

Workshop B – Best Practices in Permitting & Compliance Audits

John McGreevy
July 20, 2022

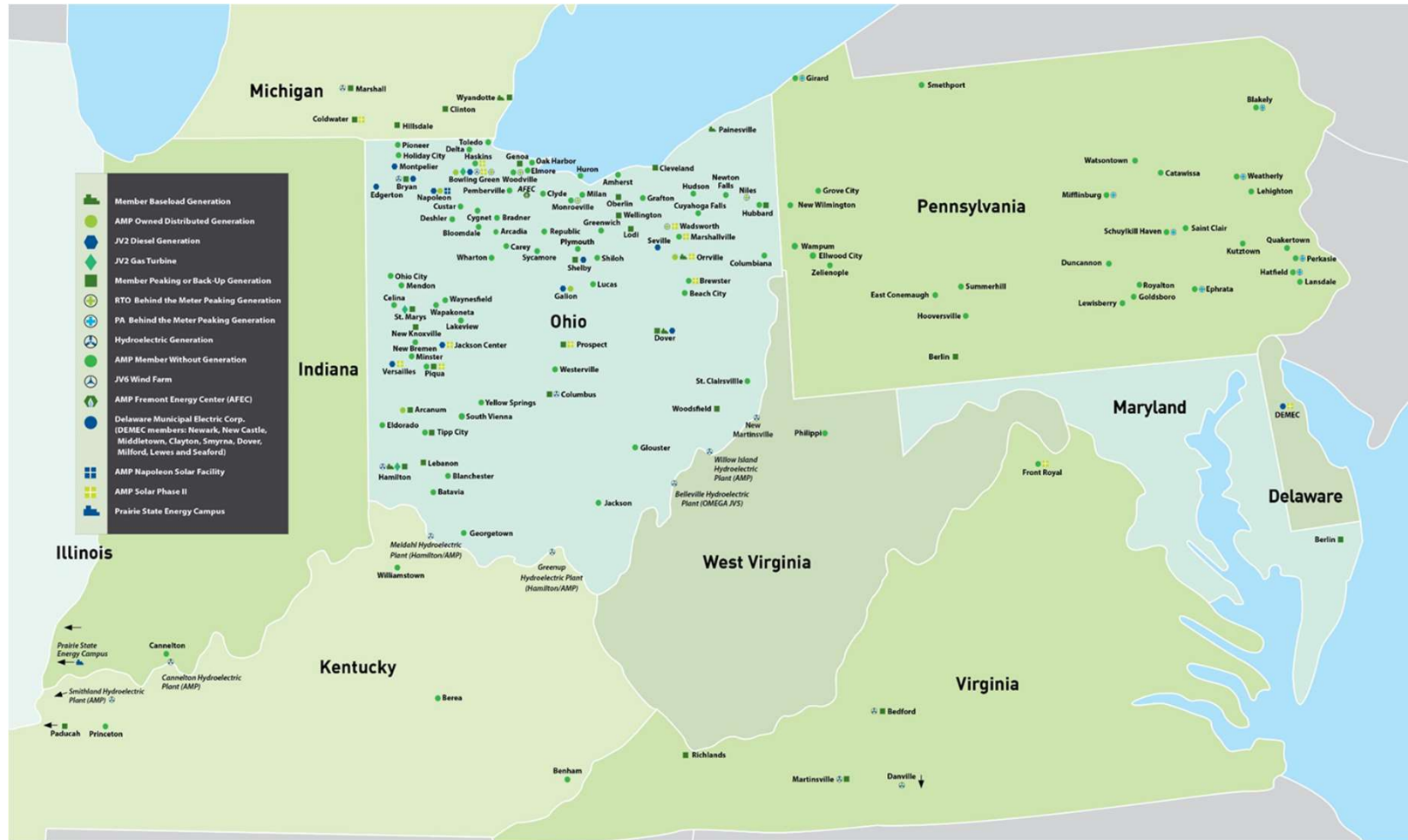


Topics

- Context
- Landscape
- Air permitting case study
- Corporate audit case study
- Working with Ohio EPA

About AMP and Our Members

- AMP is the wholesale power supplier and services provider for 133 member municipal electric systems across 9 states
- Combined, AMP members serve approximately 600,000 customers
- AMP members are public power communities — operating municipally owned electric systems
- AMP members receive their power supply from a diversified resource mix that includes wholesale power purchases through AMP and the open market and energy produced at AMP and member-owned generating facilities utilizing fossil fuel, hydroelectric, solar, wind and other renewable resources.



