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March 11, 1980

Mr. Charles H. Tisdale, Jr. King & Spalding 2500 Trust Company Tower Atlanta, Georgia 30303

Dear Mr. Tisdale:

In response to your letter of February 12, 1980, I agree that the PSD regulations require a source, in the situation described by your letter, to commence construction by March 19, 1979. Failure to commence construction by March 19, 1979, may subject the source to PSD review.

The relevant section of the PSD regulations is Section 52.21(i)(3) which states:

"The requirements of paragraphs (j) through (r) of this section shall not apply to a major stationary source or major modification that was not subject to 40 CFR 52.21 as in effect before March 1, 1978, if the owner or operator -

- (i) Obtained all final federal, State, and local preconstruction permits necessary under the applicable State implementation plan before March 1, 1978;
 - (ii) Commenced construction before March 19, 1979; and
- (iii) Did not discontinue construction for a period of 18 months or more and completed construction within a reasonable time." 40 CFR 52.21(1979).

As you pointed out in your letter, an amendment to this provision was proposed in the Federal Register on July 20, 1979. That amendment may extend the commence construction deadline for certain sources when there is a delay in the issuance of Federal authorizations to construct or operate.

This letter addresses only a generic question and is not intended to make a judgement as to any specific source. In order to obtain a source specific determination, you should contact the appropriate EPA Regional Office with detailed information on the source.

If you would like to discuss this issue further, please contact Libby Scopino of my staff at (202) 755-2564.

Sincerely yours,

Edward E. Reich, Director Division of Stationary Source Enforcement

cc: Kent Williams, Region 4
Peter Wyckoff, OGC
Jim Weigold, OAQPS

KING & SPALDING 2500 TRUST COMPANY TOWER ATLANTA, GEORGIA 30303 404/572-4600 Mr. Edward E. Reich
Director, Division of Stationary
Source Enforcement
Office of Enforcement
United States Environmental
Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Reich:

I am submitting this letter to you following a conversation with Peter Wyckoff in the office of General Counsel. A client of our firm has recently inquired as to whether a procedure followed by another company in building a new facility without a PSD permit is valid. I would appreciate your written comments on the procedure used by the new facility which is as follows.

The company building the new facility obtained a state air permit to construct on February 28, 1978, just before the March 1, 1978 deadline established by EPA in its November 1977 proposed PSD regulations. proposed facility would not have been within the categories of sources which were subject to PSD regulations in effect before the 1977 amendments to the Clean Air Act. However, the proposed new facility's emissions for a number of pollutants would, after all reductions from proposed control measures, exceed the 250 ton per year limit established by the June 1978 PSD regulations as modified by the Alabama Power decision and proposed September 1979 PSD regulations. Notwithstanding the provisions of the June 1978 PSD regulations, the proposed new source did not commence construction within the meaning of Section 169(2) of the Clean Air Act before March 19, 1979. Moreover, you should assume that there were no federal authorizations needed which delayed commencement of construction. Accordingly, the proposed regulations set forth in the July 20, 1979 Federal Register beginning at 42722 would not be applicable to this proposed facility. The proposed new source obtained an extension of the February 28, 1978 state air quality permit to construct. This extension extended the state permit to March of 1980. Within the past few months, the proposed new source has commenced construction pursuant to the state permit without obtaining a PSD permit.

Mr. Edward E. Reich February 12, 1980 Page Two

I would appreciate your written comments on whether the procedure followed by this proposed new source was valid or not. In particular, I would appreciate your comments on whether a PSD permit was required since the proposed new source did not commence construction before March 19, 1979.

I look forward to your response.

Yours sincerely,

Charles H. Tisdale, Jr.

CHT/ljw

cc: Mr. Peter Wyckoff

ROUTING AND TRANSMITTAL SLIP Date: 2/11/80

To:

1. Rick Biondi (with name struck-out)

2. Libby Scopino

3.

4. "You may want to check with Peter to see what has

5. transpired to date. " RB

Action | File Approval | For Clearance Note and Return PerConversation As Requested | For Correction | Prepare Reply Circulate [X] | For Your Info. | See Me Comment | Investigate | Signature Coordination | Justify

REMARKS

I spoke to the author of the attached letter recently. I alerted him to the January 30 stay and to the irrelevance of section 52.21(e) and 12-1-78. I told him that DSSE does applicability determinations and, if after examining the January 30 stay, he still wanted a written response he should direct a request to DSSE. I indicated that I thought that, if construction on the source did not commence before 3-19-79, it probably did require a PSD permit (assuming it would be subject otherwise).

FROM: (Name, org. symbol, Agency/Post)
[signed Peter Wyckoff]

KING & SPALDING 2500 TRUST COMPANY TOWER ATLANTA, GEORGIA 30303 404/572-4600

1800 M STREET, NW WASHINGTON, D.C. 20036 202/466-7640

November 26, 1979

Mr. Michael James Associate General Counsel Air Noise and Radiation Division United States Environmental Protection Agency 401 M Street, S.W. Washington, D.C. 20460

Dear Mr. James:

A client of our firm has recently inquired as to whether a procedure followed by another company in building a new facility without a PSD permit is valid. I would appreciate your thoughts on the procedure used by the new facility which is as follows.

The company building the new facility obtained a state air permit to construct on February 28, 1978, just before the March 1, 1978 deadline established by EPA in its PSD regulations. The proposed new facility's emissions for a number of pollutants would exceed the 250 ton per year limit established by the PSD regulations. Notwithstanding the provisions of the PSD regulations, 40 C.F.R. Section 52.21(e) (42 F.R. 62020, December 8, 1977) the proposed new source did not commence construction within the meaning of Section 169(2) of the Clean Air Act before December 1, 1978. Instead, the proposed new source obtained an extension of the February 28, 1978 state air quality permit to construct. This extension extended the state permit to March of 1980. Within the past few months, the proposed new source has commenced construction pursuant to the state permit without obtaining a PSD permit.

I would appreciate your comments on whether the procedure followed by this proposed new source was valid or not. In particular, I would appreciate your comments on whether a PSD permit was required since the proposed new source did not commence construction before December 1, 1978. I look forward to your response.

Yours sincerely,

Charles H. Tisdale, Jr.

CHTJr/aep

Telex: 54-2917 Telecopier: 404-659-4808 Cable: Terminus