

Renewable Operating Permits

General Questions on the Renewable Operating Permit Program

What is the Michigan Renewable Operating Permit (ROP) program?.....	4
Who will be enforcing the rules?	4
What are the main features of the ROP program?.....	4
What is a Renewable Operating Permit (ROP)?	5
How often must a permit be renewed?.....	5
Are all businesses subject to the ROP requirement?	5
What was the traditional way of air use permitting in Michigan?	5
How does the ROP program relate to the Michigan Permit to Install program?	6
How do the two permit programs compare?.....	6

Rules, Regulations, and Memoranda

What rules govern air pollution control in Michigan?	6
What Michigan rules govern the ROP program?.....	6
What is contained in the renewable operating permit rules?.....	7
Are these rules the "final" rules?	7
What are the other documents that relate to the permit program?.....	7

Applicability of the ROP Program

What is a "major" source that is subject to the ROP program?	8
What are regulated air pollutants?	9
Does the list of regulated air pollutants change?.....	10
Why is applicability based upon a facility's PTE and not its actual emissions?.....	10
How do I calculate my facility's PTE?	10

Opting Out of the Program

What is the concept of "opting out"?	10
If my facility's PTE is in excess of the major source emission thresholds, can I restrict my PTE to avoid the permit requirements?	11
What is Operational Memo No. 3?	11
What is Operational Memo No. 4?	12
What are the "opt-out" mechanisms in Operational Memorandum No. 4?.....	12

Fees

What are the fees associated with the ROP program?	14
How much are the fees?	14
How are the fees applied to sources "opting-out" of the ROP program?.....	15
What if the fees are not paid?	15
What if the fee estimate is not correct?	15

Timelines

When must an ROP application be submitted?.....	15
ROP Renewals	16

Preparing for the Application Process

What information is needed for an application?	16
Why is an emissions inventory important?	17
Why is the determination of applicable requirements important?.....	17
What types of methods can be used to demonstrate compliance?.....	18

Application Requirements

What is the Permit Application Submittal System for Renewable Operating Permits (PASS-ROP)?.....	18
How do I get the PASS-ROP software?	19
What is submitted in an ROP application?	19
Where did the ROP application forms originate?	19

Concepts, Definitions and Terminology of the ROP

What are some terms that I need to know for the application?	23
What is an "Operator's ID?"	23
What is a "section?"	23
What is a "device?".....	23
What is an "exempt emission unit (Rule 212)?"	23
What forms must be completed for Rule 212 exempt devices?	24
What is an "emission unit?"	24
What is a "flexible group?".....	24
What are "applicable requirements?"	25

Administrative Completeness

What is the importance of the "administratively complete" application?..... 25
What is an "administratively complete" application? 25

Application Review Issues

Who will be processing the permit applications? 26
What happens to the permit application when the district staff receives it? 26
How will I know if my application is "administratively complete"? 26
I have an application renewal. What happens if my application is not
"administratively complete" by the renewal deadline? 27
When will the permit be issued? 27

After the ROP is Issued

What will be in an ROP? 27
What are an ROP source's compliance responsibilities 27

Assistance with ROPs/Applications

Where can I go for help with my permit application? 28
Where do I go from here? 29

Renewable Operating Permits

General Questions on the Renewable Operating Permit Program

What is the Michigan Renewable Operating Permit (ROP) program?

In 1990, the United States Congress amended the Clean Air Act to include several new approaches to protecting air quality. These approaches were added to the Clean Air Act in the form of Titles. Title V specifically sets up a comprehensive permitting system - the renewable operating permit program - that all states are required to implement. This program requires certain businesses and institutions to apply for and upon issuance, only operate with a permit that consolidates all applicable air pollution control requirements. Reasons for the program were inconsistent enforcement of air quality regulations among the states, air quality standards not being attained, and the need for stable program funding of air programs.

Michigan's program is defined in the *Natural Resources and Environmental Protection Act, Act 451 of 1994, Article II - Pollution Control, Chapter 1, Point Source Pollution Control, Parts 55 - 65* (formerly known as the *Michigan Air Pollution Control Act 348 of 1965*) and the Part 2 rules of the *Michigan Administrative Rules for Air Pollution Control*. Copies of Michigan Rules can be obtained by contacting the Michigan Department of Environmental Quality (MDEQ) - Air Quality Division's (AQD) central or district offices, or through the web at www.michigan.gov/deq. Copies of the Michigan rules can be accessed on line by selecting the category of "Air" from the left-hand menu, and choosing "Air Laws, Rules and Memorandums" from the list of menu items.

Who will be enforcing the rules?

The AQD, through delegation from the U.S. Environmental Protection Agency (USEPA), has the primary responsibility for developing and implementing the renewable operating permit program in Michigan. Part 55 of P.A. 451 of 1994 (formerly the Michigan Air Pollution Act 348 of 1965, as amended), as well as the *Administrative Rules for Air Pollution Control* incorporate federal requirements within the state's Renewable Operating Permit (ROP) program.

What are the main features of the ROP program?

The ROP program clarifies the requirements that apply to a facility or source that emits air contaminants. A facility's obligations are scattered among numerous state and federal regulations. The permit pulls all of the requirements into a single document giving the facility, state and local regulatory agencies, the USEPA and the public a better picture of air emissions at a facility.

The concept of a total facility permit is borrowed from federal water quality regulations. Water quality programs have very successfully used this type of total facility permitting system. However, the water quality permitting program can only partially be used as a model for air quality permits. Most facilities have between one and five discharge points for water used in their processes. In contrast, a facility can have hundreds of emission points for contaminated air depending on the complexity of its processes.

Another feature built into the ROP program is a fee system designed to ensure that the local and state regulatory agencies will have the resources necessary to develop and administer the program. Specific enforcement provisions and the establishment of a small business technical assistance program are also elements of the ROP program.

What is a Renewable Operating Permit (ROP)?

A Renewable Operating Permit is a document that:

- ⑤ Consolidates federal and state requirements.
- ⑤ Is modeled after the National Pollution Discharge Elimination System (NPDES).
- ⑤ Shifts the burden of proof to the facility.
- ⑤ Cleans up the outdated aspects of old permits.
- ⑤ Provides certainty to a facility.

It is the means by which major sources track their air quality issues via a comprehensive "umbrella" document. The permit is not designed to impose any new emission limitations or standards. Rather, it incorporates all of the limitations and requirements that a source would have to meet anyway into a single document. The ROP program presents an opportunity for a facility to review old permits, identify inappropriate permit conditions, and plan for the operational flexibility it needs for the future.

How often must a permit be renewed?

The ROP must be renewed every five years.

Are all businesses subject to the ROP requirement?

No, only businesses that meet the definition of a "major source," and a few specified "area sources," must obtain an ROP. Important to the "major source" definition is the "potential to emit." Sources that must obtain an ROP are defined in detail in Rule 211 of the Michigan *Administrative Rules for Air Pollution Control*. Facilities that were major sources at the time that the requirement to obtain an ROP became effective were required to apply based on the schedule in Rule 210. A new subject source must apply for a permit within 12 months after it commences operation as a major source.

What was the traditional way of air use permitting in Michigan?

For over 25 years, the MDEQ has been issuing Permits to Install (PTIs) for processes that emit air contaminants. According to Michigan Rule 201, "... a person shall not install or modify a process which emits an air contaminant unless a Permit to Install which authorizes such action is issued by the Air Quality Division." These PTIs are the basic air quality documents for a facility. Sources will continue to need Permits to Install for various processes that emit air contaminants. Michigan Rules 280 - 290 identify numerous processes that are exempt from the PTI requirements, with Rule 278 listing exclusions from those exemptions.