Regulatory Oversight

Technical Services team covers environmental, health & safety, and NERC compliance programs

With respect to environmental, and air pollution in particular:

- 65 permits across our portfolio, including 5 Title V, 13 Synthetic Minor, and minor permits
- 145 regulated units in 4 states
- Provide environmental services to several members
- Monitoring state and federal agency activities
- Advocacy on behalf of members

Federal Activity

Outward facing –

- *West Virginia v. EPA* impact on “whole of government approach” to GHG reductions – possible impacts on other major rules like CSAPR / Good Neighbor
- Several roll backs of Trump era regulations – MATS, WOTUS, NEPA, 401 WQC
- Movement on ozone and PM_{2.5} NAAQS
 - CASAC and EPA disconnect on daily PM_{2.5} standard

Behind the scenes –

- Goffmann confirmation process
- May need new approach to regulate existing power plants
- Economic issues / inflation

Federal Activity

- Jan. 2022 – Proposed revocation of 2020 rule revoking MATS “appropriate and necessary” finding
- April 2022 - Roll back of NEPA rule changes finalized
- April 2022 – Proposed “good neighbor” FIPs for 2015 ozone standard
- Fall 2022 – Supreme Court to hear Sackett v. EPA (WOTUS)
- Fall 2022 – Reconsideration of PM2.5 NAAQS (regulatory agenda - NPRM)
- Spring 2023 – EPA power sector GHG rules (regulatory agenda - NPRM)
- Spring 2023 – Reconsideration of ozone NAAQS (regulatory agenda - NPRM)

State Activity

Early stakeholder outreach

- Jan. 22 – Potential changes to NO_x RACT rules to include Toledo area
- Mar. 22 – Amendments to Ch. 31 and addition of PBR

Interested Party Review

- Jun. 8 – Draft for comment – OAC 3745-15 “General Provisions”

Final rules

- Adoption of amended language – OAC 3745-110 - NO_x RACT rules

Air Permitting Case Study

Step 1: Timeline

- Air permitting is a small, but important part, of many projects
- Avoid impacting the overall project schedule
- Project management skills are critical

Lessons

- ✓ Account for permit issuance and review times (up to 180 days in Ohio)
- ✓ Understand how long it will take to develop an application
- ✓ In-house resources v. consultants

Air Permitting Case Study

Step 2: Application development

- Chose to use a consultant to prepare application, develop calcs and modeling
- Recognized and respected experts in CAA permitting
- Knowledgeable in federal NSR permitting
- Not necessarily familiar with Ohio-specific requirements (BAT, etc)

Lessons

- ✓ Using experts doesn't mean hand over the keys (so to speak)
- ✓ Ask questions and make sure you understand the answers and implications
- ✓ Maintain records of conversations and decisions

Air Permitting Case Study

Step 3: Permitting agency interactions

- Have a pre-application meeting before submitting the application
- Be clear about deadlines and project timeline
- Answer questions directly and establish lines of communication

Lessons

- ✓ Call / check in with your permit writer, make communication easy
- ✓ Request to review permit terms pre-issuance
- ✓ Again, maintain records of conversations and decisions

Air Permitting Case Study

Step 4: Pre-issuance review

- Read and understand any narrative describing the justification for permit terms
 - SM writeup, Title V SOB, BACT / NNSR determination
- Understand permit obligations and their sources
- Clarify any questions via meetings, e-mails, calls

Lessons

- ✓ Review of terms is time well spent
- ✓ If using a consultant, make sure to get their feedback
- ✓ Look for rules/citations not included in application, or items that don't apply

Air Permitting Case Study

Step 5: Post-issuance

- Save all associated records in an accessible location
- Summarize permit requirements and develop a training plan
- Update compliance monitoring systems and documentation

Lessons

- ✓ Understanding permit record is critical if future changes are needed
- ✓ Pay close attention to one-time notification requirements, or long interval reports
- ✓ Make it as easy possible for your team to demonstrate compliance

Corporate Audit Case Study

Excellent opportunity to assess compliance program and process implementation

Useful to find:

