

State Operating Permit Regulations (40 CFR part 70)

EPA Number 1587.11, OMB Control Number 2060-0243

Change Worksheet Justification

Introduction

The analysis in this document was performed to support changes in the Title V Operating Permit Regulations (40 CFR Part 70) Information Collection Request (ICR), OMB tracking number 2060-0243. This update is assigned EPA tracking number ICR #1587.11. The Part 70 Program ICR was last renewed in September 2007 and expires in April 2012. In the interim, the following changes are underway.

The EPA is proceeding with the implementation of the *Flexible Air Permitting Rule*, and these changes are addressed in a separate ICR completed in November 2008.¹ This rule promotes the use of flexible air permits (FAPs), which is a permit designed to facilitate flexible market-responsive operations at an industrial facility while ensuring equal or greater environmental protection than conventional air permits. Through this action, the Agency anticipates cost savings to subject sources to be approximately \$2.4 million annually, while permitting authorities should experience \$2.3 million annual cost savings. The Agency is estimated to expend over \$205,000 additional cost during the same time frame.

The *Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule* ("Tailoring Rule") was finalized in May 2010. To reflect the impact of including greenhouse gases (GHGs) in title V permitting programs, the corresponding changes were made to the title V burden estimates. These changes are explained in further detail in this change worksheet.

¹ Information Collection Request For Changes To The Part 70 Operating Permit Regulations, The Part 71 Operating Permit Regulations, and The Parts 51 and 52 Prevention of Significant Deterioration and Non-Attainment New Source Review Regulations for Flexible Air Permits, November 2008.

The Tailoring Rule

This final rule “tailors” the requirements of the Clean Air Act (CAA) permitting programs to limit which facilities will be required to obtain title V operating permits. The rule establishes a schedule that will initially focus Part 70 operating permit programs on the largest sources with the most permitting experience, then expanding to cover the largest sources of greenhouse gases GHGs that may not have been previously covered by the CAA for other pollutants.

Under Step 1, occurring from January 2011 through June 2011, only sources required to have title V permits for non-GHG pollutants (*i.e.*, “anyway” title V sources) will be required to address GHGs as part of their title V permitting. During this time, no sources would be subject to title V requirements due solely to GHG emissions.

Building on Step 1, Step 2 is in effect from July 2011 through June 2013. A source may be subject to title V permitting solely on the basis of its GHG emissions, provided the source exceeds the established Tailoring Rule thresholds. GHG emission sources that emit or have the potential to emit at least 100,000 tpy CO₂e, and also emit or have the potential to emit 100 tpy of GHGs on a mass basis will be required to obtain a title V permit if they do not already have one.

Changes

Information obtained for this assessment of estimated resource requirements came from the burden analysis for the Tailoring Rule.² For this rule, the EPA determined the approximate number of affected sources and the different burdens associated with each permitting action involving GHGs. Before the current ICR expires, permitting authorities will undergo six months of Step 1 and 18 months of Step 2.

² Summary of Methodology and Data Used to Estimate Burden Relief and Evaluate Resource Requirements at Alternative Greenhouse Gas (GHG) Permitting Thresholds. Prepared by EPA Staff; March 2010.

The most recent title V program ICR estimates that 50 permits are completed every year for new sources.³ For this analysis, it is assumed that all 50 of these typically large industrial-type sources will be capable of potentially emitting GHG and will need to add GHG-related requirements to the permit. The estimated burden per title V permit in the ICR represents an average of multiple pollutants; EPA estimates the addition of GHGs will add an additional 10% of the time currently estimated for a new title V permit. Ten percent is considered to be appropriate amount because for the most part, these sources will simply need to add information concerning inventory, reporting, or monitoring of their GHG emissions, as appropriate, which they can readily do.

Out of the 3,267 permit renewals conducted annually, the EPA estimates that 80% may potentially emit GHGs above the threshold due to combustion activities.⁴ Therefore, approximately 2,614 sources will need to address GHG in the new version of the permit. For such permit renewals, the EPA assumes that the inclusion of GHGs will require adding an additional 10% to the average time to process and issue. This equates to 99 and 220 additional burden hours for the permitting authorities and sources respectively.

