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Texas Governor News**Houston-Galveston-Brazoria (HGB) Ozone**

Nonattainment Area – Governor Perry requested the HGB ozone nonattainment area be reclassified as SEVERE with a June 15, 2019 attainment date.

TCEQ Updates**Control of VOC Emissions from Storage and Degassing Operations in HGB for the Eight-Hour Ozone Standard**

– The TCEQ adopted changes to 30 TAC Chapter 115 to address the 8-hr ozone standard. Storage tanks, transport vessels and marine vessels in the HGB area are affected. The changes are expected to reduce emissions from tank emissions such as degassing, flashing, and floating roof landings by implementing the following: 1) more stringent controls for fittings on floating roof storage tanks; 2) operational limitations on landing floating roofs; 3) more stringent control requirements for degassing and cleaning storage, transport, and marine vessels; and 4) control requirements for flash emissions from crude oil and condensate storage tanks.

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/adoptions/06038115_ado_clean.pdf

Stage II Vapor Recovery Standard – The TCEQ adopted changes to 30 TAC Chapter 115 to allow for an exemption from Stage II Vapor Recovery requirements when the motor fleet is equipped with onboard refueling vapor recovery (ORVR).

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/adoptions/06049115_ado_clean.pdf

Chapter 117 Reformat, NO_x Controls for DFW 8-Hour Ozone Attainment Demonstration, and Revisions to the Residential Water Heater Rules

In order to help bring nonattainment areas in attainment with the NAAQS for ozone, the TCEQ adopted new and revised control strategies for the reduction of NO_x emissions. All of the current 30 TAC Chapter 117 rules have been repealed and replaced with the newly reformatted Chapter 117. The adopted changes include the following six rule concepts: Residential Water Heaters, DFW NO_x RACT, East Texas Combustion Sources, DFW Minor Sources, DFW Cement Kiln Rule, and DFW NO_x Major Source and Utility Controls.

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/adoptions/06034117_rule_ado_clean.pdf

Low Sulfur Diesel for Marine Fuels

– The TCEQ adopted changes to §114 effective June 14, 2007 which requires Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties to meet the low emission diesel fuel (LED) requirements for diesel fueled compression-ignition engines on marine vessels.

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/adoptions/06036114_ado_clean.pdf

Repeal of Certain TPDES Subchapters of 30 TAC 321

– The TCEQ proposed to repeal obsolete TPDES requirements in 30 TAC 321, Subchapters G, H, J, K, M, and O, which have been replaced by general permits.

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/proposals/06051050_pro_clean.pdf

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/proposals/06051305_pro_clean.pdf

http://www.tceq.state.tx.us/assets/public/legal/rules/rule_lib/proposals/06051321_pro_clean.pdf

Permitting Thermoset Resin Facilities

– The TCEQ proposed the Standard Permit for thermoset resin facilities which will replace the Permit by Rule (PBR 106.392). New sites or modifications to existing sites will require the use of this Standard Permit.

http://www.tceq.state.tx.us/assets/public/permitting/air/Announcements/draft_thermosetresin4_07.pdf

Standard Permits for Electric Generating Units –

The TCEQ approved amendments to the air quality standard permit for electric generating units in 30 TAC Chapter 116, Subchapter F, Standard Permits. The amendments alter the NO_x emission limit for various operating scenarios.

http://www.tceq.state.tx.us/assets/public/permitting/air/NewSourceReview/Combustion/egu_techsum_sp.pdf

EPA Updates

PM_{2.5} Rule – EPA promulgated the rule requiring states to incorporate PM_{2.5} standards in their State Implementation Plans (SIP).

<http://www.epa.gov/fedrgstr/EPA-AIR/2007/April/Day-25/a6347.pdf>

Changes to the General Provisions of Air Toxics Emissions Rules –

EPA revised the general provisions for NSPS, NESHAP, and MACT to allow deadline extensions on conducting initial or subsequent performance tests when there are unavoidable delays, such as acts of nature, war, terrorism, or equipment failure or safety hazard beyond the control of the affected facility.

<http://www.epa.gov/fedrgstr/EPA-AIR/2007/May/Day-16/a9407.pdf>

Spill Prevention, Control, and Countermeasure (SPCC) Plans –

EPA extended the date by which facilities must prepare, amend, or implement SPCC plans to July 1, 2009. Further revisions are expected later this year.

<http://www.epa.gov/fedrgstr/EPA-WATER/2007/May/Day-16/w2404.pdf>

Control of Emissions from Nonroad Spark-Ignition Engines, Vessels, and Equipment –

EPA proposed emission standards for new nonroad spark-ignition engines. The new standards apply to new marine spark-ignition engines (by 2009) and new land-based spark-ignition engines at or below 19 kW (by 2011-2012).

