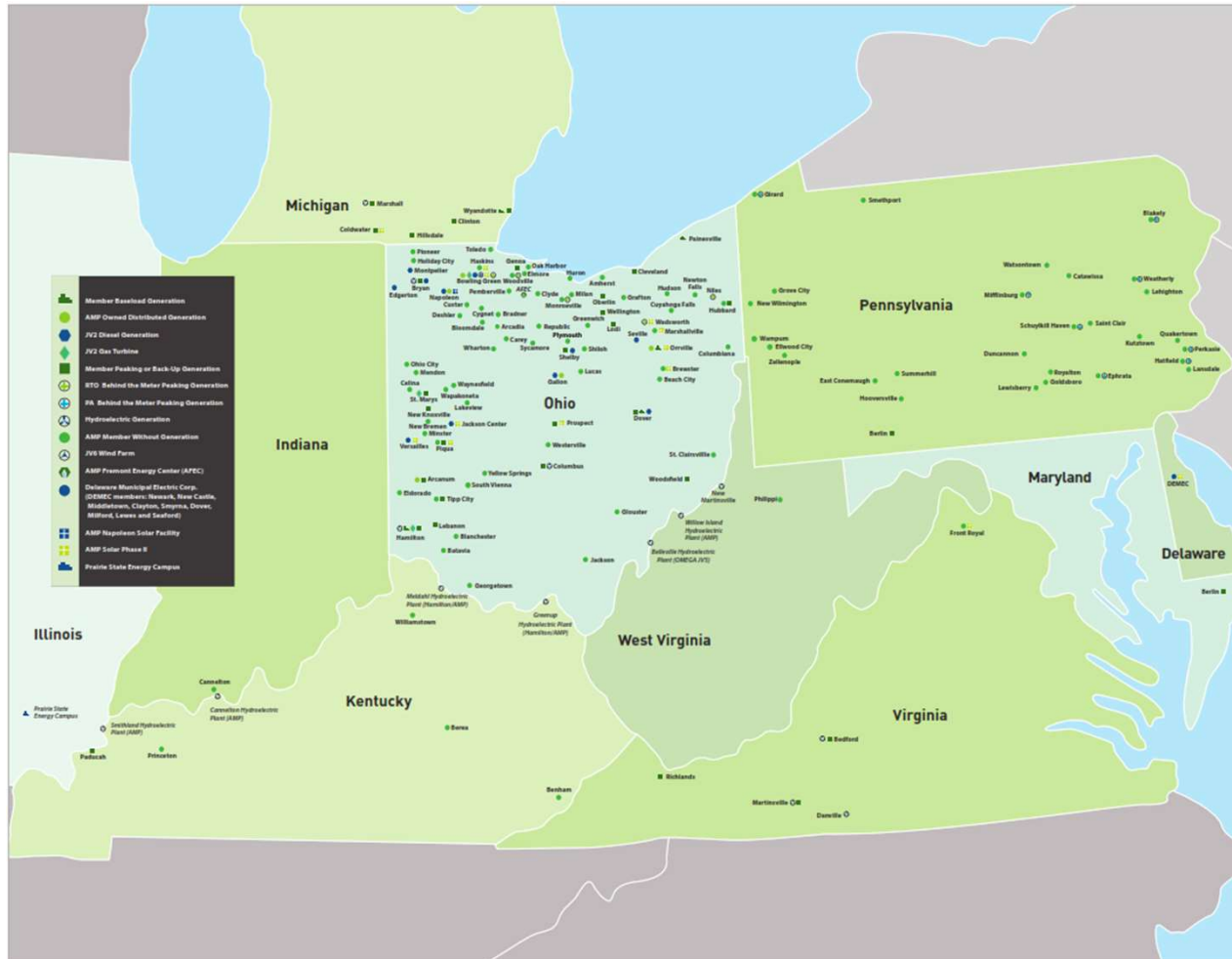


Workshop B – Best Practices in Permitting & Compliance Audits

John McGreevy
July 20, 2023





Who we are

- American Municipal Power, Inc., (AMP) is the nonprofit wholesale power supplier and services provider for 133 members across 9 states
- Combined, these public utilities serve approximately 650,000 customers.
- AMP members are public power entities — primarily 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.

