As Reported by the House Economic Development and Environment Committee

126th General Assembly Regular Session 2005-2006

Am. Sub. S. B. No. 265

Senators Spada, Carey, Mumper, Niehaus, Amstutz, Armbruster, Clancy,
Stivers, Goodman, Harris, Wachtmann
Representatives Trakas, Hagan, Wolpert, Combs, Collier, Reinhard, Law,
Cassell

ABILL

To amend section 3704.03 of the Revised Code to make

changes in the Air Pollution Control Law regarding

the costs of compliance with rules, permits to

install, air quality monitoring, and best

available technology.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3704.03 of the Revised Code be	6
amended to read as follows:	7
Sec. 3704.03. The director of environmental protection may do	8
any of the following:	9
(A) Develop programs for the prevention, control, and	10
abatement of air pollution;	11
(B) Advise, consult, contract, and cooperate with any	12
governmental or private agency in the furtherance of the purposes	13
of this chapter;	14
(C) Encourage, participate in, or conduct studies,	15

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investigations, and research relating to air pollution, collect and disseminate information, and conduct education and training programs relating to the causes, prevention, control, and abatement of air pollution;

- (D) Adopt, modify, and rescind rules prescribing ambient air 20 quality standards for the state as a whole or for various areas of 21 the state that are consistent with and no more stringent than the 22 national ambient air quality standards in effect under the federal 23 Clean Air Act;
- (E) Adopt, modify, suspend, and rescind rules for the 25 prevention, control, and abatement of air pollution, including 26 rules prescribing for the state as a whole or for various areas of 27 the state emission standards for air contaminants, and other 28 necessary rules for the purpose of achieving and maintaining 29 compliance with ambient air quality standards in all areas within 30 the state as expeditiously as practicable, but not later than any 31 deadlines applicable under the federal Clean Air Act; rules for 32 the prevention or control of the emission of hazardous or toxic 33 air contaminants; rules prescribing fugitive dust limitations and 34 standards that are related, on an areawide basis, to attainment 35 and maintenance of ambient air quality standards; rules 36 prescribing shade, density, or opacity limitations and standards 37 for emissions, provided that with regard to air contaminant 38 sources for which there are particulate matter emission standards 39 in addition to a shade, density, or opacity rule, upon 40 demonstration by such a source of compliance with those other 41 standards, the shade, density, or opacity rule shall provide for 42 establishment of a shade, density, or opacity limitation for that 43 source that does not require the source to reduce emissions below 44 the level specified by those other standards; rules for the 45 prevention or control of odors and air pollution nuisances; rules 46 that prevent significant deterioration of air quality to the 47

extent required by the federal Clean Air Act; rules for the protection of visibility as required by the federal Clean Air Act; and rules prescribing open burning limitations and standards. In adopting, modifying, suspending, or rescinding any such rules, the director, to the extent consistent with the federal Clean Air Act, shall hear and give consideration to evidence relating to all of the following:

- (1) Conditions calculated to result from compliance with the rules, the overall cost within this state of compliance with the rules, and their relation to benefits to the people of the state to be derived from that compliance;
- (2) The quantity and characteristics of air contaminants, the frequency and duration of their presence in the ambient air, and the dispersion and dilution of those contaminants;
- (3) Topography, prevailing wind directions and velocities, physical conditions, and other factors that may or may combine to affect air pollution.

Consistent with division (K) of section 3704.036 of the Revised Code, the director shall consider alternative emission limits proposed by the owner or operator of an air contaminant source that is subject to an emission limit established in rules adopted under this division and shall accept those alternative emission limits that the director determines to be equivalent to emission limits established in rules adopted under this division.

