As Reported by the Senate Environment and Natural Resources Committee

126th General Assembly Regular Session 2005-2006

Sub. S. B. No. 265

Senators Spada, Carey, Mumper, Niehaus, Amstutz, Armbruster, Clancy, Stivers

A BILL

To amend sections 3704.02 and 3704.03 of the Revised

Code to make changes in the Air Pollution Control

Law regarding statutory construction, the costs of

compliance with rules, permits to install, air

quality monitoring, and best available technology.

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

	Section 1. That sections 3704.02 and 3704.03 of the Revised	6
Code	be amended to read as follows:	7
	Sec. 3704.02. (A) The purposes of this chapter are the	8
follo	owing:	9
	(1) To protect and enhance the quality of the state's air	10
resou	arces so as to promote the public health, welfare, economic	11
vital	ity, and productive capacity of the people of the state;	12
	(2) To enable the state, through the director of	13
envir	onmental protection, to adopt and maintain a program for the	14
preve	ention, control, and abatement of air pollution that is	15
consi	stent with the federal Clean Air Act;	16
	(3) To authorize the state to obtain financial assistance and	17

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rules prescribing for the state as a whole or for various areas of the state emission standards for air contaminants, and other necessary rules for the purpose of achieving and maintaining compliance with ambient air quality standards in all areas within the state as expeditiously as practicable, but not later than any deadlines applicable under the federal Clean Air Act; rules for the prevention or control of the emission of hazardous or toxic air contaminants; rules prescribing fugitive dust limitations and standards that are related, on an areawide basis, to attainment and maintenance of ambient air quality standards; rules prescribing shade, density, or opacity limitations and standards for emissions, provided that with regard to air contaminant sources for which there are particulate matter emission standards in addition to a shade, density, or opacity rule, upon demonstration by such a source of compliance with those other standards, the shade, density, or opacity rule shall provide for establishment of a shade, density, or opacity limitation for that source that does not require the source to reduce emissions below the level specified by those other standards; rules for the prevention or control of odors and air pollution nuisances; rules that prevent significant deterioration of air quality to the 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;

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- (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, 83 physical conditions, and other factors that may or may combine to 84 affect air pollution. 85

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 93 with the purposes of this chapter prohibiting the location, 94 installation, construction, or modification of any air contaminant 95 source or any machine, equipment, device, apparatus, or physical 96 facility intended primarily to prevent or control the emission of 97 air contaminants unless an installation permit therefor has been 98 obtained from the director or his the director's authorized 99 representative. Applications 100
- (2) Applications for installation permits shall be 101 accompanied by plans, specifications, construction schedules, and 102 such other pertinent information and data, including data on 103 ambient air quality impact and a demonstration of best available 104 technology, as the director may require. Installation permits 105 shall be issued for a period specified by the director and are 106 transferable. The director shall specify in each permit the 107 applicable emission standards and that the permit is conditioned 108 upon payment of the applicable fees as required by section 3745.11 109 of the Revised Code and upon the right of his the director's 110

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under the federal Clean Air Act;	143
(b) An air contaminant for which the air contaminant source	144
is regulated under the federal Clean Air Act;	145
(c) An air contaminant that presents, or may present, through	146
inhalation or other routes of exposure, a threat of adverse human	147
health effects, including, but not limited to, substances that are	148
known to be, or may reasonably be anticipated to be, carcinogenic,	149
mutagenic, teratogenic, or neurotoxic, that cause reproductive	150
dysfunction, or that are acutely or chronically toxic, or a threat	151
of adverse environmental effects whether through ambient	152
concentrations, bioaccumulation, deposition, or otherwise, and	153
that is identified in the rule by chemical name and chemical	154
abstract service number.	155
The director may modify the rule adopted under division	156
(F)(3)(c) of this section for the purpose of adding or deleting	157
air contaminants. For each air contaminant that is contained in or	158
deleted from the rule adopted under division (F)(3)(c) of this	159
section, the director shall include in a notice accompanying any	160
proposed or final rule an explanation of the director's	161
determination that the air contaminant meets the criteria	162
established in that division and should be added to, or no longer	163
meets the criteria and should be deleted from, the list of air	164
contaminants. The explanation shall include an identification of	165
the scientific evidence on which the director relied in making the	166
determination. Until adoption of the rule under division (F)(3)(c)	167
of this section, nothing shall affect the director's authority to	168
issue, deny, modify, or revoke permits to install under this	169
chapter and rules adopted under it.	170
(4)(a) Applications for permits to install new or modified	171
air contaminant sources shall contain sufficient information	172
regarding air contaminants for which the director may require a	173