What I'll be covering today

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



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 several minor permits
- 145 regulated units in 4 states, and growing
- Provide environmental services to several members
- Monitoring state and federal agency activities
- Advocacy on behalf of members



Federal Activity

Outward facing –

- “*Inflation Reduction Act*” and “*Infrastructure Investment and Jobs Act*” incentivizing power sector transition
- EPA issuing suite of new rules aimed at power sector

Electric Generation	Abbreviation	Proposal Timeframe	Agency	Purpose
Natural Gas, Diesel, Coal	111(b)	Published in Fed. Reg. May 23, 2023	EPA	GHG emissions from new or modified, fossil fuel-fired electric generating units
Natural Gas, Diesel, Coal	111(d)	Published in Fed. Reg. May 23, 2023	EPA	GHG emission from existing fossil fuel-fired electric generating units
Natural Gas, Diesel, Coal	PM _{2.5}	Published in Fed. Reg. Jan. 27, 2023	EPA	National Ambient Air Quality Standards for Particulate Matter
Coal and Oil	MATS	Published in Fed. Reg. Apr. 24, 2023	EPA	Coal-and Oil-Fired Generating Units: (Mercury and air toxics)
Coal	CCR	Published in Fed. Reg. May 18, 2023	EPA	Coal Combustion Residuals from Electric Utilities; Legacy Surface Impoundments
Diesel	RICE NESHAP	Published in Fed. Reg. Jun. 26, 2023	EPA	Electronic reporting requirements
Natural Gas, Coal	CSAPR	Final rule in Fed. Reg. Jun. 5, 2023	EPA	Transport rule; Cross State Air Pollution Rule (CSAPR); Ozone

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
- ✓ Enforceable limitations to avoid rule applicability?



Slide 7

AWO

May want to mention that permitting to add enforceable limitations is an option to avoid rule applicability

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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
- If multiple permits needed, work with Agency to coordinate



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

Slide 9

AWO If multiple permits are requested, work with Agency to coordinate processing, even if in different parts of the state. Consistency is helpful for everyone

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Air Permitting Case Study

Step 4: Pre-issuance review

- Read and understand any narrative describing the justification for permit terms
 - SM write-up, 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

- Read the permit! ... and 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
 - Bring food, specifically 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 19, 2023



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 is the Nature/Scope of the Project?

- Will existing buildings need to be renovated/demolished?
- Make sure that proper notification has been made to Ohio EPA asbestos program
- Only use licensed contractor for survey/removal work



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



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?



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 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?

- Some work - 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 – Rush List

- Company contacts – 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
- We request information associated with request
- 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



- Northwest District Office
- Toledo Environmental Control
- Northeast District Office
- Cleveland Dept. of Public Health Div. of Air Quality
- Lake County General Health District
- Akron Air Pollution Control
- Canton City Public Health
- Central District Office
- Southwest Ohio Air Quality Agency
- Regional Air Pollution Control Agency (RAPCA)
- Portsmouth City Health Department
- Southeast District Office



After Permit is Issued

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



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



Environmental Permitting in Ohio Workshop B

7/19/2023

Ellen Hewitt

Principal

Columbus, Ohio



trinityconsultants.com

Permit is Issued!!
Shifting Focus to Permit Compliance

Know your Permit Like the Back of Your Hand...

- ▶ Read and understand your permit (it is a contract & a living document!)
- ▶ Highlight “action items” (as opposed to factual statements)
 - Control requirements
 - Emissions Limits
 - Operational restrictions
 - Reporting deadlines
 - Monitoring
 - Recordkeeping
 - Etc.
- ▶ Federal Requirements (i.e., NESHAP, NSPS)
 - Go to the regulation
 - ◆ Compliance tasks – control requirements, monitoring, recordkeeping, reporting, etc.
 - ◆ Reporting deadlines
 - ◆ Notification of Compliance Status (NOCS) requirements





Items to Identify Immediately

- ▶ Notification requirements:
 - Commence Construction
 - Begin Operation
 - Others?
- ▶ Immediate reporting triggers:
 - Malfunction/Deviation notification and reporting timelines
 - Emissions exceedances
 - Others?
- ▶ Monitoring requirements
 - Continuous
 - Daily/weekly/monthly
- ▶ Recordkeeping requirements
 - Daily/weekly/monthly
 - Rolling 12-month
- ▶ How are you required to demonstrate compliance?
 - Compliance testing requirements (deadline, frequency, etc.)
 - Emissions calculations
- ▶ Operating permit application deadline

Emissions Limits and Control Requirements

- ▶ For each emissions limit and control requirement
 - Identify the compliance demonstration for each limit
 - ◆ Examples - Stack Testing, emissions calculations with prescribed methods/formulas, monitoring, AP-42, Potential to Emit, etc.
 - Are emissions dependent on operational restrictions? (e.g., throughput, flowrate, pressure drop, etc.)
 - ◆ Determine how you will ensure operational restrictions are enforced
 - Develop plan to demonstrate compliance as required:
 - ◆ Data collection frequency
 - ◆ Spreadsheet tool
 - ◆ Continuous Emissions Monitoring System (CEMS)
 - ◆ Data storage retention
 - Make sure tools reflect current operation
-



