the limit would set the baseline for industry in tons/yr or lbs/hr when demand and operating hours cannot be determined.

The Committee decided to forego discussions on a PAL and Clean Units since the committee seems to be in agreement on these issues. The Baseline and Actual-to-Potential Actual discussions were good starting points for the meeting.

Gene Pettingill wrapped up the meeting. Committee members would like the Department to start drafting regulatory language. The draft regulatory language will be distributed to the Committee in the near future. Any and all such regulatory drafts will be accompanied by one section dedicated to "definitions". The committee was also encouraged to visit the NSR website for updates and possible changes to the schedule. The next meeting is scheduled for July 5, 2005 (10:00 am – 12:00 pm in the Lukens Drive Office, Conference Room B).

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