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permit to install to determine conformity with the environmental	174
protection agency's document entitled "Review of New Sources of	175
Air Toxics Emissions, Option A, " dated May 1986, which the	176
director shall use to evaluate toxic emissions from new or	177
modified air contaminant sources. The director shall make copies	178
of the document available to the public upon request at no cost	179
and post the document on the environmental protection agency's web	180
site. Any inconsistency between the document and division (F)(4)	181
of this section shall be resolved in favor of division (F)(4) of	182
this section.	183
(b) The maximum acceptable ground level concentration of an	184
air contaminant shall be calculated in accordance with the	185
document entitled "Review of New Sources of Air Toxics Emissions,	186
Option A. " Modeling shall be conducted to determine the increase	187
in the ground level concentration of an air contaminant beyond the	188
facility's boundary caused by the emissions from a new or modified	189
source that is the subject of an application for a permit to	190
install. Modeling shall be based on the maximum hourly rate of	191
emissions from the source using information including, but not	192
limited to, any emission control devices or methods, operational	193
restrictions, stack parameters, and emission dispersion devices or	194
methods that may affect ground level concentrations, either	195
individually or in combination. The director shall determine	196
whether the activities for which a permit to install is sought	197
will cause an increase in the ground level concentration of one or	198
more relevant air contaminants beyond the facility's boundary by	199
an amount in excess of the maximum acceptable ground level	200
concentration. In making the determination as to whether the	201
maximum acceptable ground level concentration will be exceeded,	202
the director shall give consideration to the modeling conducted	203
under division (F)(4)(b) of this section and other relevant	204
information submitted by the applicant.	205

(c) If the modeling conducted under division (F)(4)(b) of	206
this section with respect to an application for a permit to	207
install demonstrates that the maximum ground level concentration	208
from a new or modified source will be greater than or equal to	209
eighty per cent, but less than one hundred per cent of the maximum	210
acceptable ground level concentration for an air contaminant, the	211
director may establish terms and conditions in the permit to	212
install for the air contaminant source that will require the owner	213
or operator of the air contaminant source to maintain emissions of	214
that air contaminant commensurate with the modeled level, which	215
shall be expressed as allowable emissions per day. In order to	216
calculate the allowable emissions per day, the director shall	217
multiply the hourly emission rate modeled under division (F)(4)(b)	218
of this section to determine the ground level concentration by the	219
operating schedule that has been identified in the permit to	220
install application. Terms and conditions imposed under division	221
(F)(4)(c) of this section are not federally enforceable	222
requirements and, if included in a Title V permit, shall be placed	223
in the portion of the permit that is only enforceable by the	224
state.	225
(d) If the modeling conducted under division (F)(4)(b) of	226
this section with respect to an application for a permit to	227
install demonstrates that the maximum ground level concentration	228
from a new or modified source will be less than eighty per cent of	229
the maximum acceptable ground level concentration, the owner or	230
operator of the source annually shall report to the director, on a	231
form prescribed by the director, whether operations of the source	232
are consistent with the information regarding the operations that	233
was used to conduct the modeling with regard to the permit to	234
install application. The annual report to the director shall be in	235
lieu of an emission limit or other permit terms and conditions	236
imposed pursuant to division (E)(A) of this section. The director	227