- Gaps in training or communication
- Best practices to share with other facilities
- Potential non-compliance
- Consider including Legal department in process
- Be transparent and track action items – accountability
- If needed, contact Ohio EPA Office of Compliance Assistance for free, confidential advice
- Worst case – Ohio EPA Audit Disclosure process / US EPA Audit Policy
 - Strongly encourage getting advise of counsel

Corporate Audit Case Study

Step 1: Prepare audit documents and team

- Develop a checklist of each rule, process, or permit term being evaluated
- Make sure your team understand purpose and scope of audit
- Helps to have SMEs to aid in assessment
- Understand timeline for the audit, report, and resolution of findings

Lessons:

- ✓ Be sure coordinate with facility, make sure key staff are available
- ✓ Depending on type of audit, may be able to share checklist with facility

Corporate Audit Case Study

Step 2: Pre-meeting, audit, closing meeting

- Always have an opening meeting with key personnel on-site
 - Cover the purpose and scope of the audit
 - Helps to bring donuts
- Open with a facility walk-down (general) or focus on in-scope items (targeted)
- Always have a closing meeting and discuss preliminary findings before leaving site

Lessons

- ✓ Be sure to record photos (if taken) – easy to lose track
- ✓ Some findings may be addressed / resolved on-site

Corporate Audit Case Study

Step 3: Post-audit reporting and resolution

- Generally advisable to have a DRAFT report for discussion
- Findings and recommendations need to be clear and specific
- Critical to involve operations team
- May need to involve Legal department

Lessons:

- ✓ Unclear findings / recommendations make everyone's job difficult
- ✓ Support / buy-in from operations team critical to success
- ✓ Need a system to track and report action item resolution

Working with Ohio EPA

- Agency staff and management have spent decades doing more with less
- States can have a difficult time keeping up with federal policy changes
- If you have a question, ask them
- Keep small things small
- If you believe you need to elevate an issue, then elevate it
- Be polite, persistent, and organized
- Make sure to have supporting documents



For more information visit
www.amppartners.org



Environmental Permitting in Ohio

Workshop B

Robert Hodanbosi

Chief, Division of Air Pollution Control

July 20, 2022

What to do when a permit is needed?

- Type of permit needed – if any
- Major/Minor
- NAAQS Status
- Planning Ahead
- Public Participation
- Resources

Company Announcement

- A corporate vice-president comes to your facility to announce that the company is investing several million dollars at the plant for increased production
- Being the facility EHS contact, you are given the responsibility to obtain the “necessary approvals”
- What steps should you be taking? What questions should you be asking?

New Project or Changes to Existing Equipment?

- What kind of project is discussed – new source – changes to existing equipment – production will increase, but will emissions also increase?
- Develop plan on how to address regulatory requirements/ including need for wastewater permit/ 401 permit, if needed

Process for Determining Permit /Type/Expedite Permit

- Gather as much information on type and quantity of air emissions – existing/future
- Find out projected construction schedule
- Contact control equipment suppliers, if needed to learn control efficiency

Determine Need for a Permit?

- Determine if permit is needed and the type of permit that may be most appropriate for your situation.
- Make sure exemptions, permit-by-rule and general permits are reviewed

What is the Nature/Scope of the Project?

- Identify all activities, processes, and air contaminant sources that are part of the project.
 - Will emissions from related operations increase?
 - Will any processes or equipment be shutdown?
 - Will any equipment be substantially modified or reconstructed?
 - Is the project part of a larger project that will be “phased” over time?

What Type of Permit Is Needed?

- Determine potential emissions and/or emission increases from the project
- Critical step – calculate the emission levels from a project for major New Source Review applicability – will determine what regulatory path must be taken for permit
- “Potential to emit” (PTE) means the maximum capacity of an emissions unit or stationary source to emit an air pollutant under its physical and operational design

What Type of Permit Is Needed?

