Summary
Air Management Study Group Meeting

Thursday, August 25, 2016

9:00 am

Room G09, State Natural Resources Building (GEF2)

101 S. Webster St., Madison, WI

Attendees

Gilberto Alvarez, EPA
Bill Baumann, DNR
James Bridges, DNR
Tyson Cook, Clean Wisconsin*
Angela Dickens, DNR
Gail Good, DNR
Art Harrington, Godfrey & Kahn*
Mike Hahn, SEWRPC*
Jeff Hanson, Alliant Energy
Kristin Hart, DNR
Joseph Hoch, Alliant Energy
Tracey Holloway, UW-Madison*
Brenda Kubasik, MGE
Jeff Landin, WPC*
Ann McKeon-Ruediger, DNR
David Melum, WTBA*
Dave Minkey, DNR
Todd Palmer, Michael Best*
Katie Praedel, DNR
Jennifer Rashel, DNR
John Roth, DNR
Diane Sackmann, Silgan Containers
David Seitz, TRC Environmental
Andrea Simon, Trinity Consultants
Andrew Stewart, DNR
Mike Szabo, DNR
Patti Stickney, SEH
Lucas Vebber, WMC*
Karen Walsh, DNR
Ryan Wozniak, DHS
Ken Yass, NRT

* Air Management Study Group (AMSG) members

Action Items

- **Next meeting.** The next study group meeting will be held on **Tuesday, November 29** at 9 a.m. at the State Natural Resources Building (GEF 2), Room G09, 101 S. Webster St., Madison.
- **SSM SIP workgroup.** The next meeting will be held on September 15, 2016 from 12:30-2:30 pm at the State Natural Resources Building (GEF 2), Room 713, 101 S. Webster St., Madison. Contact Kristin Hart (kristin.hart@wisconsin.gov, 608-266-6876) for more information.
- The Air Program followed up with study group members after the meeting with the following requests for feedback:
    - **EPA's proposed revisions to the petition provisions of the Title V permitting program.** DNR may comment on EPA's proposed rule, and welcomes feedback on the proposal from the study group by **September 23, 2016**.

        - Link to proposed rule: https://www.regulations.gov/document?D=EPA-HQ-OAR-2016-0194-0001.
        - EPA's factsheet: https://www.epa.gov/sites/production/files/2016-08/documents/petitionsrule_proposal_factsheet_final_08-15-16.pdf
    - **1-hour standard implementation.** The Air Program is accepting feedback on how the program should implement the 1-hour NO_2 and SO_2 standards in permits for minor sources. Please send written comments to Kristin Hart (kristin.hart@wisconsin.gov, 608-266-6876) by **September 30**. For more information, see the presentation available at http://dnr.wi.gov/topic/AirQuality/documents/AMSG/Presentation20160825.pdf (starting on slide 18; questions for stakeholder input on slide 23).
    - **1-hour NO_2/SO_2 background concentrations.** The Air Program has posted draft guidance for public comment, available on the proposed DNR program guidance webpage at http://devlwww.dnr.state.wi.us/news/input/Guidance.html (see the entry titled "Air quality background concentrations"). The program will be accepting comments until **October 3.** Send comments to **John Roth** (john.roth@wisconsin.gov, 608-267-0805).
- **Air permit streamlining.** The Air Program is planning a presentation on the second phase of permit streamlining for the November AMSG meeting and will convene an external workgroup at the end of the year. Kristin welcomes any streamlining ideas before then.
    - The Air Program addressed the definition of "commence construction" during the first phase but will be revisiting the issue because EPA determined that Wisconsin's resulting SIP submission was incomplete. The program will post EPA's response to the submission on the permit streamlining webpage.

Meeting Summary

Opening remarks and agenda review

Gail Good, Air Program Director

Karen Walsh, AMSG coordinator

Good opened the meeting. Walsh presented potential meeting dates for the 2017 quarterly study group meetings, and asked members to contact her if they know at this point that they would be unable to attend. If a number of members are unavailable on a particular date, the Air Program may select an alternative date. Walsh also announced that she will be on leave from the last week of September through January. Another Air Program staff member will be coordinating the November 29 study group meeting. The staff contact for the study group will be provided on the AMSG webpage.