(ii) Notwithstanding division (F)(4)(f)(i) of this section,	270
the director may require an individual air contaminant source that	271
is within one of the source categories identified in division	272
(F)(4)(f)(i) of this section to submit information in an	273
application for a permit to install a new or modified source in	274
order to determine the source's conformity to the document if the	275
director has information to conclude that the particular new or	276
modified source will potentially cause an increase in ground level	277
concentration beyond the facility's boundary that exceeds the	278
maximum acceptable ground level concentration as set forth in the	279
document.	280
(iii) The director may adopt rules in accordance with Chapter	281
119. of the Revised Code that are consistent with the purposes of	282
this chapter and that add to or delete from the source category	283
exemptions established in division (F)(4)(f)(i) of this section.	284
(5) Not later than one year after the effective date of this	285
amendment, the director shall adopt rules in accordance with	286
Chapter 119. of the Revised Code specifying activities that do	287
not, by themselves, constitute beginning actual construction	288
activities related to the installation or modification of an air	289
contaminant source for which a permit to install is required such	290
as the grading and clearing of land, on-site storage of portable	291
parts and equipment, and the construction of foundations or	292
buildings that do not themselves emit air contaminants. The rules	293
also shall allow specified initial activities that are part of the	294
installation or modification of an air contaminant source, such as	295
the installation of electrical and other utilities for the source,	296
prior to issuance of a permit to install, provided that the owner	297
or operator of the source has filed a complete application for a	298
permit to install, the director or the director's designee has	299
determined that the application is complete, and the owner or	300
operator of the source has notified the director that this	301

activity will be undertaken prior to the issuance of a permit to

install. Any activity that is undertaken by the source under those

rules shall be at the risk of the owner or operator. The rules

shall not apply to activities that are precluded prior to permit

issuance under section 111, section 112, Part C of Title I, and

Part D of Title I of the federal Clean Air Act.

(G) Adopt, modify, suspend, and rescind rules prohibiting the 308 operation or other use of any new, modified, or existing air 309 contaminant source unless an operating permit has been obtained 310 from the director or his the director's authorized representative, 311 or the air contaminant source is being operated in compliance with 312 the conditions of a variance issued pursuant to division (H) of 313 this section. Applications for operating permits shall be 314 accompanied by such plans, specifications, and other pertinent 315 information as the director may require. Operating permits may be 316 issued for a period determined by the director not to exceed five 317 years, are renewable, and are transferable. The director shall 318 specify in each operating permit that the permit is conditioned 319 upon payment of the applicable fees as required by section 3745.11 320 of the Revised Code and upon the right of his the director's 321 authorized representatives to enter upon the premises of the 322 person to whom the permit has been issued, at any reasonable time 323 and subject to safety requirements of the person in control of the 324 premises, for the purpose of determining compliance with this 325 chapter, the rules adopted thereunder, and the conditions of any 326 permit, variance, or order issued thereunder. Operating permits 327 may be denied or revoked for failure to comply with this chapter 328 or the rules adopted thereunder. An operating permit shall be 329 issued only upon a showing satisfactory to the director or his the 330 director's representative that the air contaminant source is being 331 operated in compliance with applicable emission standards and 332 other rules or upon submission of a schedule of compliance 333

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satisfactory to the director for a source that is not in	334
compliance with all applicable requirements at the time of permit	335
issuance, provided that the compliance schedule shall be	336
consistent with and at least as stringent as that contained in any	337
judicial consent decree or administrative order to which the air	338
contaminant source is subject. The rules shall provide for the	339
issuance of conditional operating permits for such reasonable	340
periods as the director may determine to allow the holder of an	341
installation permit, who has constructed, installed, located, or	342
modified a new air contaminant source in accordance with the	343
provisions of an installation permit, to make adjustments or	344
modifications necessary to enable the new air contaminant source	345
to comply with applicable emission standards and other rules.	346
Terms and conditions of operating permits issued pursuant to this	347
division shall be federally enforceable for the purpose of	348
establishing the potential to emit of a stationary source and	349
shall be expressly designated as federally enforceable. Any such	350
federally enforceable restrictions on a source's potential to emit	351
shall include both an annual limit and a short-term limit of not	352
more than thirty days for each pollutant to be restricted together	353
with adequate methods for establishing compliance with the	354
restrictions. In other respects, operating permits issued pursuant	355
to this division are enforceable as state law only. No application	356
shall be denied or permit revoked or modified without a written	357
order stating the findings upon which denial, revocation, or	358
modification is based. A copy of the order shall be sent to the	359
applicant or permit holder by certified mail.	360

(H) Adopt, modify, and rescind rules governing the issuance, 361 revocation, modification, or denial of variances that authorize 362 emissions in excess of the applicable emission standards. 363

No variance shall be issued except pursuant to those rules. The rules shall prescribe conditions and criteria in furtherance of his the director's authorized representatives to enter upon the 397 premises of the person to whom the variance has been issued, at 398 any reasonable time and subject to safety requirements of the 399 person in control of the premises, for the purpose of determining 400 compliance with this chapter, the rules adopted thereunder, and 401 the conditions of any permit, variance, or order issued 402 thereunder.