<http://www.epa.gov/fedrgstr/EPA-AIR/2007/May/Day-18/a1998a.pdf>

NSPS For Petroleum Refineries – EPA proposed amendments to the current New Source Performance Standards for Petroleum Refineries. Separate standards were proposed for new, modified, or reconstructed process units. The proposed amendments would add a monitoring exemption for low-sulfur fuel gas streams, revise definitions of certain terms, and correct various errors. The new

proposed standards would address fluid catalytic cracking units, fluid coking units, delayed coking units, process heaters, and other fuel gas combustion devices, fuel gas producing units, and sulfur recovery plants. Comments are due by August 27, 2007.

http://www.epa.gov/ttn/oarpg/t3/fr_notices/petrefnspstprop.pdf

Public Comment on Self-Reporting – EPA is considering whether it should offer tailored incentives to encourage new owners of regulated facilities to discover, disclose, correct, and prevent the recurrence of environmental violations and is therefore seeking public comments. The tailored incentives for new owners would be beyond those currently offered in the document known as the "Audit Policy" (72 FR 19618). <http://www.epa.gov/fedrgstr/EPA-AIR/2007/May/Day-14/a9197.pdf>

Revision to Proposed Rules for PSD and NNSR for Electric Generating Units –

EPA recommends that one of the original three proposed alternatives to the emissions test, the output-based hourly emissions test, be listed as an alternative method to implementing the maximum achieved or maximum achievable hourly tests. In its place, the EPA proposes the third option to be an hourly emissions increase test in addition to the existing requirements for determining a significant annual increase and net emissions increase.

<http://www.epa.gov/fedrgstr/EPA-AIR/2007/May/Day-08/a8263.pdf>

Air Permitting for Ethanol Plants – EPA published a final rule regarding the definition of "major emitting facility" in PSD, NNSR, and Title V Regulations. These revised rules address the major source threshold for PSD sources, and the inclusion of fugitive emissions in major source determination. The rule also excludes facilities that produce ethanol by natural fermentation from the definition of "chemical process plants." The new rules become effective July 2, 2007.

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-7365.htm>

Renewable Fuels Standard – The Renewable Fuel Standard (RFS) becomes effective on September 1, 2007. The standard requires an equivalent of at least 7.5 billion gallons of renewal fuels to be blended into motor vehicle fuel sold in the U.S. by 2012.

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/E7-7140.htm>

Semi-annual Regulatory Agenda - EPA published its semi-annual regulatory agenda, which details the direction of future regulatory actions the agency intends to make. <http://www.epa.gov/fedrgstr/EPA-GENERAL/2007/April/Day-30/q01422.pdf>

PSD Increment Modeling Procedures - EPA proposed to refine aspects of the method used to calculate an increase in ambient concentration for increment purposes. These refinements are intended to clarify how to calculate increases in concentrations for the purposes of determining compliance with the PSD increments. <http://www.epa.gov/fedrgstr/EPA-AIR/2007/June/Day-06/a10459.pdf>

MACT Updates

Acrylic and Modacrylic Fibers Production, Carbon Black Production, Chemical Manufacturing; Chromium Compounds, Flexible Polyurethane Foam Production and Fabrication, Lead Acid Battery Manufacturing, and Wood Preserving MACT (MACT LLLLLL, MMMMMM, NNNNNN, OOOOOO, PPPPPP and QQQQQQ) – EPA proposed six MACT standards for seven area source categories. The requirements for Flexible Polyurethane Foam Production and Flexible Polyurethane Foam Fabrication are combined in one subpart. Non-major sources which fit in one of these categories will be subject to emission limits and work practice standards which reflect generally available control technologies (GACT). <http://www.epa.gov/fedrgstr/EPA-AIR/2007/April/Day-04/a5790.pdf>

Iron and Steel Foundries MACT (MACT EEEEE) – EPA proposed amendments to add alternative compliance options for cupolas at existing foundries and clarify several provisions to increase operational flexibility. http://www.epa.gov/ttn/oarpg/t3/fr_notices/fe_steel_prop_070409.pdf

Federal Rulemaking

The House passed an amendment which prohibits the EPA from using 2008 funds to implement the proposed changes to the MACT program which would rescind the “once in, always in” policy.

Court Actions

NSR Equipment Replacement Rule - The Supreme Court refused to hear an appeal in the case *New York v. EPA*. This action leaves in place the 2006 ruling by a federal appellate court. When refiners, petrochemical facilities, electric utilities and other manufacturers replace equipment or make other physical changes they must first determine whether the project exceeds certain New Source Review cost thresholds.

Boiler MACT Vacated – On June 8, 2007 the U.S. Court of Appeals for the District of Columbia Court vacated and remanded the Boiler MACT (40 CFR Subpart DDDDD) along with a related regulation on commercial and industrial solid waste incinerators (CISWI).

Reminders

Submit MACT semi-annual compliance reports **7/31/2007** unless alternative dates are defined in SOP permit.

MACT EEEE – Non-gasoline organic liquids distribution facilities due date for existing source performance tests is **8/4/2007**.

MACT EEEEE – Iron and Steel Foundries due date for existing source performance tests is **10/20/2007**.

Submit NSR Amendment Applications for Planned Maintenance, Startup, and Shutdown (MSS) Activities in Texas by **01/07/2008**. Facilities under the major group SIC code 28 (except 2895) must submit an amendment application for planned MSS activities by January 2008 or use the PBR 106.263 authorization, otherwise the facilities will lose the affirmative defense option for these planned activities.