- Depending on PTE levels
 - May trigger major new source review – Prevention of Significant Deterioration/ Nonattainment NSR
 - May need operating restrictions to become “synthetic minor”
- Determine attainment status with National Ambient Air Quality Standards (NAAQS) – for major NSR purposes

If Potential to be “Major”

- Considering hiring outside consultant for assistance on permit application – specifically ask what experience they have had in obtaining major new source review permits
- Definitely look for outside assistance with air quality modeling work

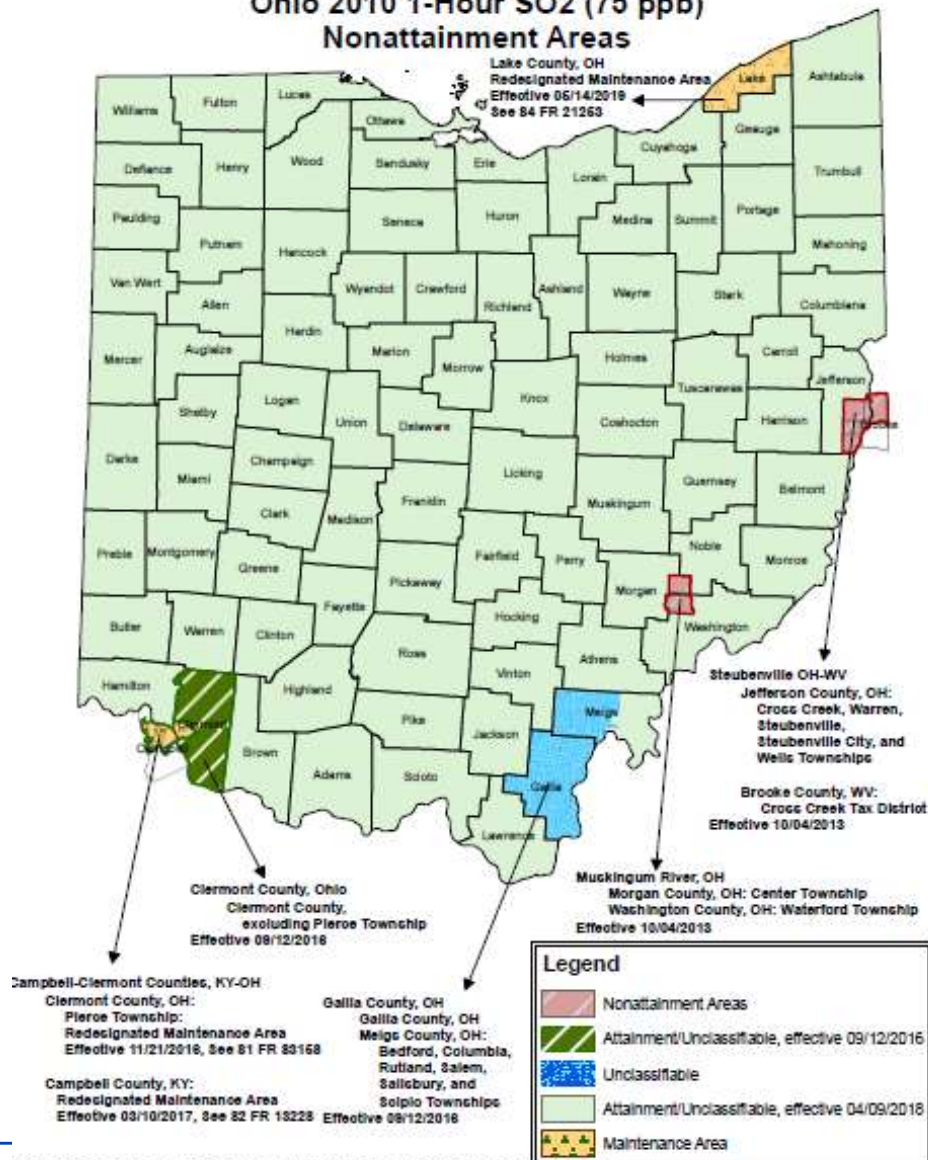
National Ambient Air Quality Standards and current attainment status (08/21)

Pollutant	Primary Source	Attainment Status
Carbon Monoxide	cars and trucks	Attainment
Nitrogen Oxides	any type of combustion, utilities, industrial boilers, vehicles	Attainment
Lead	individual industrial facilities	Isolated measured violation and attainment/maintenance
Sulfur Dioxide	coal fired power plants	Isolated nonattainment and attainment/maintenance
Ozone	sources of NOx and hydrocarbons, including cars, trucks, utility boilers, painting operations, refineries	Cleveland designated nonattainment. Columbus redesignated to attainment (2019). Cincinnati redesignated to attainment (June 2022).
Particulate Matter	coal fired boilers, cement plants, steel making operations	Attainment/ Isolated maintenance