Good announced that the Air Program will be addressing a few administrative items at the November meeting, including finalizing the 2017 meeting dates and soliciting feedback from members on topics to address in 2017.

Program updates

DNR comments on federal proposed rules

Gail Good, Air Program Director

Kristin Hart, Permits & Stationary Source Modeling Section Chief

Katie Praedel, Air Monitoring Section Chief

Good, Hart, and Praedel briefly summarized a list of federal proposed rules that DNR had recently developed comments for (slides 2-4 of the August 25, 2016 presentation available at http://dnr.wi.gov/topic/airquality/amstudygroup.html under the "Past meetings" tab; the docket numbers in the slides are links to the submitted comments). Good stated that the Air Program has been reaching out to the study group for feedback on federal proposed rules when DNR may be submitting comments, and will continue to do so. Anytime a relevant federal rule is proposed, study group members may presume the department will develop comments and should feel free to offer input.

Rescission of preconstruction permits issued under the Clean Air Act. Hart explained that this proposal involves changes to PSD permitting rules. DNR asked for clarity about when a permit could be rescinded.

Palmer commented that the ethanol industry has a stake in this issue, because they were seeking to rescind PSD permits issued to facilities based on whether they are defined as a chemical processing plant. His firm had concluded that DNR currently has the authority to rescind PSD permits based on regulations currently in place. He could not determine from the comments whether DNR agrees with that interpretation, and suggests the Air Program looks into the issue because it is likely to come up soon.

Revision to the near road NO_2 monitoring requirements. Praedel stated that this proposal includes a provision removing the requirement for DNR to install a near road monitor in Madison as part of the third phase of near road monitoring in Wisconsin. DNR's comments supported that proposal. The existing near road monitor in Milwaukee is not showing concentrations that approach the level of the NO_2 standard.

Protection of visibility: Amendments to requirements for state plans and Draft guidance for the second implementation period of the Regional Haze Rule. Good said that the DNR comments on the regional haze proposals are supportive of provisions that provide additional flexibility.

Removal of Title V emergency affirmative defense provisions. Hart stated that Air Program attorneys Kendra Fisher and James Bridges took the lead on evaluating the proposed rule. DNR submitted comments arguing that the interpretation of the original court case has been subject to regulatory creep in terms of how it is being applied to sections of code outside of the NESHAPs. Hart said that the comments are lengthy and study group members may be interested in reading them.

Palmer remarked that he believed these comments were well done.

Clean Energy Incentive Program design details. Good explained that this proposal addresses a program that is part of the Clean Power Plan. DNR worked with the Public Service Commission of Wisconsin (PSC) to develop comments. The comments have been signed and will be submitted by the November 1, 2016 deadline (EPA extended the original deadline to this date).

Upcoming federal proposed rules. Good stated that the Air Program is evaluating a couple of new proposals to determine whether to develop comments, for example the Significant Impact Level draft guidance. Hart added that on August 24, EPA proposed revisions to the petition provisions of the Title V permitting program. The Air Program is accepting feedback from the study group on potential comments (see Action Items on p. 1).

SSM workgroup and permit streamlining update

Kristin Hart, Permits & Stationary Source Modeling Section Chief

SSM workgroup update. The SSM workgroup (composed of Air Program staff and interested stakeholders) is working to inform the program's approach to an expected SIP call addressing the treatment of excess emissions during periods of startup, shutdown, and malfunction of industrial processes or emissions control equipment. Hart stated that the workgroup has not met since the last study group meeting, and is next meeting on September 15 (see Action Items on p. 1). The EPA response brief for the litigation of the SSM SIP call is now available. Palmer added that two states (Georgia and North Carolina) had developed model rules in response to the SIP call that seemed like credible approaches. However, EPA filed detailed comments that were critical of the proposals, so the states may have to reevaluate. He said the subgroup could discuss the issue in more detail.