The director may hold a public hearing on an application for 404 a variance or renewal thereof at a location in the county where 405 the variance is sought. The director shall give not less than 406 twenty days' notice of the hearing to the applicant by certified 407 mail and cause at least one publication of notice in a newspaper 408 with general circulation in the county where the variance is 409 sought. The director shall keep available for public inspection at 410 the principal office of the environmental protection agency a 411 current schedule of pending applications for variances and a 412 current schedule of pending variance hearings. The director shall 413 make a complete stenographic record of testimony and other 414 evidence submitted at the hearing. The director shall make a 415 written determination to issue, renew, or deny the variance and 416 shall enter his the determination and the basis therefor into the 417 record of the hearing. The director shall issue, renew, or deny an 418 application for a variance or renewal thereof, or issue a proposed 419 action upon the application pursuant to section 3745.07 of the 420 Revised Code, within six months of the date upon which the 421 director receives a complete application with all pertinent 422 information and data required by the director. 423

Any variance granted pursuant to rules adopted under this 424 division shall be for a period specified by the director, not to 425 exceed three years, and may be renewed from time to time on such 426 terms and for such periods, not to exceed three years each, as the 427 director determines to be appropriate. A variance may be revoked, 428

429 or renewal denied, for failure to comply with conditions specified 430 in the variance. No variance shall be issued, denied, revoked, or 431 modified without a written order stating the findings upon which 432 the issuance, denial, revocation, or modification is based. A copy 433 of the order shall be sent to the applicant or variance holder by 434 certified mail. (I) Require the person responsible for any air contaminant 435 source to install, employ, maintain, and operate such emissions, 436 ambient air quality, meteorological, or other monitoring devices 437 or methods as the director shall prescribe; to sample those 438 emissions at such locations, at such intervals, and in such manner 439 as the director prescribes; to maintain records and file periodic 440 reports with the director containing information as to location, 441 size, and height of emission outlets, rate, duration, and 442 composition of emissions, and any other pertinent information the 443 director prescribes; and to provide such written notice to other 444 states as the director shall prescribe. In requiring monitoring 445 devices, records, and reports, the director, to the extent 446 consistent with the federal Clean Air Act, shall give 447 consideration to technical feasibility and economic reasonableness 448 and allow reasonable time for compliance, and, for sources where a 449 specific monitoring, record-keeping, or reporting requirement is 450 specified for a particular air contaminant from a particular air 451 contaminant source in an applicable regulation adopted by the 452 United States environmental protection agency under the federal 453 Clean Air Act or in an applicable rule adopted by the director, 454 the director shall not impose an additional requirement in a 455 permit that is a different monitoring, record-keeping, or 456 reporting requirement other than the requirement specified in the 457 applicable regulation or rule for that air contaminant. If two or 458 more regulations or rules impose different monitoring, 459

record-keeping, or reporting requirements for the same air

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contaminant from the same air contaminant source, the director may	461
impose permit terms and conditions that consolidate or streamline	462
the monitoring, record-keeping, or reporting requirements in a	463
manner that conforms with each applicable requirement. To the	464
extent consistent with the federal Clean Air Act, the director	465
shall not require an operating restriction that has the practical	466
effect of increasing the stringency of an existing applicable	467
emission limitation or standard.	468

- (J) Establish, operate, and maintain monitoring stations and other devices designed to measure air pollution and to enter into contracts with any public or private agency for the establishment, operation, or maintenance of such stations and devices;
- (K) By rule adopt procedures for giving reasonable public 473 notice and conducting public hearings on any plans for the 474 prevention, control, and abatement of air pollution that the 475 director is required to submit to the federal government; 476
- (L) Through any employee, agent, or authorized representative 477 of the director or the environmental protection agency, enter upon 478 private or public property, including improvements thereon, at any 479 reasonable time, to make inspections, take samples, conduct tests, 480 and examine records or reports pertaining to any emission of air 481 contaminants and any monitoring equipment or methods and to 482 determine if there are any actual or potential emissions from such 483 premises and, if so, to determine the sources, amounts, contents, 484 and extent of those emissions, or to ascertain whether there is 485 compliance with this chapter, any orders issued or rules adopted 486 thereunder, or any other determination of the director. The 487 director, at reasonable times, may have access to and copy any 488 such records. If entry or inspection authorized by this division 489 is refused, hindered, or thwarted, the director or his the 490 director's authorized representative may by affidavit apply for, 491 and any judge of a court of record may issue, an appropriate 492