(F)(1) Adopt, modify, suspend, and rescind rules consistent with the purposes of this chapter prohibiting the location, installation, construction, or modification of any air contaminant source or any machine, equipment, device, apparatus, or physical facility intended primarily to prevent or control the emission of air contaminants unless an installation permit therefor has been obtained from the director or his the director's authorized

with all requirements of this chapter and rules adopted

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this section with respect to an application for a permit to	
install demonstrates that the maximum ground level concentration	
from a new or modified source will be less than eighty per cent of	
the maximum acceptable ground level concentration, the owner or	
operator of the source annually shall report to the director, on a	
form prescribed by the director, whether operations of the source	
are consistent with the information regarding the operations that	
was used to conduct the modeling with regard to the permit to	
install application. The annual report to the director shall be in	
lieu of an emission limit or other permit terms and conditions	
imposed pursuant to division (F)(4) of this section. The director	
may consider any significant departure from the operations of the	
source described in the permit to install application that results	
in greater emissions than the emissions rate modeled to determine	
the ground level concentration as a modification and require the	
owner or operator to submit a permit to install application for	
the increased emissions. The requirements established in division	
(F)(4)(d) of this section are not federally enforceable	
requirements and, if included in a Title V permit, shall be placed	
in the portion of the permit that is only enforceable by the	
state.	
(e) Division (F)(4) of this section and the document entitled	
"Design of Nov Courses of Dis Moning Design Ontion Du shall	

"Review of New Sources of Air Toxics Emissions, Option A" shall 228 not be included in the state implementation plan under section 110 229 of the federal Clean Air Act and do not apply to an air 230 contaminant source that is subject to a maximum achievable control 231 technology standard or residual risk standard under section 112 of 232 the federal Clean Air Act, to a particular air contaminant 233 identified under 40 C.F.R. 51.166, division (b)(23), for which the 234 director has determined that the owner or operator of the source 235 is required to install best available control technology for that 236 particular air contaminant, or to a particular air contaminant for 237

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which the director has determined that the source is required to	238
meet the lowest achievable emission rate, as defined in 40 C.F.R.	239
part 51, Appendix S, for that particular air contaminant.	240
(f)(i) Division (F)(4) of this section and the document	241
entitled "Review of New Sources of Air Toxics Emissions, Option A"	242
do not apply to parking lots, storage piles, storage tanks,	243
transfer operations, grain silos, grain dryers, emergency	244
generators, gasoline dispensing operations, air contaminant	245
sources that emit air contaminants solely from the combustion of	246
fossil fuels, or the emission of wood dust, sand, glass dust, coal	247
dust, silica, and grain dust.	248
(ii) Notwithstanding division (F)(4)(f)(i) of this section,	249
the director may require an individual air contaminant source that	250
is within one of the source categories identified in division	251
(F)(4)(f)(i) of this section to submit information in an	252
application for a permit to install a new or modified source in	253
order to determine the source's conformity to the document if the	254
director has information to conclude that the particular new or	255
modified source will potentially cause an increase in ground level	256
concentration beyond the facility's boundary that exceeds the	257
maximum acceptable ground level concentration as set forth in the	258
document.	259
(iii) The director may adopt rules in accordance with Chapter	260
119. of the Revised Code that are consistent with the purposes of	261
this chapter and that add to or delete from the source category	262
exemptions established in division (F)(4)(f)(i) of this section.	263
(5) Not later than one year after the effective date of this	264
amendment, the director shall adopt rules in accordance with	265
Chapter 119. of the Revised Code specifying activities that do	266
not, by themselves, constitute beginning actual construction	267
activities related to the installation or modification of an air	268

contaminant source for which a permit to install is required such	269
as the grading and clearing of land, on-site storage of portable	270
parts and equipment, and the construction of foundations or	271
buildings that do not themselves emit air contaminants. The rules	272
also shall allow specified initial activities that are part of the	273
installation or modification of an air contaminant source, such as	274
the installation of electrical and other utilities for the source,	275
prior to issuance of a permit to install, provided that the owner	276
or operator of the source has filed a complete application for a	277
permit to install, the director or the director's designee has	278
determined that the application is complete, and the owner or	279
operator of the source has notified the director that this	280
activity will be undertaken prior to the issuance of a permit to	281
install. Any activity that is undertaken by the source under those	282
rules shall be at the risk of the owner or operator. The rules	283
shall not apply to activities that are precluded prior to permit	284
issuance under section 111, section 112, Part C of Title I, and	285
Part D of Title I of the federal Clean Air Act.	286