Implementing Compliance Process

Step 1: Develop an Environmental Records Registry

- ▶ Develop a registry or map of each required environmental record.
 - People-process-tool
 - ◆ Select registry owner(s)
 - ◆ Develop process for development and maintenance of registry
 - ◆ Choose a tool / technology (e.g. spreadsheet)
- ▶ Discover and document each environmental record
- ▶ Define key record attributes
 - ◆ Location or process for locating
 - ◆ Frequency
 - ◆ Owner
 - ◆ Format
 - ◆ Review process
 - ◆ Others?
- ▶ Common Gaps
 - Construction permit requirements not incorporated into Title V
 - Insignificant activities

Step 2: Records Review Process

- ▶ Implement a standard process for periodically reviewing records.
 - Using registry of records list, develop methodology for risk based periodic review
 - Include record discovery reviews (is the record there?) and content reviews (is the record complete and accurate?)
 - Capture root causes for issues
 - Implement procedures for handling missing data (consult regulatory requirements)
 - Develop and implement continual improvement processes
-



Step 3: Develop an Environmental Compliance Calendar

- ▶ Implement a compliance calendar to track key deadlines and a process for keeping it current.
 - Technology Selection
 - ◆ As simple as Microsoft Excel
 - ◆ Sophisticated compliance software solutions available with tasking systems, notifications, etc.
 - Define stakeholders
 - ◆ Operations
 - ◆ Supervisors
 - ◆ Management
 - Use technology to enhance visibility of deadlines to multiple interested stakeholders; make it easy for stakeholders
 - Consider development of interim/internal milestones or deadlines for major reports or other multi-step regulatory tasks
 - Integrate the use of compliance calendar for status and planning meetings
 - E.g. weekly staff meetings or shift changes

Step 4: Develop Environmental Reporting Templates and Tools

- ▶ Review the reporting requirements listed in the permit and in the regulation
- ▶ Report template should outline:
 - Reporting period (calendar year, quarter, semi-annual, etc.)
 - Required Data
 - Negative declarations
 - Certifying official (dictated by rule/permit)
 - Where to submit
- ▶ Review template periodically to ensure accuracy - rule updates, process changes, etc.
- ▶ Reporting mechanism
 - Ohio EPA
 - ◆ Electronic – Air Services
 - ◆ Hard copy for minor sources
 - US EPA
 - ◆ CEDRI
 - ◆ Hard copy

What Else is Can/Should I be Doing?

Management of Change Process

- ▶ Develop and implement a Management of Change (MOC) process
 - Train engineering and operational staff to incorporate environmental review into ALL projects
 - Integrate process with capital projects review
 - MOC checklist should facilitate a swift and effective review
 - Utilize consultants' expertise to help complete the process
 - Document findings for future reference



Tracking Regulatory Updates

- ▶ Regulations go through revision periodically – is someone tracking how these updates impact your facility?
- ▶ Every 8 years EPA performs Risk and Technology Reviews (RTRs) for NESHAP standards. Recently updated rules:
 - 40 CFR 63, Subpart FFFF - Miscellaneous Organic NESHAP (MON)
 - 40 CFR 63, Subpart EEEEE - Iron and Steel Foundries NESHAP
 - 40 CFR 63, Subpart MMMMM - Flexible Polyurethane Foam Fabrication Operations NESHAP...
- ▶ Many RTRs are overdue. With recent enforcement and consent orders, EPA has a focus to move forward on these reviews.
- ▶ Take away – find a way to follow regulatory updates:
 - Federal Register email alerts
 - State agency email alerts
 - Other environmental newsletters

Questions?

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Biographical Information

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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.

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Ellen Hewitt is a Principal in Trinity’s Columbus, Ohio office. Ellen supports both consulting and business development for Trinity’s East Region as well as Trinity’s Sustainability and Assurance team. In her 18 years at Trinity, she has managed numerous permitting and environmental compliance projects. Ellen manages multiple corporate accounts and has a strong focus on national regulatory initiatives.

Prior to working for Trinity, she worked for Ecolab as an engineer supporting manufacturing operations. Mrs. Hewitt earned a Bachelor of Science degree in Chemical Engineering from The Ohio State University. After graduation she obtained her Six Sigma Greenbelt Certification.

Biographical Information

Robert F. Hodanbosi, Chief, Division of Air Pollution Control, Ohio EPA
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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.