Hoch asked whether EPA has reached out to DNR about the SIP call, either formally or informally. Hart responded that DNR received a letter from EPA asking how the state would proceed, but it was not a formal SIP call. Good said that DNR is asking EPA to meet and discuss the issue further. Seitz said that it seems possible that EPA might let the current litigation play out before approaching the remaining states that are awaiting formal SIP calls.

Permit streamlining update. Hart stated that many study group members were involved in the original permit streamlining workgroup. The work completed by the workgroup was finalized in December. The Air Program had initially set aside more complicated aspects of the effort and is now starting to work on them under the same rulemaking scope statement. The topics the program expects to include under this second phase of the initiative include defining "cause or exacerbate," developing a process for administrative revision of construction permits, and other rule clean up. Any revisions to chs. NR 406 and 407 that constitute streamlining or clean-up could be on the table. The Air Program will also be revisiting the preconstruction activities listed in s. 406.01(e), Wis. Adm. Code. EPA determined that DNR's request to incorporate revisions to this section of the code into the Wisconsin State Implementation Plan (SIP) was incomplete, and also suggested the code would need to be reworked to be approved as part of the SIP. Harrington asked if the Air Program could distribute EPA's response to interested parties. Hart and Good responded that the program will post the document on the Air Program webpage (likely the permit streamlining webpage) and send the link to the study group.

Hart stated that the Air Program will provide a formal presentation in November for the study group to react to, and then convene an external work group and start drafting rule revisions in January. In the meantime, she welcomes any streamlining ideas from the study group (see Action Items on p. 1).

<u>SO_2 NAAQS implementation update</u>

Gail Good, Air Program Director

Katie Praedel, Air Monitoring Section Chief

Good explained that the Air Program intends to update the study group on the status of SO_2 NAAQS implementation at each quarterly meeting. The Data Requirements Rule required that DNR submit a list of sources needing further air quality characterization back in January, and the list included eight sources. DNR had to submit these sources' proposed compliance pathways (accepting an emissions limit, modeling emissions, or monitoring emissions) by July 1, 2016. The compliance pathway for one of the sources had been addressed earlier in implementation and another source shut down. The Air Program is working with the remaining six sources now on compliance strategies. Two sources are proposing to take an emissions limit, three plan to model emissions, and one to monitor emissions. The Air Program is working with EPA Region 5 to ensure that the modeling plans submitted in July meet the requirements. The next deadline is for sources that are monitoring to have the monitors in place by January 1, 2017 in order to collect 2017-2019 data. Modeling analyses are due January 13, 2017.

Seitz asked whether emission limits are a compliance option available to all sources. He said he is aware of a source below the emission threshold, but taking a limit is not an available option. Good responded that in some cases, a 2,000 ton per year emission limit is not workable, for example, when a source is in an area with multiple sources nearby. The Air Program worked with the two sources that elected to take a limit and EPA to determine acceptable limits.

Source obligation requirements under PSD

Andy Stewart, Deputy Air Program Director

Stewart explained that the Air Program is starting an internal and external outreach initiative addressing requirements for major sources under the PSD permitting program that have been in effect since 2007, but have limited applicability. Specifically, these are recordkeeping and reporting requirements under s. NR 405.16, Wis. Adm. Code for projects that are not subject to PSD that ensure that the sources are tracking compliance with PSD requirements. EPA has increased enforcement of these requirements over the last year, and the Air Program wants to make sure compliance inspectors and sources understand them.

The program is developing a factsheet for affected sources, and also plans to reach out to sources using forums like the study group and FET, workshops, and presentations. The program is also planning a training session for inspectors at an internal compliance training event in October.