There is no fee associated with the PTI and it does not need to be renewed. A facility may have one or many PTIs.

How does the ROP program relate to the Michigan Permit to Install program?

The ROP program does not supersede nor replace the Michigan PTI requirements. Sources not having to apply for an ROP are still required to submit PTI applications when installing or modifying processes that emit air contaminants. Sources subject to the ROP program have their existing PTI conditions folded into the source's ROP.

Attached to a PTI is a set of conditions with which the facility must comply. The conditions may restrict the emission of air contaminants, require the operation of an air pollution control device and/or require the applicant to perform other related activities such as testing and recordkeeping. These conditions do not disappear upon issuance of an ROP. These permit conditions along with requirements contained in consent orders, judgments, and state and federal rules are incorporated into the ROP. The ROP identifies each permit to install condition as part of a new, single "source-wide PTI."

How do the two permit programs compare?

A comparison of the two air permit programs is as follows

	Air Use Permits	
	Permit to Install	Renewable Operating Permit
Applicable to:	any source	"Major Sources"
Coverage:	process specific	facility wide
Longevity:	no expiration date	renewed every 5 years
Required by:	Michigan Rule 201	Michigan Rules 210-218

Rules, Regulations, and Memoranda

What rules govern air pollution control in Michigan?

There are two sources of rules

1. Federal rules promulgated under the federal Clean Air Act generally found in Title 40 of the Code of Federal Regulations.
2. State rules promulgated under Part 55 of the *Natural Resources and Environmental Protection Act, Act 451 of 1994*.

What Michigan rules govern the ROP program?

Michigan's Air Pollution Control Rules that govern aspects of the Renewable Operating Permit Program application are as follows:

Rule 210	Definition of a "timely and complete" application; the ROP submittal schedule
Rule 211	Permit application applicability
Rule 212	Insignificant activities; exempt processes
Rule 213	Permit application content
Rule 214	Application approval process
Rule 215	Off-permit changes
Rule 216	ROP revisions
Rule 217	Permit application renewals and reopenings
Rule 218	General permits
Rule 912	Abnormal conditions, start-up, shutdown, and malfunction of source

These rules rely on the definitions established in the Part 1 rules.

Copies of the Part 1, 2 and 9 *Administrative Rules for Air Pollution Control* are available by contacting the AQD at 517-373-7069 and on the Web at www.michigan.gov/deq. Select "AIR" and then choose "Air Laws, Rules and Memorandums" from the left-hand menu selection.

Are these rules the "final" rules?

No. The Michigan ROP program is very much subject to policy and rule changes by the USEPA. The federal operating permit program regulations are outlined in Part 70 of Chapter I, Title 40 of the *Code of Federal Regulations* (40 CFR 70). The Michigan program is based on Part 70. A USEPA "white paper" for streamlined development of Part 70 permit applications was issued on July 10, 1995. This guidance was developed to respond to the concerns of industry and permitting authorities that preparation of initial permit applications was proving more costly and burdensome than necessary. A second USEPA "white paper" was issued on March 5, 1996 to provide opportunities for state and local agencies to further simplify and streamline operating program requirements.

Michigan promulgated the initial operating permit program rules on July 25, 1995. Rule clarifications and new provisions to provide additional flexibility and/or relief from requirements have been promulgated as a result of issuance of new implementation guidance by the USEPA and experience with implementation of the promulgated rules. These changes added Rules 201a and 208a and revised some of the existing rules.

As a result of rule changes promulgated in August 2001 and July 2003, the ROP program received full approval from the USEPA in August 2003.

What are the other documents relate to the permit program?

The AQD periodically issues operational memoranda and other guidance relating to air quality programs. These documents are found in the MDEQ Guidance section of this manual. Subjects covered in the operational memoranda include:

- No. 1 Modification of a Permit to Install or an equivalent emission limit in a renewable operating permit (Effective 9/1/94); revised 1/31/96; revised 2/14/97).
- No. 2 Incorporation of Permits to Install into operating permits under Rule 21608 Changes at a stationary source after Renewable Operating (RO) permit

issuance (Effective 12/21/94; revised 1/31/96; revised 2/14/97; revised 11/26/01).

- No. 3 Procedure for limiting potential to emit below major source thresholds under the renewable operating permit program (Effective 11/9/94, revised 1/31/96; revised 5/1/96; revised 2/14/97).
- No. 4 Mechanism for limiting the applicability of Michigan's renewable operating permit program (Effective date 8/15/95; revised 9/8/95; revised 12/30/96; revised 3/31/97).
- No. 5 Procedures for correlating Michigan's and the USEPA's definition of volatile organic compound (Effective date 10/13/95).
- No. 6 Procedure for determining emission units (Effective date 2/20/96).
- No. 7 Procedure for implementation of the ROP application shield (effective date 5/1/96; revised 2/14/97).
- No. 8 Applicability of the operating permit and emission fee programs to sources of particulate matter (effective date 5/1/96; revised 2/14/97).
- No. 9 Treatment of rules identified for repeal in renewable operating permit applications (effective date 6/21/96).
- No. 10 Procedures for handling of confidential materials and freedom of information requests for confidential materials (effective date 6/21/96, revised 10/21/96; revised 2/28/97).
- No. 11 Stationary source determinations (effective date 6/21/96; revised 2/14/97).
- No. 12 Incorporating changes to an application for a renewable operating permit (effective date 9/9/96; revised 2/14/97).
- No. 13 Criteria pollutant threshold levels for the emissions inventory (effective date 11/25/96; revised 2/14/97).
- No. 14 Use of visible emissions limits less than 20% opacity in permits (effective date 5/6/97).
- No. 15 Procedure for processing permit applications subject to Federal Clean Air Act Section 112(g) (effective date 9/25/98).
- No. 16 Procedure for evaluating plantwide applicability limits (effective 10/28/98).

- No. 17 Procedure for processing clean corporate citizen permit applications (effective date 3/8/99).
- No. 18 Averaging times and compliance testing (effective date: 2/26/04)

Applicability of the ROP Program

What is a "major" source that is subject to the ROP program?

There are several ways that a facility can be defined as a major source. Size thresholds based on potential to emit, adjacent and contiguous properties, common control of a facility, and Standard Industrial Classification (SIC) codes all play a role in determining whether a source is major.

Major sources include:

- ⑤ Sources subject to the federal acid rain program.
- ⑤ Any stationary source in a source category as designated by the USEPA in the federal Part 70 regulations.
- ⑤ Sources that emit (or have the potential to emit).
 1. 100 tons per year of any regulated air pollutant (criteria pollutants, NSPS pollutants, ozone depleting compounds); or
 2. Hazardous air pollutants (HAPs), 188 of which are listed per Section 112 of federal Clean Air Act, above a threshold of 10 tons/year of any single HAP or 25 ton/year for a combination of HAPs.

To be a major source, a facility must have the potential to emit (PTE) air contaminants in excess of established emission thresholds. PTE is the maximum amount of air contaminants that could be emitted without violating air pollution laws. If a facility operates processes that are subject to air quality rules, enforcement documents, and/or permit conditions that limit its capacity, then those legally enforceable limitations can be used to restrict the facility's PTE. Facilities operating processes without these restrictions must calculate their PTE based upon the assumption that the processes are operating at their maximum design capacity, 24 hours a day and 365 days per year. Some businesses with just a few processes can have very large potential emissions.