Sulfur Dioxide Nonattainment areas

PM2.5 Maintenance Area

Ohio 2010 1-Hour SO₂ (75 ppb)
Nonattainment Areas



Ohio 2012 Annual PM_{2.5} (12.0 ug/m³)
Nonattainment Areas
Effective 04/15/2015

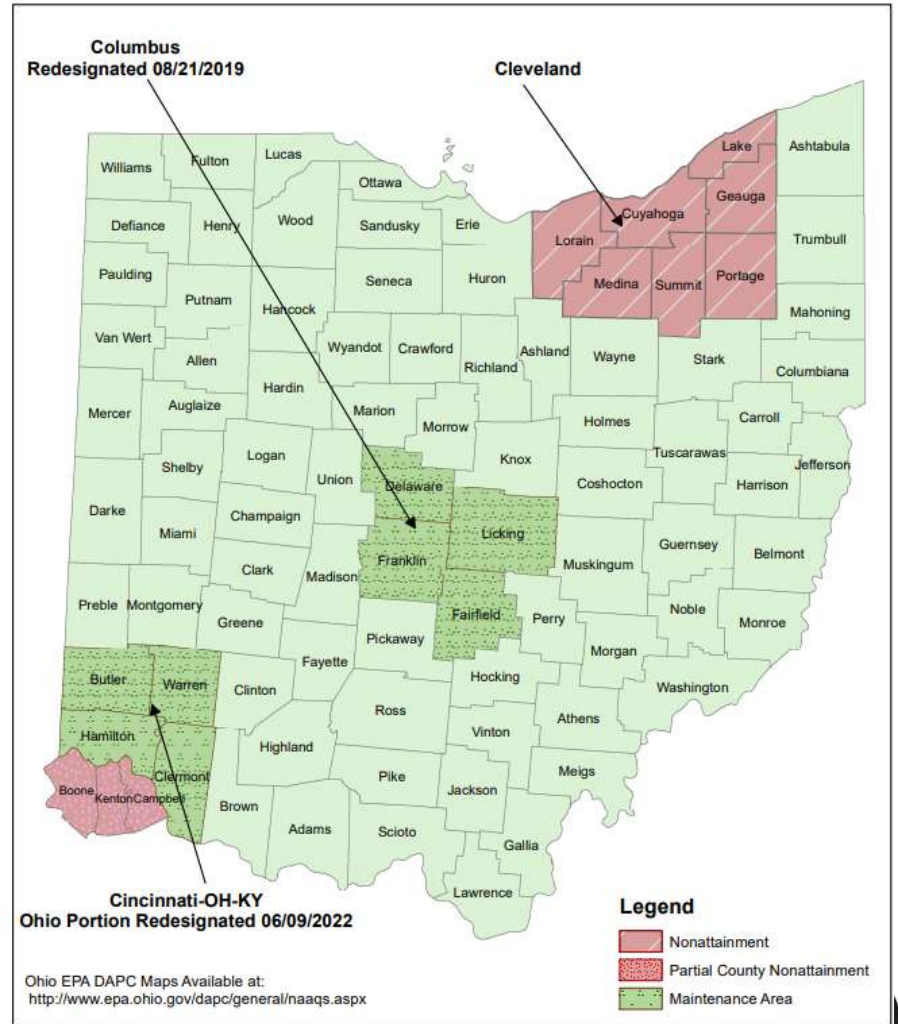


2015 Ozone Standard

Implementation Timeline

- 8-hour standard – 0.70 ppm (avg. of 4th high over 3-yrs)
- US EPA finalized non-attainment areas effective August 3, 2018
 - Cleveland measured violations through 2022– bump up to moderate later this year
- Columbus – Redesignated to attainment 2019
- Cincinnati – Redesignated to attainment June 2022

Ohio 2015 Eight-Hour Ozone (0.070 ppm)
Nonattainment Areas
Effective 08/03/2018



What Type of Permit Is Needed?