The DNR database indicates there are about 130 PSD sources in Wisconsin, and these requirements would apply to a subset of projects at some of these sources. Stewart stated that he would not be surprised if the outreach effort reveals that sources are aware of the requirements but are not keeping records in a manner that makes them easily reportable to the DNR. In that case, the program would work with sources to make any needed changes to recordkeeping and reporting processes. The outreach effort will be ongoing over the course of the next year, and Stewart welcomes questions and comments (andrew.stewart@wisconsin.gov, 608-264-8884).

Harrington asked whether the recordkeeping and reporting requirements apply to synthetic minor sources/sources avoiding major source status. Stewart responded that applicability is based in part on projected actual emissions that demonstrate a project is not subject to PSD, so some synthetic minor projects are affected. The Air Program intends to develop guidance clearly outlining the situations where the requirements apply, and would seek feedback on whether the guidance is clear.

Palmer noted that the paper industry may be significantly affected by these requirements, and recommends the Air Program reach out to the Wisconsin Paper Council.

Hanson commented that many utility sources use projected actual emissions to avoid PSD requirements. He knows other sources have used emission exclusion to avoid PSD. He asked whether sources have been submitting that to DNR. Stewart responded that they have not, to his knowledge.

Hanson also asked whether Wisconsin would be incorporating into state code an EPA rule addressing when recordkeeping is necessary. Stewart responded that DNR is not considering that at this time, and Hanson encouraged the Air Program to look into it.

Sackmann asked whether there will be flexibility in the interpretation of applicability, such as potential-to-emit below 40 tons. Stewart said the Air Program can look into specific questions, and could develop an FAQ to address questions like that. Sackmann added that it would be helpful to lay out de minimus exceptions because the EPA definitions are vague. Good remarked that the program will reach out to identify areas where the requirements seem vague.

Member updates

Good asked the study group members and additional attendees to provide updates to the group, as relevant.

Tyson Cook, Clean Wisconsin

Cook stated that he has been commenting for a while that there is not enough outreach to the public regarding the second phase of permit streamlining. He said the program does a great job of providing quarterly or annual reports that lay things out for an informed audience, but not necessarily the general public. He would like the study group to take this issue up sooner rather than later.

Clean Wisconsin is currently working on a project mapping pristine places in the state, and Cook said he would be happy to discuss it in more detail if people are interested. The project involves about 40 different map layers, about six of which are related to air quality, including regional air pollution and local deposition.

Good stated that she would be interested in hearing more about the mapping project, and noted that the Air Program is currently working on some projects that could address Cook's outreach concerns. For example, the program's Air Management Data Viewer (AMDV) is a GIS approach to mapping Air Program information. The information is already available to the public through WARP, but the viewer puts it into a visual format. The program is working towards making its annual air quality trends report available earlier in the year. Gail added that the program also always welcomes specific outreach ideas.

Art Harrington, Godfrey & Kahn S.C.

Harrington stated that he recently spoke at a conference in Santa Fe addressing energy in the southwest with an audience primarily from the utility sector. The conference addressed extensive planning some states are doing for the Clean Power Plan (CPP). While he realizes that DNR and PSC are currently under an executive order to not develop a state plan [while CPP litigation is underway], he would be happy to share information about planning that other states are doing, including a proposal to trade emission allowances/credits on a regional basis between states covered by mass-based and rate-based plans. Harrington said he would also be happy to share information about an upcoming Midwest Energy Resource Consortium policy forum focusing on distributed energy and energy storage technologies (September 1, 2016).

David Melum, WTBA

Melum commented that WTBA is keeping track of new emissions sources and also mentioned that people are increasingly using the NEPA process to challenge road development.

Ryan Wozniak, DHS

Wozniak stated that the Wisconsin Department of Transportation is in the process of updating its freight plan. A draft environmental evaluation addressing transportation usage by various sectors is available for public comment starting late September/early October.

Tracey Holloway, UW-Madison

Holloway announced that a five-year NASA Air Quality Applied Sciences Team (AQAST) initiative addressing the use of satellite data ended up in May. However, Holloway is leading a follow-up initiative addressing health and air quality applied science, and is excited to have the initiative based in Wisconsin. She said that there has been significant forward momentum on using satellite data to understand air quality, and mentioned a recent talk by Obama (Tinyurl.com/obamano2). She encourages the Air Program to use satellite data in its annual air quality trends report.