In addition to major sources, some minor sources that are subject to federal air quality requirements (i.e., NSPS and NESHAPs) may be required to obtain an ROP. For example, some municipal solid waste landfills are required to obtain an ROP, regardless of its PTE. The USEPA makes this determination as new federal rules are promulgated.

What are "regulated air pollutants" for the ROP program?

The following air contaminants are required by Rule 211(a) to be evaluated when determining applicability of the ROP program:

- ⑤ Criteria air contaminants (PM₁₀, SO₂, NO_x, Ozone, VOCs, CO, lead).
- ⑤ Any other air contaminant regulated under Section 111 of the Clean Air Act (NSPS).
- ⑤ Any air contaminant regulated under Section 112 of the Clean Air Act (hazardous air pollutants) except those regulated exclusively under Section 112(r).
- ⑤ Any Class I or Class II stratospheric ozone depleting chemicals subject to a standard promulgated under Title VI of the Clean Air Act.

The appendices of the Emission Calculation section of this manual contain information on regulated air pollutants.

Does the list of regulated air pollutants change?

Yes. For instance, the list of hazardous air pollutants from Section 112 currently contains 188 substances, but more could be added or some could be deleted. Also, there has been a major change in the definition of volatile organic compounds. The USEPA revised the federal definition of volatile organic compounds to exempt acetone, volatile methyl siloxanes and perchlorobenzotrifluoride.

On March 13, 2003, Rule 122, the definition of a volatile organic compound (VOC), was revised to make this rule as stringent as the federal definition of a VOC.

Why is applicability based upon a facility's PTE and not its actual emissions?

PTE is a fair way to categorize and regulate facilities. It is a consistent criteria that does not change unless new equipment is added or operational restrictions are changed. Actual emissions, on the other hand, can fluctuate from year to year due to changes in the economy or due to other factors affecting productivity. PTE will eliminate one competitor from being regulated and its competition not being regulated. It should level the playing field.

How do I calculate my facility's PTE?

There are several steps to calculating the potential to emit

1. Identify all of your individual processes that can emit air contaminants.
2. The next step is to identify legally enforceable limitations (i.e., air quality rules, enforcement documents and permit conditions) that restrict emission of air contaminants from each process. Regardless of the amount of air contaminants the equipment is physically capable of emitting, the limits identified in rules, enforcement documents or permits cannot be exceeded.
3. Calculate the PTE for each process. If the process is subject to legally enforceable limitations, use them in your PTE calculations. For each process without restrictions, calculations are based upon the assumption that the process is operating at maximum design capacity and continuous operation. Emission factors, mass balance calculations, and performance testing results are typically used in determining PTE.
4. Finally, sum the individual processes' PTE to determine your facility's PTE.

Opting Out of the Program

What is the concept of "opting out?"

Many sources whose actual emissions are small have a large "potential to emit" because they have no legally enforceable limitations to reduce their emissions. Facilities whose actual emissions can be kept well below the "major source" thresholds are good candidates for "opting out" of the need for a renewable operating permit.

If my facility's PTE is in excess of the major source emission thresholds, can I restrict my PTE to avoid the permit requirement?

Yes, PTE can be restricted by accepting Permit to Install conditions that restrict your capacity to emit air contaminants (often referred to as a synthetic minor permit). However, keep in mind that the facility must comply with these restrictions. This may pose a problem for the facility that must increase its production capacity to keep up with any increase in the demand for its product.

A source may also limit PTE through the registration process provided by Rule 208a (see below).

These options are explained in detail in Operational Memoranda No. 3 and No. 4.

What is Operational Memo No. 3?

The Air Quality Division has developed a procedure for a source to limit its potential to emit to below major source thresholds and avoid being subject to the Renewable Operating Permit program. This procedure is contained in Operational Memorandum No. 3 which became effective on November 9, 1994. The definition of "major source" is based on a stationary source's "potential to emit" an air contaminant. Without enforceable restrictions to the contrary, a source's potential to emit is based on the operation of each process at maximum design capacity on a continuous schedule throughout the year.

Operational Memorandum No. 3 includes information on the major source thresholds for all regulated air pollutants. Sources wishing to limit their potential to emit with this mechanism need to apply for a Permit to Install. A complete application for a Permit to Install must contain all of the following

1. A cover letter with the application clearly stating the intent of the application is to reduce the source's potential to emit to below applicable major source thresholds and avoid applicability of the ROP program.
2. Current potential to emit calculations for all the process and process equipment located at the stationary source.
3. A proposed plan, in narrative form, which outlines the actions to be taken and the dates such actions will be taken, to limit the stationary source's potential to emit.

4. Revised potential to emit calculations for the stationary source showing the intended effect of the proposed plan on the source's potential to emit.
5. Proposed enforceable limits, including monitoring and recordkeeping, consistent with the narrative plan, to be included in the Permit to Install which the person believes are sufficient to comply with the requirements of USEPA guidance as incorporated in Rule 205. If possible, a limit should be proposed for each air contaminant emitted from the source, particularly those which emit near major source levels.

This procedure also describes the steps to be taken by the AQD to review the application, the types of conditions which must be included in the permit, and the public participation process which must be provided before the permit can be approved.

A copy of Operational Memorandum No. 3 is found in the AQD Guidance section of this manual.

What is Operational Memo No. 4?

The AQD established Operational Memorandum No. 4, which provides mechanisms that allow smaller sources to avoid Michigan's ROP program requirements. Operational Memorandum No. 4 took effect on August 15, 1995 and was revised on March 31, 1997. Effective December 12, 1996, Rule 201a and Rule 208a incorporate these mechanisms into the Michigan Administrative Rules for Air Pollution Control.

What are the "opt-out" mechanisms in Operational Memorandum No. 4?

Opt-out mechanisms available to facilities include:

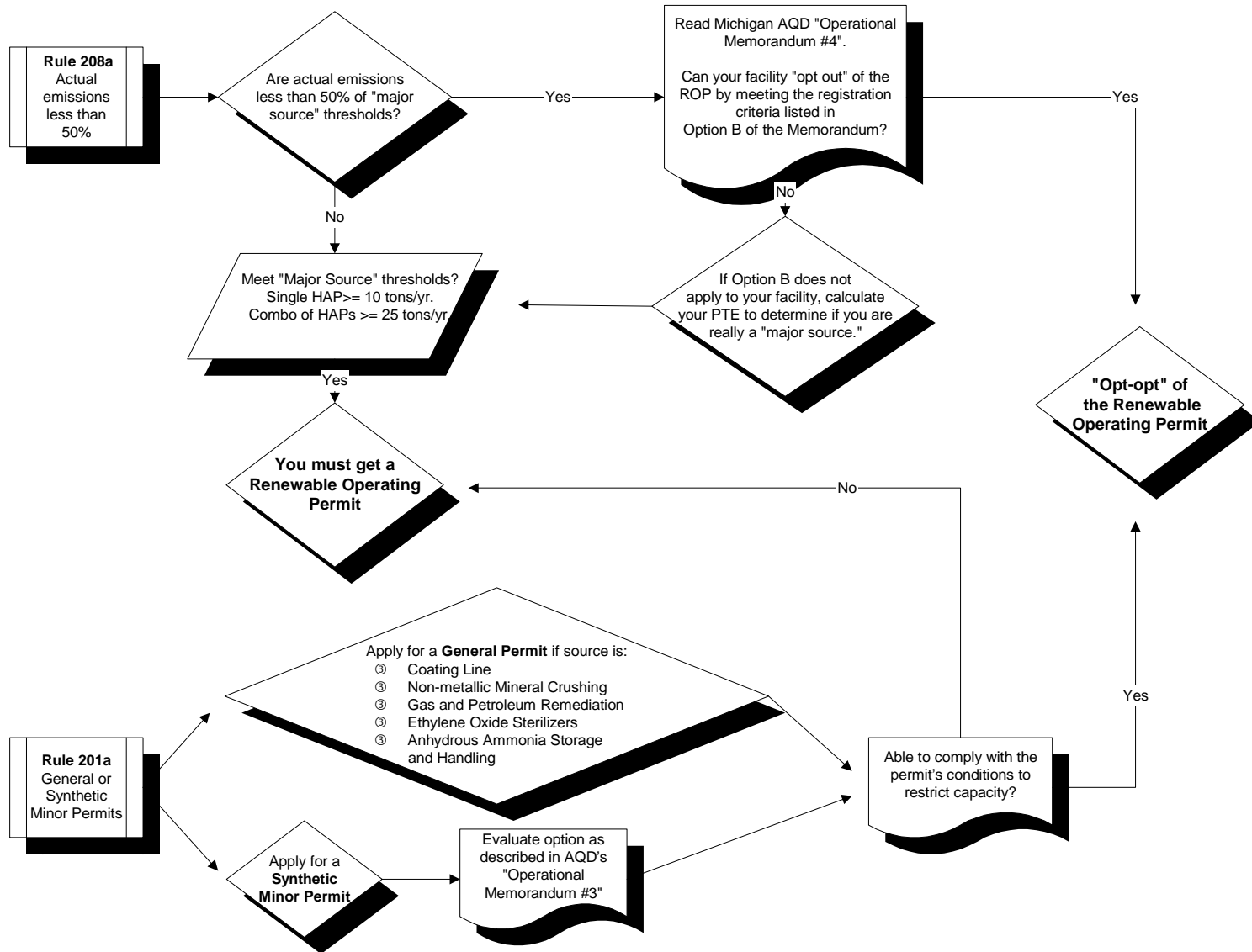
Registration option

Michigan Rule 208(a) allows a source to legally limit PTE through a registration process, if the source's actual emissions are less than 50% of any "major source" threshold.

Permit options

There are two available to qualified sources: a general Permit to Install and a synthetic minor Permit to Install. Both permits incorporate operation, production and emission limitations as a means to restrict the PTE. Michigan Rule 201a allows the AQD to issue general Permits to Install for similar emission units. Procedures for obtaining synthetic minor permits are found in Operational Memorandum No. 3.

THE ROP "OPT OUT" DECISION TREE



Source: MDEQ, AQD Operational Memorandum No. 4

Fees

What are the fees associated with the ROP program?

On January 12, 1995, the annual air quality fee program, established to support the renewable operating permit program, was implemented. Fee invoices are sent to facilities classified as "major" under Title I or Title III of the federal Clean Air Act as well as some minor source facilities that are subject to a National Emission Standard for Hazardous Air Pollutants (NESHAP) or New Source Performance Standards (NSPS). The legislation authorizing the fee program requires the invoices to be paid in 90 days. Part 55 of the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, includes "sunset provisions." The fee program was amended by the Legislature in July 2001.

Fees are assessed for facilities based on the following categories:

Category I

Facilities that have a "potential to emit" (PTE) that exceeds the threshold of 100 tons/year of any regulated air pollutant. These facilities may also exceed the "potential to emit" thresholds listed in Category II.

Category II

Facilities that exceed the thresholds of 10 tons/year of any one HAP or 25 tons/year of a combination of HAPs. This category also includes facilities subject to a federal New Source Performance Standard (NSPS). Category II facilities cannot have a PTE greater than 100 tons/year of any regulated air contaminants or they will be classified in Category I.

Category III

Area source facilities that are subject to any of the National Emission Standards for Hazardous Air Pollutants (NESHAPs). These facilities have a "potential to emit" below the emission thresholds for major sources.

How much are the fees?

The fee structures for Category I and II facilities are similar. There are two components to the annual fees for Category I and Category II facilities:

1. Facility charges which are determined by the "potential to emit," and
2. Emission charges based on actual emissions.

The general calculation for the Annual Air Quality fee is:

$$\text{Facility Charge} + \text{Emissions Charge}$$

The facility charge for Category I facilities is \$4,485 per year and \$1,795 per year for Category II facilities. The emission charge is based on the previous year's reported emissions to the AQD's Michigan Air Emission Reporting System (MAERS). Facilities will pay an emissions fee of \$45.25 per ton for "fee-subject emissions" as identified on their annual MAERS forms. Fee-subject air pollutants are all regulated air contaminants

except carbon monoxide (CO). Carbon monoxide is used to determine if a facility is a Category I source, but is not a "fee-subject" air pollutant.

Category III facilities that are not "major sources" but are fee-subject air facilities pay a flat annual fee of \$250.

Details on the MAERS Forms and actual emissions calculations are found in the Complying with Permit and Reporting Requirements section of this manual.

How are the fees applied to sources "opting-out" of the ROP program?

Facilities "opting-out" of the renewable operating permit program could still be subject to the fee requirements if the facility is subject to NSPS or NESHAP requirements.

Facilities "opting-out" that are not subject to NSPS or NESHAP requirements may receive a billing invoice. These facilities can receive a waiver of the fee by contacting the appropriate AQD district office. The facility must provide documentation to the District Office to verify the criteria for the option being met prior to the deadline for returning the Michigan Air Emissions Reporting System (MAERS).

What if the fees are not paid?

As required by the legislation, a late payment penalty of 5% per month, up to a maximum penalty of 25%, is being assessed on all fees that have not been paid by the deadline. After the maximum penalty has been reached, any unpaid fee invoices will be referred to the Michigan Department of Treasury for collection.

What if the fee estimate is not correct?

Contact the appropriate AQD district office.

Timelines

When must an ROP application be submitted?

For sources that were subject to the ROP program when the rules went into effect, the schedule for submitting an administratively complete ROP application to the AQD is identified in Michigan Rule 210(4), (6) and (8). The initial submittal for major sources was based upon a source's Standard Industrial Classification (SIC), and it was phased in over the time period of February 1996 through February 1997.

According to Michigan Rule 210(5), new major sources must submit an administratively complete application to the AQD within 12 months after the source commences operation as a "major source."

Deadlines reflect when a "timely and administratively complete" application must be received. Therefore, it is best to submit an application in advance of the deadline, allowing sufficient time to respond to inquiries from the district that result from the

completeness evaluation. Early submittal helps to ensure that a complete application is on file by the deadline.

ROP Renewals

Each ROP is issued for a fixed term of five years, then it must be renewed. According to Rule 210(7) of the Michigan Air Pollution Control Rules, an administratively complete application for renewal of an ROP must be received by the AQD not more than **18 months**, but not less than **six months**, before the expiration date of the current ROP. This means that there is a 12-month window in which the ROP application renewal may be submitted.

ROP applicants must take into consideration that an application could be returned prior to or after the due date if it is not administratively complete. The date of receipt of the application submittal pursuant to Rule 210 is the day the application is received at the appropriate AQD district office. The AQD will determine administrative completeness for an ROP application using manual and electronic screening. If the ROP application is submitted in paper form only (i.e., PASS-ROP is not used), the AQD will make the administrative completeness determination within 60 days. If Permit Application Submittal System (PASS) software is used to electronically submit the ROP application, the AQD will make the administrative completeness determination within 15 days.

