

AGENDA ITEM: 13-09 Hearing Officer's Report on Revision of Volatile Organic Compound (VOC) Reasonably Available Control Technology (RACT) Rules Applicability (513) and Clarifications (511)

EXPLANATION:

A public hearing was held in Kannapolis, NC on January 15, 2013, to take public comments on amendments to 15A NCAC 02D .0902, Applicability; .0903 Recordkeeping; Reporting; Monitoring; .0909, Compliance Schedules for Sources in Nonattainment Areas; .0951 RACT For Sources of Volatile Organic Compounds;.0961, Offset Lithographic Printing and Letterpress Printing; .0962, Industrial Cleaning Solvents; and 15A NCAC 02Q .0102, Activities Exempted From Permit Requirements. Mr. Benne Hutson of the Environmental Management Commission (EMC) was appointed and acted as the hearing officer for this hearing.

In comments on North Carolina's redesignation demonstration and maintenance plan for the North Carolina portion of the Charlotte-Gastonia-Rock Hill, NC 1997 8-hour Ozone National Ambient Air Quality Standard (NAAQS) Nonattainment Area, USEPA identified the need for an adjustment of applicability of the state's RACT rules. Section 182(b)(2) of the Clean Air Act (CAA) requires RACT for all sources addressed by Control Technique Guidelines (CTGs) in areas classified moderate and above. The current RACT rules' applicability is structured such that the RACT requirement for sources in CTG categories applies to major sources. For a moderate nonattainment area major sources are those with emissions of 100 tons of volatile organic compounds or more per year.

In 15A NCAC 02D .0902, Applicability, the rules are proposed to be amended to reflect applicability to all sources in a CTG category in order to meet the Clean Air Act requirement and thus facilitate the redesignation process. 02D .0951, RACT For Sources of Volatile Organic Compounds, is proposed for amendment to provide flexibility to comply via the category specific rules in the Section or through approved site specific alternative determinations.

15A NCAC 02D .0961, Offset Lithographic Printing and Letterpress Printing, and .0962, Industrial Cleaning Solvents, are proposed for amendment in response to industry associations' comments and requests for language clarification and flexibilities consistent with the CTGs on which they are based. Proposed amendments to 02D .0961 include an equivalent rolling, consecutive 12 month applicability threshold consistent with the CTG to provide some relief from a recordkeeping standpoint, clarifying language, and adds some specificity with respect to recordkeeping. Proposed amendments to 02D .0962 include an alternate VOC content level

and compliance options for industrial solvents used for cleaning resins, inks, and coatings manufacturing equipment consistent with the CTG recommendations.

Amendments to 15A NCAC 02D .0903, Recordkeeping: Reporting: Monitoring, and 02Q .0102, Exemptions, make corresponding updates to cross-references.

Four people commented on the proposed amendments, one of whom noted that they had no comments at this time.

One commenter supported the amendment to 15A NCAC 02D .0962 to allow use of materials for effective cleaning of process equipment at coatings, ink, and adhesive manufacturing operations.

One person commented on 15A NCAC 02D .0961, requesting minor format and wording clarifications which were made. The commenter also suggested addition of specific, detailed language specifying emissions calculations requirements for facilities to determine applicability. To provide maximum flexibility to sources, North Carolina air quality rules typically do not impose prescriptive material usage calculation procedures and requirements on sources to determine whether they are below emissions applicability thresholds and thus the material usage language suggested is not included in the rules recommended for adoption. The commenter also requested adjustment of an affected equipment date to the final effective date of the proposed amendments. The date delineating level of applicable control requirements in Subparagraphs (f)(2)(A) and (f)(2)(B) has been clarified for facilities with potential to emit less than 100 tons of VOC per year to reflect the anticipated effective date of these amendments, May 1, 2013.

Another commenter requested that the definition of graphic arts operations in 15A NCAC 02Q .0803 be revised to exempt screen printing and digital printing from permitting as sources exempt by category in 15A NCAC 02Q .0102 since these operations are not covered by the Industrial Solvent Cleaning CTG nor the corresponding North Carolina rule. 02Q .0803 was not noticed as part of this rulemaking package and thus is not included in the amendments recommended for approval at this time. The requested change would need to be considered through a separate rulemaking action.

RECOMMENDATION:

The Hearing Officer recommends that the Commission adopt the proposed rules as presented in Chapter II of the hearing record.