Holloway also mentioned recent work she has been involved in addressing strategies for air quality modeling and filling in the gaps produced by existing models. She stated that integrated modeling will become increasingly important, especially in light of the need to address multipollutant reductions.

Gilberto Alvarez, EPA Region 5

Alvarez brought up a number of topics Region 5 is currently working on. For example, his office has been busy working with other regions on implementation of the SO_2 NAAQS. The office has also received Wisconsin's ozone redesignation request for eastern Kenosha County. Regarding regional haze, the region has been looking at state progress reports and trying to figure out what the final regional haze guidance will look like and how recent court cases might impact the program. Alvarez mentioned a 1-hour NO_2 standard near-road field study in Alaska; Colorado has joined the study as well.

Alvarez stated that Region 5 staff are still working under an acting air director, and expects that they will not have a permanent director until next year.

Todd Palmer, Michael Best & Friedrich LLP

Palmer mentioned that Region 5 has recently been using section 114 of the Clean Air Act to order facilities to install air monitors around outdoor storage piles that may be sources of fugitive emissions. He stated that while most of the situations have been resolved, a company in Illinois was resistant to installing monitors and Region 5 filed a lawsuit. Palmer believes this is aggressive use of section 114, and to his knowledge the first time the section has been used this way. He is interested in seeing the outcome of the lawsuit and whether it results in similar applications of section 114 both in Region 5 and throughout the country.

Palmer stated that the recent DC circuit court decision regarding the boiler MACT is viewed by industry as another indication that the court is deferential to EPA. The panel of three Republican appointees rejected all 30 issues raised about the regulation. Palmer added that the upcoming ruling on the brick and tile MACT will be the next one to keep an eye on.

Jeff Landin, Wisconsin Paper Council

Landin reported that the council has been assessing the MACT issue.

Lucas Vebber, Wisconsin Manufacturers & Commerce

Vebber commented that regulatory uncertainty has been causing problems for industry investment. WMC appreciates DNR's outreach efforts. Good responded that the Air Program welcomes feedback on topics that can be addressed at the study group meetings or that the program can discuss with WMC.

Mike Hahn, Southeastern Wisconsin Regional Planning Commission

Hahn reported that SEWRPC recently completed its 2050 regional transportation and land use plan.

Joseph Hoch, Alliant Energy

Hoch asked whether the Air Program has any initial reactions to the $PM_{2.5}$ implementation rule or plans to develop guidance. Good and Hoch agreed that it may be a good topic for the program to address at an upcoming study group meeting.

Hoch asked whether Air Program staff could describe the ozone study planned for the following year. Dickens explained that the study is a collaboration between LADCO and a number of researchers, with technical assistance by DNR, to study ozone on Lake Michigan. LADCO and DNR identified research and modeling gaps that the study could address. NASA has committed to providing an airplane for remote sensing, and researchers are working on procuring funding for additional ground measurements. Good encouraged interested parties to look at a description of the study available on the LADCO website (http://www.ladco.org/reports/ozone/post08/Great_Lakes_Ozone_Study_White_Paper_Draft_v6.pdf).

Holloway explained that the study fits into a broader context of interest among the scientific community in better understanding ozone formation. NASA has conducted similar studies at multiple sites throughout the country and is

doing another in Korea. Lake Michigan is a notable site because there are a lot of pollutants travelling over the lake but no monitors.

Seitz asked whether the study would be collecting ground-level data further north along the shore, because there have been elevated ozone levels up to Newport, Wisconsin. Dickens responded that the Wisconsin portion of the study focuses on the Kenosha and Sheboygan area (and would probably not address areas farther north because of the cost of operating monitoring sites), but that the remote sensing plane would be flying along a large portion of the lakeshore.