Rule 210(2) specifies that a certification is required when submitting an initial or renewal application, supplemental information, as well as for applications to amend or modify an issued ROP. The Responsible Official, as defined in Rule 118(j), must certify that based on information and belief formed after reasonable inquiry, the statements and information in all submittals are true, accurate, and complete. Only timely submitted and administratively complete ROP applications receive an application shield. An application is considered timely pursuant to Rule 210(4)-(9), and considered administratively complete pursuant to Rule 210(2). Rule 210(1) defines an application shield as “the ability to operate the process and process equipment at a stationary source while a timely and administratively complete application is being reviewed and acted upon by the department.”

Preparing for the Application Process

What information is needed for an application?

The ROP application process requires a facility to outline its processes and components by placing these items in emission units and flexible groups, and to identify the applicable requirements regarding air emissions. A compliance plan for the applicable requirements is also part of the "up front" planning process.

The AQD Operational Memorandum No. 6 has been developed to assist facilities in determining appropriate emission units and to provide guidance to MDEQ staff on

evaluating appropriate units and applicable requirements in each permit application. Applicants may want to contact the district office in their area if they have questions on the structure and layout of their permit application.

Why is an emissions inventory important?

The federal Clean Air Act requires that an inventory of air pollution emissions for certain facilities be maintained and updated every year. The AQD maintains the annual emission inventory for stationary sources of air pollution in Michigan. A State Registration Number (SRN) is assigned and is the reference for all records associated with the facility. Emissions are reported to the state using MAERS. The state's emission inventory information needs to be accurate, and the district offices need to be contacted if your inventory listings are not correct.

It is important to prepare and maintain a good emissions inventory to help you:

1. Determine applicability of the ROP program (difference between actual emissions and PTE).
2. Assess permit application completeness.
3. Report information to the MDEQ for this program and others where emission data are required (i.e., SARA Form R's and New Source Review Permits to Install).
4. Substantiate the fee assessment you receive.

The inventory involves identifying all of your emission units and associated control equipment and exhaust systems. Identify the air contaminants emitted from each process and calculate the emissions based on your actual operating schedule.

The Michigan Clean Air Assistance program has prepared a series of worksheets to help with actual emission calculations. Contact that office at (800) 662-9278 for information on the *Actual Emission Calculation Worksheets (with examples)* publication.

Why is the determination of applicable requirements important?

Identifying all applicable requirements is important so that owners and operators of an emission source have thorough knowledge of what their obligations are under federal and state laws and rules. Applicable requirements also identify how an emission source can be operated in order to maintain its compliance status with all applicable rules and regulations. Applicable requirements may come in many forms. Examples include:

- ⑤ Conditions of Permits to Install and Permits to Operate.
- ⑤ Consent orders and judgments.
- ⑤ Rules promulgated under the *Natural Resources and Environmental Protection Act 451 of 1994*.
- ⑤ Federal rules such as the National Emission Standards for Hazardous Air Pollutants (NESHAPs) and New Source Performance Standards (NSPS).

All applicable compliance requirements, including future requirements, need to be identified. Chapter 8, the “Applicable Requirement Forms AR-001 and AR-002” from the MDEQ Clean Air Assistance Program's *Pass-ROP Workbook: A Practical Guide to completing an Electronic Renewable Operating Permit Application* contains an outline of applicable requirements needed for the ROP application.

Types of Applicable Requirements

Applicable Requirement Types	Examples
Material Limits	“VOC content in paint shall not exceed 2.0 pounds per gallon.” “Sulfur content in fuel shall not exceed 1.5 percent.”
Emission Limits	“VOC emissions shall not exceed 5 pounds per hour.” “NOx emissions shall not exceed 50 tons per year.” “SOx emissions shall not exceed 0.6 pounds per million BTU.”
Visible Emissions Limits	“Visible emissions shall not exceed 5 percent opacity.”
Operational Restriction	“Process shall not operate more than 2000 hours per year.” “Process shall only fire pipeline quality natural gas.”
Design / Equipment Restriction	“Process shall be controlled with a baghouse.” “Process shall be equipped with a manometer.” “Process shall be equipped with a COM.”
Stack / Vent Restriction	“Stack shall be at least 50 feet above ground.” “Stack shall be no greater than 10 inches in diameter.”
Other	“Shall comply with applicable provisions of 40 CFR Part 60 Subpart A.” “Shall comply with the malfunction abatement plan.”

Source: Table 8-1 “Applicable Requirement Codes for the AR-001 Form” from *The Pass-ROP Workbook*

What types of methods can be used to demonstrate compliance?

Any of the following monitoring methods are examples:

- ⑤ Continuous monitoring of emissions and process or control equipment operations.
- ⑤ Performance testing.
- ⑤ Measurement of non-emission limits.
- ⑤ Records of fuel and raw materials.
- ⑤ Records of work practices.
- ⑤ Reports.

Application Requirements

What is the Permit Application Submittal System for Renewable Operating Permits (PASS-ROP)?

The Permit Application Submittal System for Renewable Operating Permits (PASS-ROP) is a computer based system used to complete an initial ROP application or an ROP renewal application. The PASS-ROP software also allows a source to electronically submit the application via e-mail (or on CD) to the AQD.

How do I get the PASS-ROP software?

Facilities with a previously submitted and approved ROP will receive a CD containing this software from the AQD. This software will contain some source data that was obtained from previously submitted ROP applications and MAERS reports. New major sources submitting an ROP application for the first time, can contact the local AQD district office for a copy of the software. Current major sources will be mailed a copy of the PASS-ROP software from the AQD prior to the earliest ROP renewal application due date, and will contain the information from their previous ROP submittal.

What is submitted in an ROP application?

The AQD has developed a series of forms that are central to the ROP application. Other documentation beyond the forms may also be necessary. Table 2 shows the content of the various forms.

The ROP application forms involve:

- ⑤ Facility identification and contact information.
- ⑤ Identification of exempt equipment.
- ⑤ Description of the non-exempt processes and associated control equipment and stack/vents located at a facility.
- ⑤ Identification of regulations that apply to a facility's non-exempt processes and associated control equipment and stacks/vents. These can include design parameters, material quality, monitoring and emission limits.
- ⑤ Identification of proposed monitoring systems.

Where did the ROP application forms originate?