(G) Adopt, modify, suspend, and rescind rules prohibiting the 287 operation or other use of any new, modified, or existing air 288 contaminant source unless an operating permit has been obtained 289 from the director or his the director's authorized representative, 290 or the air contaminant source is being operated in compliance with 291 the conditions of a variance issued pursuant to division (H) of 292 this section. Applications for operating permits shall be 293 accompanied by such plans, specifications, and other pertinent 294 information as the director may require. Operating permits may be 295 issued for a period determined by the director not to exceed five 296 years, are renewable, and are transferable. The director shall 297 specify in each operating permit that the permit is conditioned 298 upon payment of the applicable fees as required by section 3745.11 299 of the Revised Code and upon the right of his the director's 300

authorized representatives to enter upon the premises of the	301
person to whom the permit has been issued, at any reasonable time	302
and subject to safety requirements of the person in control of the	303
premises, for the purpose of determining compliance with this	304
chapter, the rules adopted thereunder, and the conditions of any	305
permit, variance, or order issued thereunder. Operating permits	306
may be denied or revoked for failure to comply with this chapter	307
or the rules adopted thereunder. An operating permit shall be	308
issued only upon a showing satisfactory to the director or $\frac{1}{2}$	309
director's representative that the air contaminant source is being	310
operated in compliance with applicable emission standards and	311
other rules or upon submission of a schedule of compliance	312
satisfactory to the director for a source that is not in	313
compliance with all applicable requirements at the time of permit	314
issuance, provided that the compliance schedule shall be	315
consistent with and at least as stringent as that contained in any	316
judicial consent decree or administrative order to which the air	317
contaminant source is subject. The rules shall provide for the	318
issuance of conditional operating permits for such reasonable	319
periods as the director may determine to allow the holder of an	320
installation permit, who has constructed, installed, located, or	321
modified a new air contaminant source in accordance with the	322
provisions of an installation permit, to make adjustments or	323
modifications necessary to enable the new air contaminant source	324
to comply with applicable emission standards and other rules.	325
Terms and conditions of operating permits issued pursuant to this	326
division shall be federally enforceable for the purpose of	327
establishing the potential to emit of a stationary source and	328
shall be expressly designated as federally enforceable. Any such	329
federally enforceable restrictions on a source's potential to emit	330
shall include both an annual limit and a short-term limit of not	331
more than thirty days for each pollutant to be restricted together	332
with adequate methods for establishing compliance with the	333

Applications for variances shall be accompanied by such 365 information as the director may require. In issuing variances, the 366 director may order the person to whom a variance is issued to 367 furnish plans and specifications and such other information and 368 data, including interim reports, as the director may require and 369 to proceed to take such action within such time as the director 370 may determine to be appropriate and reasonable to prevent, 371 control, or abate his the person's existing emissions of air 372 contaminants. The director shall specify in each variance that the 373 variance is conditioned upon payment of the applicable fees as 374 required by section 3745.11 of the Revised Code and upon the right 375 of his the director's authorized representatives to enter upon the 376 premises of the person to whom the variance has been issued, at 377 any reasonable time and subject to safety requirements of the 378 person in control of the premises, for the purpose of determining 379 compliance with this chapter, the rules adopted thereunder, and 380 the conditions of any permit, variance, or order issued 381 thereunder. 382

The director may hold a public hearing on an application for 383 a variance or renewal thereof at a location in the county where 384 the variance is sought. The director shall give not less than 385 twenty days' notice of the hearing to the applicant by certified 386 mail and cause at least one publication of notice in a newspaper 387 with general circulation in the county where the variance is 388 sought. The director shall keep available for public inspection at 389 the principal office of the environmental protection agency a 390 current schedule of pending applications for variances and a 391 current schedule of pending variance hearings. The director shall 392 make a complete stenographic record of testimony and other 393 evidence submitted at the hearing. The director shall make a 394 written determination to issue, renew, or deny the variance and 395 shall enter his the determination and the basis therefor into the 396 record of the hearing. The director shall issue, renew, or deny an 397 application for a variance or renewal thereof, or issue a proposed 398 action upon the application pursuant to section 3745.07 of the 399 Revised Code, within six months of the date upon which the 400 director receives a complete application with all pertinent 401 information and data required by the director.