Diane Sackmann, Silgan Containers

Sackmann reported that one of her company's plants switched to a ROP B permit and found the process to be very efficient.

PM2.5 monitoring network: FRM/FEM method change

Katie Praedel, Air Monitoring Section Chief

Praedel explained that the Air Program is evaluating options for implementing changes to the $PM_{2.5}$ network as a result of federal monitoring method changes that will be effective in January 2017. The presentation slides are available on the AMSG website under the August 25, 2016 meeting at http://dnr.wi.gov/topic/airquality/amstudygroup.html (starting on slide 5). As a result of the method changes, continuous BAM monitoring will become a Federal Equivalent Method (FEM), which means it can be used for comparison to the NAAQS. Praedel noted that continuous monitoring has several advantages over the Federal Reference Method (FRM) filter-based sampling that is currently used for comparison to the NAAQS, and that there are advantages to making BAM the primary monitor used by the program. The filter-based sampling requires weekly visits from operators, which makes the $PM_{2.5}$ monitoring network more labor intensive than the networks for the other criteria pollutants. Continuous BAM monitoring requires less operator time, involves no lab costs, and can get data to the public quicker. The Air Program currently has BAMs collocated with filter-based samplers at 16 sites, but has not been able to use them to compare to the NAAQS. As a result of the method change and a comparability study of data from the two types of monitors, the program will decide in FY 2017 whether to shut down some of its FRM samplers and use the BAM data instead.

Cook asked whether the Air Program is considering shutting down only FRM samplers collocated with FEM monitors, or also samplers that are not collocated with FEM monitors. Praedel responded that the program will make that decision based on the data comparability study and by working with EPA. Good added that there is a minimum requirement for FRM operation in a state. Where the FRM and FEM data is comparable, it makes sense to move towards the method that is less labor intensive and improves safety (because less road travel to sites is required). Good also noted that shutting down an FRM at a site not currently collocated with a FEM would likely require installing a FEM.

Roth asked whether there are existing objective standards for FRM/FEM data comparability. Praedel confirmed, and noted that the Air Program formed a workgroup with other states to address data comparability and develop best practices. Good added that EPA does have minimum standards for comparability.

Ozone update

Gail Good, Air Program Director

Katie Praedel, Air Monitoring Section Chief

Good and Praedel provided an update on topics related to the ozone NAAQS. The presentation slides are available on the AMSG website under the August 25, 2016 meeting at http://dnr.wi.gov/topic/airquality/amstudygroup.html (starting on slide 14).

Good stated that eastern Kenosha County was attaining the 2008 ozone standard, so the Air Program submitted a redesignation request for EPA's consideration.

Slide 15 shows the timeline for establishing area designations under the 2015 ozone NAAQS. Good explained that, after requesting feedback from the study group about potential approaches for making area designation recommendations, the Air Program will probably recommend to the Governor's office that Wisconsin propose attainment statewide (given EPA will be establishing area designations based on data from the 2016 ozone season, which will not be available by the deadline for states' area designation recommendations). This approach will give Wisconsin an opportunity to go on record stating that there are ozone issues in areas that the state has not been able to resolve.

The Air Program would have the opportunity to submit additional information to EPA regarding the designation recommendations between October 2016 and June 2017, after the 2016 ozone season is finished but before EPA proposes the area designations. The program would plan to submit additional information in advance of June to provide EPA sufficient time to consider it.

Praedel presented the most recent monitoring data from the 2016 ozone season. Slide 16 provides data from monitors showing violations of the ozone standards and slide 17 shows design values by site to date (e.g., what the design values would be if the season had already ended). Good pointed out that the preliminary data shows nine monitors are now violating the 2015 standard, compared to the four or five monitors violating as of the last study group meeting.

Harrington asked whether, under the 2015 standard, the entire southeast region would be considered nonattainment if individual counties within the region were not attaining the standard, or whether the counties would be designated individually. Good responded that though the southeastern counties have been considered together in the past, EPA has opened the door to different nonattainment boundaries.