The ROP application forms were developed with reference to the following laws and regulations:

- ⑤ The 1990 Clean Air Act Amendments (CAAA), Title V
- ⑤ Part 70 of the Code of Federal Regulations (CFR)
- ⑤ Part 55 of Michigan Public Act 451 of 1994
- ⑤ "Michigan's Air Pollution Control Rules," Part Two

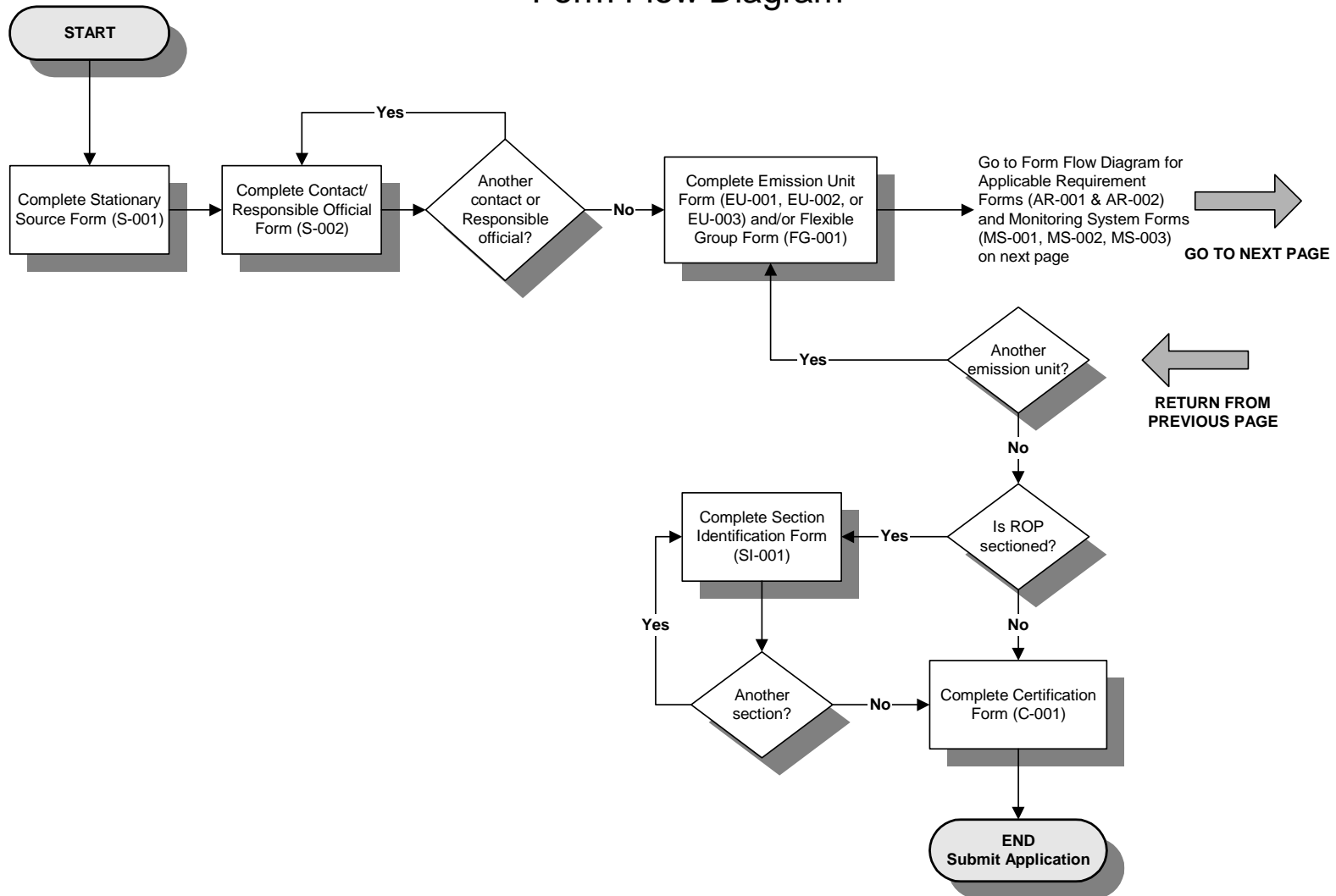
Michigan's ROP forms were designed to integrate with the MAERS program.

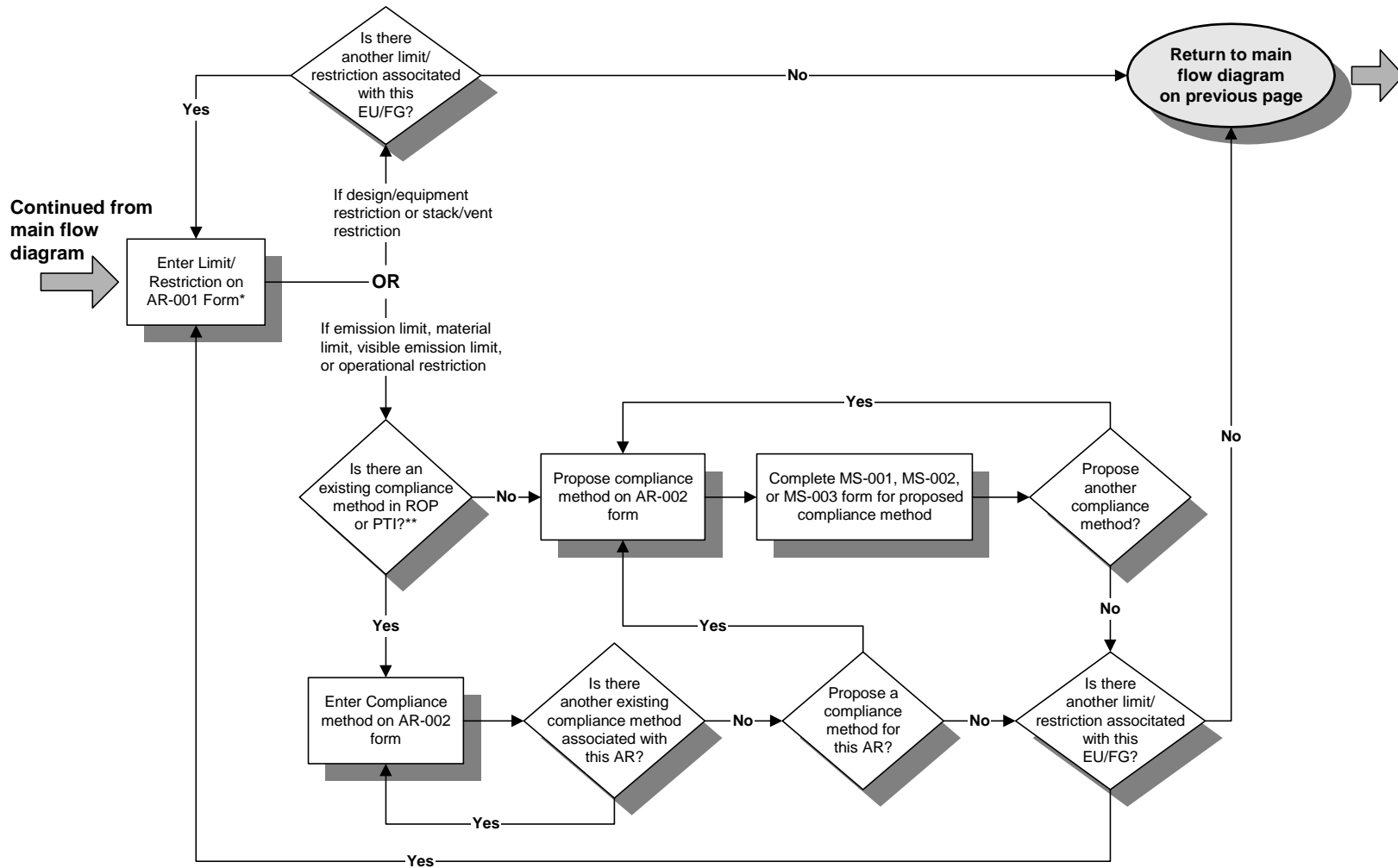
Table 2
Michigan Renewable Operating Permit Application Forms

