UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

MEMORANDUM

SUBJECT: Net Emission Increase under PSD

FROM: Sheldon Meyers, Director
Office of Air Quality Planning and Standards

TO: David PI Howekamp, Director
Air Management Division - Region IX

This is in response to your memo dated May 3, 1983 to Kathleen M. Bennett concerning net emission increases under PSD. I have looked into the question of inconsistency in interpretation of the de minimus provisions of the PSD relations as raised in your memorandum, and have concluded that the interpretation made by the Stationary Source Compliance Division is the most practical.

The issue, as I understand it, is whether sources and control agencies need to aggregate small changes (i.e., those below de minimus levels) which occur over time so that once the cumulative effect of the changes exceeds de minimus levels, PSD is triggered. The preamble to the PSD regulations implied that this aggregation would be required. However, the Agency has maintained since 1981 that no such aggregation is required. This interpretation was first articulated in a memo from SSCD (then DSSE) to Region VII dated January 22, 1981, and has been reiterated in memoranda to Region IX and X since then. The SSCD interpretation was concurred in by the Office of General Counsel (Peter Wyckoff) as legally supportable since the regulations themselves are not clear. The policy considerations leading to this interpretation were:

(a) aggregation could impose a significant resource burden on sources which might never become subject to PSD.

(b) aggregation would only require installation of BACT level controls on the last piece of equipment which triggered the review, with a minimum air quality benefit, and

(c) air quality would be protected since these changes would consume increment in any event.

In conclusion, I feel that the interpretation made by SSCD to be the most reasonable. However, I recognize that a clarifying amendment to the PSD regulation is advisable and will include it as part of the next set of proposed changes to the PSD regulations. If you would like to discuss this further, please contact me.

cc: Darryl Tyler
Ed. Reich
Peter Wyckoff