Cook pointed out that the inland site at Lake Geneva is violating the 2015 standard, and that the Jefferson and Beloit monitors are showing readings high enough that they could violate as well. Good responded that the Lake Geneva violation may have implications for partial county designations in Kenosha, since Lake Geneva is located to the west of Kenosha County. Harrington added that data from Illinois just to the south would also be relevant.

Good stated that the state experienced very early ozone episodes this season compared to most years. At this point in the summer, the lake and land temperatures are more similar, so there tend to be fewer episodes, but it would not be out of the ordinary to see elevated concentrations again in the fall. Due to the area designation timeline, there is an opportunity to look at data from early 2017, and EPA may be able to take air quality improvements in early 2017 into consideration.

Good noted that while 2015 had lower ozone levels, the data from 2016 still represent improvements from the high concentrations seen in 2012. The standard is now lower, so many areas that are exceeding the new standard (70 ppb) are not exceeding the 2008 standard (75 ppb). The number of violating areas does not mean air quality has degraded, but rather reflects a hot year and lower standard. In addition, states like Wisconsin are subject to air pollution transport, so the Cross State Air Pollution Rule (CSAPR) will have implications for the state's ability to meet the standard. The Air Program is working with LADCO on CSAPR developments.

Holloway pointed out that though this year may be considered hotter than average, summers in general are getting warmer. The last ten summers have been hotter, and hotter summers are expected for the next 50 years. Good agreed that the shifting average affects the meaning of hotter or cooler than average years.

Palmer asked about the current ozone background concentration. Good responded that many rural sites are at the upper 50s or early 60s (ppb). Monitoring site operators are noting that the background seems to be increasing over time. Transport is probably a contributing factor. Palmer asked why the background concentration would be increasing, given transport is regulated by three rules. Holloway responded that increasing pollution from Asia is not trivial. In addition, climate patterns such as El Nino could affect background concentrations.

Palmer commented that air quality is ok around Milwaukee, but the area has real problems meeting the standard. The regulatory burden is a serious obstacle to economic development in the area, which should be communicated to EPA. Vebber added that companies in the area are not going to stay. Good stated that the department does try to make this point and emphasize that the state needs help solving some of its air quality issues [due to transport]. Palmer argued that as the ozone standard approaches background concentrations, it demonstrates that the regulatory approach is becoming outdated. If transport is becoming a global issue, it is also beyond the scope of the transport rules. He does not believe it is fair to burden local communities with a regulatory approach that no longer reflects current technical understanding.

Harrington noted that nonattainment area requirements would only apply to PSD sources (large sources with a maximum potential to emit of at least 100 tons). Palmer pointed out that roadway requirements are also a burden given Milwaukee's lack of infrastructure, and that RACT requirements apply to some relatively small sources and can increase the cost of doing business. Vebber added that small sources that plan to grow may have a disincentive to relocate to a nonattainment area. He believes nonattainment status does affect all industry.

Harrington stressed that it is important to avoid letting the implications of nonattainment status be overly politicized and to maintain a technical understanding of the implications. It is important to gather data about how development is actually affected by nonattainment so that businesses are not simply receiving a general message that they should not locate themselves in Milwaukee. He offered to reach out to organizations to try to gather that information, and suggested that Palmer would have relevant connections as well. Good noted that this kind of information may not generally reach DNR.

Cook said it is not possible to deny that there is a local contribution to poor air quality in Milwaukee, and tens of thousands of children have asthma. Palmer responded that data does not confirm advocacy groups' assertion that millions of people are being exposed to excess ozone. Holloway commented that a lack of monitors prevents analysis of micro-community impacts. People are trying to answer more questions with fewer monitors, which creates tension. She thinks satellite data could be helpful.

Hoch commented that the Clean Air Act mandates local control requirements when the problematic emissions are coming from elsewhere. The requirements are squeezing everything possible from utilities. He does not expect that the next cross-state air pollution rule will address this problem.