- Identify any existing air permits that may be impacted by the project.
 - May need a PTI/PTIO modification
- Identify any permit exemptions.
- Identify any new emissions units that will need air permits.
 - Will the new emission units fall under the NSPS or NESHAPS?
- Look at general permit list

General Permits

- General permits can reduce turnaround time
- Source categories covered:
 - ■ Aggregate Processing
 - ■ Boilers
 - ■ Diesel Engines (Compression Ignition Internal Combustion Engine)
 - ■ Digester Operations
 - ■ Dry Cleaning Operation
 - ■ Mineral Extraction
 - ■ Miscellaneous Metal Parts and Products Coating Lines

General Permits – cont'd

- Source categories covered:
 - ■ Natural Gas Compressor Stations (New)
 - ■ Oil and Gas Well-site Production Operations
 - ■ Paved and Unpaved Roadways and Parking Areas
 - ■ Paved Roadways and Parking Areas
 - ■ Ready Mix Concrete Batch Plants
 - ■ Storage Piles
 - ■ Tub Grinder

General Permits

- All of the GPs have “qualifying criteria” - outlines exactly the type of source that has the general permit issued.
- Need to review all of the terms and conditions to ensure that the facility can operate within the developed terms and conditions
- GPs should be processed within 45 days from submittal
- GP is voluntary – if operation cannot meet specified conditions, then apply for the standard PTIO

Plan Ahead

- Steps to obtain an Ohio EPA air permit
 - Contact the local air agency/district office to discuss the proposed project and air contaminant sources.
 - Complete and submit a PTI/PTIO application -
When to submit application depends on scope of project

Plan Ahead

- Steps to obtain an Ohio EPA air permit
 - Application is reviewed for completeness within 14 days – submit any missing information and/or documentation promptly.
 - Local office determines if project/sources will comply with applicable regulations, drafts permit terms and conditions

Plan Ahead

- Steps to obtain an Ohio EPA air permit:
 - Local office sends permit recommendation to Ohio EPA Central Office for review, approval, and issuance.
 - Permit may be issued as draft (30-day public comment period) or as a final PTI/PTIO.
 - Issuance of final PTI/PTIO allows you to begin construction and start operation.

Timeframes for Permit Issuance

- The district office/local air agency will work with you to meet your needed timeframe.....but need to be realistic
- Minor source – in most cases about 2 months
- Synthetic minor – must be issued as draft – usually about 4 months after a completed application
- Major sources – we try for 6 months after complete application– maybe longer depending on the complexity of permit

When Must Draft Permit be Issued?

- For major sources a draft permit with 30-day public comment period is needed.
- For a “synthetic minor” source - a draft with 30-day comment period is also needed.
- For “controversial” sources – Environmental Justice considerations may come into play – will require additional public participation

When Must Public Hearing be Held?

- When Ohio EPA knows that there is significant public interest and there will be several requests for a hearing – for example, any facility that is proposing to burn municipal solid waste in some way
- For other “controversial” sources
- Hearing must be scheduled at least 30 days in advance- so combined with draft can delay permit issuance
- Sometimes facility requests that the public hearing be held at the beginning of comment period so as not to lose time.

Additional Considerations

- Call/email your permit contact at the district office/local air agency about your project and permit plans – the earlier the better
- Identify project timeframes and permitting expectations with local air agency and Ohio EPA in advance.
- Include supporting information for rule applicability decisions or emission estimates in the permit application.
- Ensure that the design and capacity of the equipment or process you are planning to install accurately reflects what will be installed.

Additional Considerations

- Promptly answer follow-up questions or requests for more information from Ohio EPA.
- Monitor the progress of your permit application review.
- Request to see drafted permit terms from the district office/local air agency before they are sent to Ohio EPA Central Office for review and issuance.
- Submit comments during public comment period if a draft is issued.
- Consider scheduling a public hearing for time-sensitive projects.

Sum Up in One Word

- **Communication!**
- Contact Mike Hopkins or Bob Hodanbosi if you feel that the permit is getting bogged down – we are here to help!

Can I Start Work on the Project Before the Permit Is Issued?

- Yes. Activities not associated with construction of the new source.
- OAC Rule 3735-31-33
- Activities that are not considered “construction”
- Site preparation – knocking down old buildings, putting in temporary roadways, temporary utilities, installing temporary storage for construction equipment, excavation for test borings

Can I Start Work on the Project Before the Permit Is Issued?