FORM	USE
C-001 – Certification	Certifies all ROP application actions and notifications of change to an ROP.
S-001 – Stationary Source	Application information and owner identification.
S-002 – Contact/Responsible Official	Identifies the contact person and responsible official.
EU-001 – Exempt Emission Unit	Identifies processes and equipment considered to be exempt under Rule 212(4).
EU-002 – Emission Unit for Rules 281(h), 285 (r)(iv), 287(c), or 290	Identifies each emission unit that meets the requirements of Rules 281(h), 285 (r)(iv), 287(c), or 290.
EU-003 – Emission Unit	Identifies each emission unit with applicable requirements at a source.
FG-001 – Flexible Group	Defines any group that is created for simplification of assigning regulations, or for reasonably anticipated operational scenarios pursuant to Rule 213(8).
AR-001 – Limits and Restrictions	Identifies each existing and proposed applicable requirement that is a limit or restriction.
AR-002 – Monitoring, Testing, Recordkeeping and Reporting Requirements	Identifies all existing and proposed monitoring/recordkeeping, testing/sampling, reporting, and records maintenance requirements.
MS-001- Monitoring/Recordkeeping	Identifies proposed <u>monitoring/recordkeeping</u> requirement identified on the AR-002 form.
MS-002 – Testing/Sampling	Identifies proposed <u>testing/sampling</u> requirements identified on the AR-002 form.
MS-003 – Proposed Reporting	Identifies proposed <u>reporting requirement</u> identified on the AR-002 form.
SI-001 – Section Identification	Completed for all initial and renewal ROP applications that have more than one Section, generally created only where there is more than one responsible official.

FORM	USE
AI-001- Additional Information	Used to submit information or attachments to supplement the specific information requested in the application, including confidential information, compliance plans, progress reports and process flow diagrams.

Figure 2
Form Flow Diagram





*** Limits/Restrictions Include:**

- Ⓢ emission limits
- Ⓢ material limits
- Ⓢ visible emission limits
- Ⓢ operational restrictions
- Ⓢ design/equipment restrictions
- Ⓢ stack/vent restrictions

**** Compliance methods include:**

- Ⓢ monitoring/recordkeeping
- Ⓢ testing/sampling
- Ⓢ reporting
- Ⓢ records maintenance

AR = Applicable Requirement

EU = Emission Unit

FG = Flexible Group

PTI = Permit to Install

ROP = Renewable Operating Permit

Concepts, Definitions and Terminology of the ROP

What are some terms that I need to know for the application?

In order to accurately complete Michigan's ROP application, it is important to first understand some of the terminology. Some important terms are Operator's ID; Section; device; Exempt Emission Unit (Rule 212); non-exempt emission unit; Flexible Group; applicable requirement; and compliance status.

What is an "Operator's ID"?

- ⑤ A unique identification code (ID) created by the facility.
- ⑤ An ID that identifies and references facility information in the permit application.
- ⑤ A prefix plus a combination of letters, numbers or keyboard characters (e.g.,-EU Boiler.

Operator ID prefixes that can be used on the ROP application forms include:

- ⑤ Additional Information = AI
- ⑤ Applicable requirements = AR1 (limit or restriction requirements)
- ⑤ Applicable requirements = AR2 (monitoring, testing, recordkeeping or reporting requirements)
- ⑤ Emission Unit = EU
- ⑤ Flexible Group = FG
- ⑤ Stack or vent = SV

What is a "Section?"

An optional division of the ROP application into production or responsibility areas. All ROP applications have one Section by default.

What is a "device?"

Process equipment, control equipment and stacks.

What is an "exempt emission unit (Rule 212)?"

Rule 212 lists insignificant activities and exempt processes. If an emission unit contains a process identified in Rule 212, it may be considered "exempt." Emission units exempt under Rules 212(2) and 212(3) generally do not have to be included in an ROP application. However, if an emission unit is subject to any applicable requirements (other than those that are generally applicable) it is not exempt and must be included in the ROP application. Emission units exempt under Rule 212(4) must be listed in the ROP application.

What forms must be completed for Rule 212 exempt devices?

If an emission unit is listed in Rule 212(2) or (3) and has no specific applicable requirements it does not have to be included in the ROP application. If the emission unit is exempt under Rule 212(4), and not subject to a process-specific emission limit or standard (i.e. MACT, NSPS, etc.), it must be listed on form EU-001. Cold cleaners, surface coating operations, and processes with limited emissions, which are specifically exempted from the PTI program under Rules 281(h), 285(h)(iv), or 290 are not entered on the EU-002 form. If an emission unit is subject to any applicable requirements other than those that are generally applicable, all appropriate forms must be completed. The MDEQ Environmental Science and Services Division's *PASS-ROP Workbook: A Practical Guide to Completing an Electronic Renewable Operating Permit* Application should be consulted for further details.

What is an "emission unit?"

An emission unit contains one or more process devices, zero or more control devices, and all related stacks.

Procedures for identifying emission unit/process groups at your facility (taken from the AQD Operational Memorandum No. 6) are as follows:

1. An emission unit consists of devices(s) identified in
 - ⑤ A New Source Performance Standard (NSPS).
 - ⑤ A National Emission Standard for Hazardous Air Pollutants (NESHAP).
 - ⑤ Michigan rules for Particulate Matter (PM) or Volatile Organic Compounds (VOCs).

Examples: Coal fired boiler, solid waste incinerator, storage tank, etc.

2. If the first criteria does not apply, an emission unit consists of the smallest grouping of devices that can be commonly controlled by a single control device or work practice.

Example: Foundry sand shakeout line, grain handling system, (5) grinders connected to a cyclone, etc.

3. If criteria #1 and 2 do not apply, an emission unit consists of those devices which are functionally related.

Example: plating line

What is a "flexible group?"

Two or more emission units which are grouped for the purpose of simplifying the assignment of applicable requirements. Flexible groups may be existing or proposed.

What are "applicable requirements?"

State rule; federal regulations; conditions of any permit, order or judgment; or local ordinance which has been adopted into Michigan's State Implementation Plan (SIP). Types of applicable requirements include:

- ⑤ Design parameters.
- ⑤ Materials usage/emission limitations.
- ⑤ Monitoring, recordkeeping, and testing.
- ⑤ Operational parameters.
- ⑤ Reporting.
- ⑤ Other.

The applicable requirement type determines what forms must be completed. The AQD has developed a *Procedure to Identify Underlying Applicable Requirements For Conditions in Renewable Operating Permits* (Effective April 25, 1996) for the district office staff. A copy of that procedure is available on the MDEQ Air Permits System web site at www.deq.state.mi.us/aps under "Renewable Operating Permits (ROP/Title V)."

In the AQD review of the ROP application, the reviewer will consider all of the ROP application forms, Permits to Install, consent orders and judgments, state and federal rules and regulations, and the AQD file information.

Administrative Completeness

What is the importance of the "administratively complete" application?

An administratively complete designation allows the facility to have a "permit application shield" while the ROP application is being processed. This means that a facility can continue to operate as usual until the permit is issued.

The AQD will determine administrative completeness for an ROP application using manual and electronic screening. The AQD is required to notify a facility as to the "administrative completeness" of a submitted ROP permit application within:

- ⑤ 15 days if submitted using the AQD's PASS-ROP software or
- ⑤ 60 days if submitted without using the AQD's PASS-ROP software (i.e., paper forms).

ROP applications that are "administratively complete" will be given a permit application shield.

What is an "administratively complete" application?

An application is "administratively complete" if it includes the necessary information in the application form for each emission unit (except exempt processes) at a facility subject to the ROP program. This includes:

1. Citation of all applicable requirements.
2. Methods proposed for determining compliance.
3. Actual and allowable emission rates.
4. Compliance plan; schedule of compliance (if necessary).
5. Any proposed alternative operating scenarios.
6. Compliance Assurance Monitoring (CAM) plans (if necessary).
7. Certification by a "responsible official" that statements and information are true, accurate, and complete as defined in Rule 118(h).