Regarding the general discussion, Alvarez remarked that it is approaching 30 years since the Clean Air Act (CAA) was touched, and could likely use an update. However, the law and policies consider health impacts foremost, and this is the approach we generally take during implementation. Until the CAA is updated or modified to take into consideration other issues, we will continue on this path.

1-hour NAAQS modeling background concentrations
1-hour NO_2/SO_2 implementation

Kristin Hart, Permits & Stationary Source Modeling Section Chief

Hart provided an update on implementation of the 1-hour NO_2 and SO_2 NAAQS, as well as the Air Program's proposed background concentrations for the standards. The presentation slides are available on the AMSG website under the August 25, 2016 meeting at http://dnr.wi.gov/topic/airquality/amstudygroup.html (starting on slide 18).

1-hour NAAQS background concentrations

Hart stated that the Air Program is interested in feedback from the study group on how the program should implement the 1-hour standards in minor source permits (see the Action Items on p. 1 for more information).

Hart explained that the SO_2 Data Requirements Rule provides some opportunities for new approaches to implementation (including for the NO_2 standard), for example averaging emission rates over a period longer than an hour. Another option could be to use the actual emission rate in a model in combination with an annual compliance demonstration.

Holloway asked for clarification of question #5 on slide 23 ("The statute does not require modeling as a finding – what do you think about using a technical finding approach vs air quality modeling analyses?"). Roth explained that using atmospheric dispersion modeling to understand individual source impacts may be inappropriate because there is a lot of uncertainty in the NO_x conversion. Conversion may not occur within 100 feet of the source. Holloway commented that the atmospheric chemistry community frowns on using NO_x emissions from monitors because NO_x concentrations are affected by other pollutants. There are multiple types of modeling approaches. To understand NO_x levels statewide (rather than individual source contributions), it could be better to use CAMx or CMAQ simulations.

Stickney commented that in response to question #1 on slide 23 ("Can you relate any experiences on whether or how the 1-hour standards have affected your facility or a facility you represent?") that the NO_2 standard will definitely affect small business, for example a small facility with a natural gas boiler that is required to meet the standard. She is glad the Air Program is addressing this issue.

Seitz remarked that the standards could affect any type of industrial source in an interurban area with no land buffer between the source and ambient air. He said that his company is measuring nonattainment at property boundaries where the boundaries are within feet of the building. He added that some argue that none of the models are accurate.

Palmer encouraged the Air Program to think differently about the term "cause or exacerbate" and decouple it from modeling. In situations where many sources are contributing to the pollutant concentration, he feels it is a stretch to single out an individual source as causing or exacerbating violation of the standard. Instead, the department could consider actions like using cleaner fuel (e.g., natural gas) or modern controls as sufficient for a source to do what they can to not cause or exacerbate.

Hoch asked how the Air Program has been addressing the standards in PSD permits. Hart explained that large sources of NOx generally pass modeling without difficulty due to tall stacks and stack conversion. She does not think the approaches for PSD permitting would work for small sources.

Hanson recommended that to the extent possible, the Air Program should avoid 1-hour limits based on potential emissions. As the averaging time gets narrower, the enforceable limit becomes an administrative burden.

Seitz also expressed concern about using the daily 4th highest concentration in the model because that concentration does not occur most of the time and therefore makes the model less realistic.

Sackmann asked whether there is a statutory requirement that an emission limit be met along a property border. Stewart responded that there is no statutory requirement for modeling; it has been the traditional tool because it has been the cheapest and most reliable given historical standards. Hanson suggested defining borders based on areas the public actually has access too. Seitz agreed.

Good invited study group members to provide written comments or set up a time to meet and discuss these issues.

<u>1-hour NAAQS background concentrations</u>

Slides 25-26 provide information about the updated background concentrations the Air Program is proposing for the 1-hour standards. Hart said that the draft background concentration guidance will be posted soon for public comment, at which point the Air Program will request feedback from the study group (see Action Items on p. 1 for a link to the proposed guidance and request for comment).