Any variance granted pursuant to rules adopted under this 403 division shall be for a period specified by the director, not to 404 exceed three years, and may be renewed from time to time on such 405 terms and for such periods, not to exceed three years each, as the 406 director determines to be appropriate. A variance may be revoked, 407 or renewal denied, for failure to comply with conditions specified 408 in the variance. No variance shall be issued, denied, revoked, or 409 modified without a written order stating the findings upon which 410 the issuance, denial, revocation, or modification is based. A copy 411 of the order shall be sent to the applicant or variance holder by 412 certified mail. 413

(I) Require the person responsible for any owner or operator 414 of an air contaminant source to install, employ, maintain, and 415 operate such emissions, ambient air quality, meteorological, or 416 other monitoring devices or methods as the director shall 417 prescribe; to sample those emissions at such locations, at such 418 intervals, and in such manner as the director prescribes; to 419 maintain records and file periodic reports with the director 420 containing information as to location, size, and height of 421 emission outlets, rate, duration, and composition of emissions, 422 and any other pertinent information the director prescribes; and 423 to provide such written notice to other states as the director 424 shall prescribe. In requiring monitoring devices, records, and 425 reports, the director, to the extent consistent with the federal 426 Clean Air Act, shall give consideration to technical feasibility 427 and economic reasonableness and allow reasonable time for 428

of the director or the environmental protection agency, enter upon	461
private or public property, including improvements thereon, at any	462
reasonable time, to make inspections, take samples, conduct tests,	463
and examine records or reports pertaining to any emission of air	464
contaminants and any monitoring equipment or methods and to	465
determine if there are any actual or potential emissions from such	466
premises and, if so, to determine the sources, amounts, contents,	467
and extent of those emissions, or to ascertain whether there is	468
compliance with this chapter, any orders issued or rules adopted	469
thereunder, or any other determination of the director. The	470
director, at reasonable times, may have access to and copy any	471
such records. If entry or inspection authorized by this division	472
is refused, hindered, or thwarted, the director or his the	473
<u>director's</u> authorized representative may by affidavit apply for,	474
and any judge of a court of record may issue, an appropriate	475
inspection warrant necessary to achieve the purposes of this	476
chapter within the court's territorial jurisdiction.	477

- (M) Accept and administer gifts or grants from the federal 478
 government and from any other source, public or private, for 479
 carrying out any of the functions under this chapter; 480
- (N) Obtain necessary scientific, technical, and laboratory 481 services; 482
- (O) Establish advisory boards in accordance with section 483
 121.13 of the Revised Code; 484
- (P) Delegate to any city or general health district or
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 political subdivision of the state any of his the director's
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 enforcement and monitoring powers and duties, other than
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 rule-making powers, as the director elects to delegate, and in
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 addition employ, compensate, and prescribe the powers and duties
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 of such officers, employees, and consultants as are necessary to
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 enable the director to exercise his the authority and perform
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duties imposed upon him the director by law. Technical and other services shall be performed, insofar as practical, by personnel of the environmental protection agency.

- (Q) Certify to the government of the United States or any 495 agency thereof that an industrial air pollution facility is in 496 conformity with the state program or requirements for control of 497 air pollution whenever such certificate is required for a taxpayer 498 pursuant to any federal law or requirements; 499
- (R) Issue, modify, or revoke orders requiring abatement of or prohibiting emissions which that violate applicable emission standards or other requirements of this chapter and rules adopted thereunder, or requiring emission control devices or measures in order to comply with applicable emission standards or other requirements of this chapter and rules adopted thereunder. Any such order shall require compliance with applicable emission standards by a specified date and shall not conflict with any requirement of the federal Clean Air Act. In the making of such orders, the director, to the extent consistent with the federal Clean Air Act, shall give consideration to, and base his the determination on, evidence relating to the technical feasibility and economic reasonableness of compliance with such orders and their relation to benefits to the people of the state to be derived from such compliance. If, under the federal Clean Air Act, any such order shall provide for the posting of a bond or surety to secure compliance with the order as a condition of issuance of the order, the order shall so provide, but only to the extent required by the federal Clean Air Act.
- (S) To the extent provided by the federal Clean Air Act, 519 adopt, modify, and rescind rules providing for the administrative 520 assessment and collection of monetary penalties, not in excess of 521 those required pursuant to the federal Clean Air Act, for failure 522 to comply with any emission limitation or standard, compliance 523

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schedule, or other requirement of any rule, order, permit, or variance issued or adopted under this chapter or required under the applicable implementation plan whether or not the source is subject to a federal or state consent decree. The director may require the submission of compliance schedules, calculations of penalties for noncompliance, and related information. Any orders, payments, sanctions, or other requirements imposed pursuant to rules adopted under this division shall be in addition to any other permits, orders, payments, sanctions, or other requirements established under this chapter and shall not affect any civil or criminal enforcement proceedings brought under any provision of this chapter or any other provision of state or local law. This division does not apply to any requirement of this chapter regarding the prevention or abatement of odors.