Application Review Issues

Who will be processing the permit applications?

The AQD district offices process the ROP applications.

What happens to the permit application when the district staff receives it?

When the application is received, three steps are followed:

1. An initial administrative check.
2. An electronic administrative completeness check.
3. A manual administrative completeness check by a permit reviewer.

Components of the initial check include checking for the signature on Form C-001, checking the State Registration Number (SRN), and verifying that the application was received prior to, or on, the due date. The C-001 application form must be signed by a responsible official.

The electronic check can be expedited by using the PASS-ROP software to submit your application by either diskette, CD or electronic file (e-mail). The information from PASS-ROP will be uploaded or entered, as necessary. The PASS-ROP completeness check will be run plus there will be an electronic comparison of emission units and stacks in the application with the information from the AQD emission inventory (MAERS). It is important to update your emission inventory with the local district office. Any error reports generated by the software will be reviewed.

Additional checks will verify that the source reported the correct SIC code and that it is a single stationary source. Additional checks of emission units for completeness in reporting all equipment through past inspection reports and/or site review may be made.

How will I know if my application is "administratively complete"?

A facility will receive a letter that will indicate either that there were no errors in the application submittal and the application shield is in place, or there are errors that need to be resolved prior to the due date. It is important that facilities not wait until the last day to submit an application as this will not allow adequate time to correct errors.

I have an application renewal. What happens if my application is not “administratively complete” by the renewal deadline?

An “administratively complete” application ensures that an ROP source receives an “application shield” from the AQD. This allows the ROP source to operate without threat of enforcement for violation of Rule 210. ROP sources who do not receive the “application shield” on or before their ROP renewal deadline are in violation of Rule 210 (operating a major source of air pollutants without a permit), and may be subject to enforcement action by the AQD.

When will a permit be issued?

Actual issuance of a permit is based on the complexity of the permit, facility review of the draft permit, and results of public comments. Rule 214 outlines the details of the approval procedure.

After the ROP is Issued

What will be in an ROP?

The renewable operating permit is the blueprint for compliance with air quality regulations at your facility. It combines emission and operational limits into a single document and outlines compliance strategies.

What are an ROP source’s compliance responsibilities?

Once a source has received its approved ROP there are certain reporting requirements to which it must adhere. Specifically, ROP sources must comply with deviation reporting and compliance certification requirements. These requirements are spelled out in the general conditions of the permit.

- General Condition 21 requires that any deviation to a permit condition be reported “promptly.” What is considered to be prompt will depend on the type of deviation. For some deviations, promptly means that you have to notify the AQD within two days and submit a written report within 10 days. For other deviations, promptly may mean that you can wait until the Semi-Annual Report Certification to report the deviation. The underlying applicable requirement for the condition is Rule 213(3)(c)(ii), which outlines the requirements for the prompt reporting of deviations from permit requirements.

General Condition 23 requires that every six months (or for some sources more frequently) a Responsible Official must certify that all the monitoring and associated recordkeeping requirements in the ROP have been met. The term Responsible Official is defined in Rule 118(j). In addition to certifying compliance with the monitoring and recordkeeping requirements, sources must also report any deviations that occurred throughout the six-month reporting period in a Semi-Annual Report Certification. The

underlying applicable requirement for this condition is Rule 213(3)(c)(i), which requires a source to submit to the AQD certified reports of any required monitoring and all instances of deviations from any permit conditions at least every six months. The Semi-Annual Report Certification is due **September 15** for the January to June reporting period and **March 15** for the July to December reporting period (unless otherwise specified in ROP).

- General Conditions 19 and 20 require that an Annual Compliance Certification be submitted. This means that a Responsible Official must certify annually whether or not the source was in compliance with all the terms and conditions in the ROP for the previous year. All deviations that occurred throughout the year must be reported at this time; this includes deviations that were reported previously, which may be summarized.

The Annual Compliance Certification is due **March 15** for January 1 through December 31 of the previous year (unless otherwise specified in ROP). The Annual Report Certification and Semi-Annual Report Certification may be submitted on the same form if the submittal dates are the same (i.e., a source's Annual Compliance Certification for 1/1/01 through 12/31/01 and the Semi-Annual Report Certification for 7/1/01 through 12/31/01 may be submitted using the same form since both are due on March 15).

In order to make certain changes after ROP issuance, a Permit to Install and/or an ROP revision is required. Whether or not the ROP must be revised depends on the nature of the change. Consult with the Clean Air Assistance Manual, "*Life After ROP: Renewable Operating Permit Reporting and Revisions*" for further information.

Assistance With ROPs/Applications

Where can I go for help with questions about my ROP application or ROP?

There are many sources of help. Examples include:

1. Air Quality Division District Offices

The Michigan Department of Environmental Quality
(517) 373-7023
www.michigan.gov/deq

Staff in the district offices have been answering questions for individual facilities and consultants on specific issues of the ROP, including: fee assessments, rule applicability, how to use the PASS-ROP software to fill out the forms, and permit structure and assembly. The district office staff have also had meetings with some specific facilities and some groups of facilities in certain SIC categories to discuss the strategy for submitting, evaluating, and issuing the ROPs. Individual questions you may have on the program should be directed to the appropriate AQD district office

2. Small Business Clean Air Assistance Program

Environmental Science and Services Division
Michigan Department of Environmental Quality
800-662-9278

This group sponsors workshops and develops practical guides on various topics pertaining to the ROP program. These topics have included applicability, electronic forms completion, and how to comply with the content of an ROP. The MDEQ's *PASS-ROP Workbook: A Practical Guide to Completing an Electronic Renewable Operating Permit Application*, and *Life After ROP: Renewable Operating Permit Reporting and Revisions*, both produced by the Small Business Clean Air Assistance Program, should be obtained for use as an introductory to the ROP program.

3. Air Quality Consultants

The Michigan Small Business Clean Air Assistance Program has developed a *Michigan Clean Air Consultant Directory* which contains a list of Michigan consultants that perform air quality services. The *Michigan Clean Air Consultant Directory* was created as a tool to assist Michigan facilities in solving air-related problems. The Michigan Small Business Clean Air Assistance Program does not endorse the consulting firms or services listed within the directory, but provides the Directory only as a courtesy to business, industry and the general public.

4. Trade Organizations and Law Firms

Where do I go from here?

In closing, the ROP program is up and operating in Michigan. It is complex and may be confusing to individuals that have not had previous exposure to the program and the federal requirements behind it. The AQD staff and the Clean Air Assistance program staff are available to answer questions. If your question is complex or a "first" for the district or program, please do not expect an immediate answer. Staff may need some time to ask program development staff or division management for guidance when questions proceed into new or unfamiliar territory.

Workshops and written guidance have been prepared and distributed by both the AQD and Environmental Science and Services Division, Clean Air Assistance Program. As the program continues to develop, more assistance like this can be expected. It would be wise to take advantage of these tools as well as others that may be offered in the future. Consult the MDEQ web site (www.michigan.gov/deq) frequently for updates in air quality rules, programs, and software.

With this program, consult with the AQD staff at various stages of the permit application development to gain information and evolving guidance which staff will have access to. There are already rule revisions in process to change areas of the regulation that have been found to be confusing or conflicting. Please do not hesitate to contact the district office in your area to set up a plan of action with staff to address the ROP program, to understand current policies and procedures, and to lay a firm foundation through the application design and compilation for your facility's ROP.