- Can I progress further on the source? Maybe – in isolated situations
- OAC Rule 3735-31-33
- Can do additional work with minor sources
- Must be a true “minor” source – otherwise can be in trouble with U.S. EPA
- Additional activities can be completed, but sources must not be operational before the permit is issued – for example, final wiring or plumbing is not connected, last piece of equipment on source is not put in place, etc.
- **All work completed is at the company's risk**

Permitting Update

- Construction Permits remain priority for agency
- Ohio EPA specifically focused on resolving some of the “older” permits
- Goal is to have no construction permits older than 180 days – have made progress but not yet reached goal
 - Approximately 95% of permits issued in 180 days

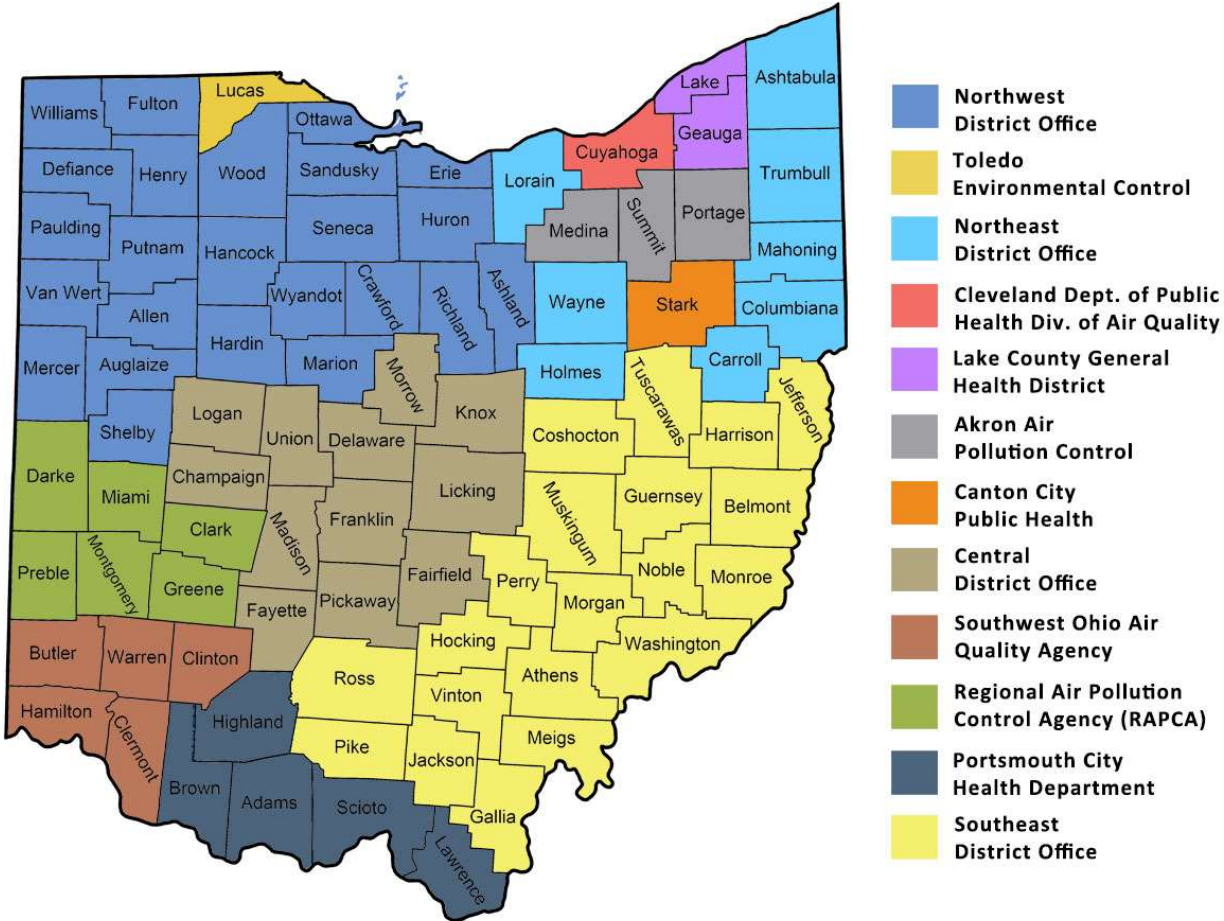
Permitting Update

- The permit workload is continually reviewed
 - Permit applications may be assigned to a different district office or local air agency as needed.
- Continuing to utilize the rush list to help meet company goals – lets us know your needs

Permitting Update – Rush List

- Company contacts Mike Hopkins (person in charge of permitting) – ask to be put on rush list
- Makes sure staff are aware of the timing needs and whether additional staff is needed for processing permit
- Helps ensure permit issuance meets company requirements
- Can be paired with periodic biweekly calls to monitor progress on permit review

District Office/Local Air Agency Map



After Permit is Issued

- Give us your feedback – Need to know how we did.
- Online survey can be completed – Director is reviewing results.