(T) Adopt procedures under which the director shall consider 538 best available technology for the pollutants regulated by the new 539 source performance standards established pursuant to the federal 540 Clean Air Act in order to establish emission limits in 541 installation permits issued pursuant to division (F) of this 542 section. The emission limits shall be equivalent to those new 543 source performance standards unless the standards are more than 544 five years old or have not been reviewed by the United States 545 environmental protection agency for more than five years. In 546 determining what technology is best for a specific source 547 application, the director may consider the extent to which a 548 technology generates pollution or waste other than air emissions 549 and shall approve the most cost effective among essentially 550 similar efficient control technologies as demonstrated by the 551 permit applicant to the satisfaction of the director. Any facility 552 that is subject to the federal prevention of significant 553 deterioration regulations and major new source review shall comply 554 with those regulations Require new or modified air contaminant 555

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sources to install best available technology, but only in	556
accordance with this division. With respect to permits issued	557
pursuant to division (F) of this section beginning three years	558
after the effective date of this amendment, best available	559
technology for air contaminant sources and air contaminants	560
emitted by those sources that are subject to standards adopted	561
under section 112, Part C of Title I, and Part D of Title I of the	562
federal Clean Air Act shall be equivalent to and no more stringent	563
than those standards. For an air contaminant or precursor of an	564
air contaminant for which a national ambient air quality standard	565
has been adopted under the federal Clean Air Act, best available	566
technology only shall be required to the extent required by rules	567
adopted under Chapter 119. of the Revised Code for permit to	568
install applications filed three or more years after the effective	569
date of this amendment.	570
Best available technology requirements established in rules	571
adopted under this division shall be expressed only in one of the	572
following ways that is most appropriate for the applicable source	573
or source categories:	574
(1) Work practices;	575
(2) Source design characteristics or design efficiency of	576
applicable air contaminant control devices;	577
(3) Raw material specifications or throughput limitations	578
averaged over a twelve-month rolling period;	579
(4) Monthly allowable emissions averaged over a twelve-month	580
rolling period.	581
Best available technology requirements shall not apply to an	582
air contaminant source that has the potential to emit, taking into	583
account air pollution controls installed on the source, less than	584
ten tons per year of emissions of an air contaminant or precursor	585
of an air contaminant for which a national ambient air quality	586

standard has been adopted under the federal Clean Air Act. In	587
addition, best available technology requirements established in	588
rules adopted under this division shall not apply to any existing,	589
new, or modified air contaminant source that is subject to a	590
plant-wide applicability limit that has been approved by the	591
director. Further, best available technology requirements	592
established in rules adopted under this division shall not apply	593
to general permits issued prior to January 1, 2006, under rules	594
adopted under this chapter.	595
For permits to install issued three or more veers often the	E 0.6
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For permits to install issued three or more years after the

effective date of this amendment, any new or modified air

contaminant source that has the potential to emit, taking into

account air pollution controls installed on the source, ten or

more tons per year of volatile organic compounds or nitrogen

oxides shall meet, at a minimum, the requirements of any

applicable reasonably available control technology rule in effect

as of January 1, 2006, regardless of the location of the source.

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- (U) Consistent with section 507 of the federal Clean Air Act, 604 adopt, modify, suspend, and rescind rules for the establishment of 605 a small business stationary source technical and environmental 606 compliance assistance program as provided in section 3704.18 of 607 the Revised Code; 608
- (V) Provide for emissions trading, marketable permits,
 auctions of emission rights, and economic incentives that would
 reduce the cost or increase the efficiency of achieving a
 specified level of environmental protection;
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- (W) Provide for the construction of an air contaminant source 613 prior to obtaining a permit to install pursuant to division (F) of 614 this section if the applicant demonstrates that the source will be 615 installed to comply with all applicable emission limits and will 616 not adversely affect public health or safety or the environment 617