standards by a specified date and shall not conflict with any 524 requirement of the federal Clean Air Act. In the making of such 525 orders, the director, to the extent consistent with the federal 526 Clean Air Act, shall give consideration to, and base his the 527 determination on, evidence relating to the technical feasibility 528 and economic reasonableness of compliance with such orders and 529 their relation to benefits to the people of the state to be 530 derived from such compliance. If, under the federal Clean Air Act, 531 any such order shall provide for the posting of a bond or surety 532 to secure compliance with the order as a condition of issuance of 533 the order, the order shall so provide, but only to the extent 534 required by the federal Clean Air Act. 535

(S) To the extent provided by the federal Clean Air Act, 536 adopt, modify, and rescind rules providing for the administrative 537 assessment and collection of monetary penalties, not in excess of 538 those required pursuant to the federal Clean Air Act, for failure 539 to comply with any emission limitation or standard, compliance 540 schedule, or other requirement of any rule, order, permit, or 541 variance issued or adopted under this chapter or required under 542 the applicable implementation plan whether or not the source is 543 subject to a federal or state consent decree. The director may 544 require the submission of compliance schedules, calculations of 545 penalties for noncompliance, and related information. Any orders, 546 payments, sanctions, or other requirements imposed pursuant to 547 rules adopted under this division shall be in addition to any 548 other permits, orders, payments, sanctions, or other requirements 549 established under this chapter and shall not affect any civil or 550 criminal enforcement proceedings brought under any provision of 551 this chapter or any other provision of state or local law. This 552 division does not apply to any requirement of this chapter 553 regarding the prevention or abatement of odors. 554

(T) Adopt procedures under which the director shall consider

Best available technology requirements established in rules

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adopted under this division shall be expressed only in one of the	589
following ways that is most appropriate for the applicable source	590
or source categories:	591
(1) Work practices;	592
(2) Source design characteristics or design efficiency of	593
applicable air contaminant control devices;	594
(3) Raw material specifications or throughput limitations	595
averaged over a twelve-month rolling period;	596
(4) Monthly allowable emissions averaged over a twelve-month	597
rolling period.	598
Best available technology requirements established in rules	599
adopted under this division shall not apply to an air contaminant	600
source that has the potential to emit, taking into account air	601
pollution controls installed on the source, less than ten tons per	602
year of emissions of an air contaminant or precursor of an air	603
contaminant for which a national ambient air quality standard has	604
been adopted under the federal Clean Air Act. In addition, best	605
available technology requirements established in rules adopted	606
under this division shall not apply to any existing, new, or	607
modified air contaminant source that is subject to a plant-wide	608
applicability limit that has been approved by the director.	609
(U) Consistent with section 507 of the federal Clean Air Act,	610
adopt, modify, suspend, and rescind rules for the establishment of	611
a small business stationary source technical and environmental	612
compliance assistance program as provided in section 3704.18 of	613
the Revised Code;	614
(V) Provide for emissions trading, marketable permits,	615
auctions of emission rights, and economic incentives that would	616
reduce the cost or increase the efficiency of achieving a	617
specified level of environmental protection;	618

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(W) Provide for the construction of an air contaminant source	619
prior to obtaining a permit to install pursuant to division (F) of	620
this section if the applicant demonstrates that the source will be	621
installed to comply with all applicable emission limits and will	622
not adversely affect public health or safety or the environment	623
and if the director determines that such an action will avoid an	624
unreasonable hardship on the owner or operator of the source. Any	625
such determination shall be consistent with the federal Clean Air	626
Act.	627
(X) Exercise all incidental powers, including adoption of	628
rules, required to carry out this chapter.	629
The environmental protection agency shall develop a plan to	630
control air pollution resulting from state-operated facilities and	631
property.	632
Section 2. That existing sections 3704.02 and 3704.03 of the	633
Revised Code are hereby repealed.	634