Resources to Help

- Contact district office or local air agency for questions related to the permit
- If you need help completing the application and are a small business, the Office of Compliance Assurance and Pollution Prevention can assist - (800) 329-7518

Questions?

- Robert Hodanbosi, P.E.
- Chief, Division of Air Pollution Control
- Ohio EPA
- 50 West Town St. Suite 700
- Columbus, Ohio 43215
- 614-644-2270
- robert.hodanbosi@epa.ohio.gov
- www.epa.ohio.gov

Biographical Information

John McGreevy, Assistant Vice President – Environmental, Health, Safety & Compliance
American Municipal Power, Inc., 1111 Schrock Road, Columbus, Ohio 43229
614-540-1111 jmcgreevy@amppartners.org

John has more than 20 years of environmental compliance experience across several industry sectors, including permitting and compliance management, environmental due diligence, compliance program development and implementation, and litigation. As the Assistant VP – Environmental, Health, Safety & Compliance at AMP, he is responsible for the management and oversight of AMP's technical compliance programs. Prior to joining AMP, John worked as an emission tester and project manager (Air Compliance Testing, Inc.), environmental consultant (SAIC and CEC), regulator (Ohio EPA), and EHS coordinator in the oil & natural gas industry (American Energy Partners, LP). John earned his B.S. from Ohio University (cum laude) with a major in zoology.

Robert F. Hodanbosi, Chief, Division of Air Pollution Control, Ohio EPA
Lazarus Government Center, 50 West Town Street, Suite 700, Columbus, Ohio 43215
(614) 644-3585 Fax: (614) 644-3681 bob.hodanbosi@epa.ohio.gov

Bob Hodanbosi became chief of the Division of Air Pollution Control (DAPC), Ohio Environmental Protection Agency (Ohio EPA) in September 1992. His current duties include being responsible for the air pollution control program for the state of Ohio and development of the programs needed to comply with the Clean Air Act Amendments. In 2004, Bob was selected to represent state permitting authorities on the Title V Permit Performance Task Force that was formed by the U.S. EPA's Clean Air Act Advisory Committee (CAAAC). Bob has also had the opportunity to testify at U.S. House and Senate committees on Clean Air Act impacts on facilities in Ohio. From May 1987 to September 1992, his position was assistant chief of DAPC and manager of the Air Quality Modeling and Planning Section, DAPC, Ohio EPA. From April 1978 to May 1987, as manager of the Air Quality Modeling and Planning Section, his main duties included: development of the technical support for air pollution control regulations for criteria air pollutants; atmospheric dispersion modeling; air quality designations under Section 107 of the Clean Air Act; development of new source review procedures; Since the 1980's, Bob has represented Ohio EPA on the Ohio Coal Development Office, Technical Advisory Committee. From January 1977 to April 1978, his position was supervisor of the Environmental Assessment Unit, DAPC, Ohio EPA. The main responsibilities of this position involved the supervising of all air quality evaluation and atmospheric dispersion modeling activities for DAPC. From June 1973 to December 1976, he held a position in the Northeast District Office/Engineering Services Section, DAPC, Ohio EPA. The main function of this position involved the engineering review of air pollution permit applications. Bob has lectured extensively on topics relating to the requirements under the Clean Air Act and the controls needed to meet air quality standards. Finally, Bob is a current member of CAAAC through August of 2021.

PROFESSIONAL ASSOCIATIONS

Mr. Hodanbosi is a member of the American Institute of Chemical Engineers and Air & Waste Management Association, and is registered as a Professional Engineer in the states of Ohio and West Virginia. Bob is current President of the Association of Air Pollution Control Agencies.

EDUCATIONAL BACKGROUND

Mr. Hodanbosi received his Master's of Science degree in Chemical Engineering at the Cleveland State University in 1977, and a Bachelor in Chemical Engineering at the Cleveland State University in 1973. In addition, he completed post-graduate courses in fluid mechanics and turbulence at the Ohio State University, 1978 to 1982.