Revisions to title V permits will also be necessary based on the number of modifications calculated for this analysis. Revisions occurring specifically due to GHG may involve significant revisions, minor revisions, or administrative actions to operating permits. EPA estimates that this activity will require 40 hours per permit on average for permitting authorities to complete.⁵ At any level, it is assumed that the 448 modifications involving combustion that occur annually will need to include any GHG requirements in the revision of their respective title V permits. EPA estimates that permitting authorities will spend, in addition to the current burden to issue a title V permit revision, an additional 10% of the 40 hours needed to complete this process, or four hours per action. Sources will experience a similar increase in burden, adding 4 more hours to the average revision time.

³ Information Collection Request for State Operating Permit Regulations (Renewal), EPA ICR Number 1587.07, OMB Control Number 2060-0243, 2007. A copy of this document is available in the docket for the final Tailoring Rule.

⁴ The 80% estimate was obtained through a review of existing title V permit source categorization.

⁵ The Title V ICR indicates the burdens associated with revisions are as follows: 90 hours for a significant revision, 30 hours for a minor revision, and 5 hours for an administrative action. *See Table 8 at 23.* Which revision will be required for any modification that exceeds the GHG significance level threshold would be determined on a case-by-case basis depending on the change; therefore, EPA averages the three permitting burdens to obtain a value of 40 hours per permit.

Permitting Authorities

Based on the Tailoring Rule burden analysis, this update distinguishes between two types of sources – industrial and commercial/residential - with differences in associated burdens. The EPA estimates that an industrial permit due solely to GHGs will require the same amount of time to process and issue as a conventional pollutant, or 428 hours, as shown in Table 1. New commercial/residential permits will require only 50% of that time, or 214 hours.

Table 2 identifies the average burden by activity for the permitting authorities. Estimates are greater than the previous ICR primarily due to the increase in affected source numbers. Twenty-seven new commercial/residential sources and 258 residential sources are expected to require a title V permit during this time due to GHG emissions. For an anyway source entering the title V program due to conventional pollutants, a permitting authority will spend an estimated 43 additional hours to account for any applicable requirements associated with GHGs, bringing the average burden to 471 hours per permit.

Sources

The EPA estimates that an industrial permit due solely to GHGs will require the same amount of time to process and issue as a conventional pollutant, or 350 hours, as shown in Table 3. New commercial/residential permits will require only 50% of that time, or 180 hours.

Source burden, shown in Table 4, is expected to increase throughout the remaining two years of this ICR. As noted for permitting authorities, 27 new commercial/residential sources are expected to require a title V permit during this time, as well as approximately 258 industrial sources. For an anyway source in the title V program due to conventional pollutants, an additional 34 hours will be spent including applicable GHG requirements, bringing the average burden to 374 hours per permit. Overall, the annual burden for sources is estimated to be 4.3 million hours.

Agency

The Tailoring Rule and its supporting documents did not focus on Agency burden impacts. However, due to the increase in sources subject to title V more time will be spent processing and revising title V permit applications. Updated burden estimates are represented in Table 5. The total annual effort is almost 41,000 hours at a cost of \$1.8 million.

Additional Burden Due to Recent Actions

Tables 6 and 7 highlight the burden impacts occurring as a result of the most recent program actions. The total additional burden for permitting authorities is estimated at 225,824 hours for the two-year period, while sources will experience a combined approximate burden of 262,791 hours.

While the number of responding permitting authorities will remain the same, over the next two years there will be 285 additional sources that will respond due to GHGs.

Incorporating these burden revisions into the currently approved Part 70 program ICR leads to an overall increase of 244,307 hours annually for respondents, bringing the overall burden to almost 5.7 million hours. In addition, the total number of respondents will increase to an estimated 17,073 annually.

Table 1. Average Permitting Authority Burden per GHG Title V Permit		
Activity	Burden Hours per Permit - Industrial	Burden Hours per Permit - Commercial/ Residential^a
Permit Application Review	100	33
Draft Permits Preparation	150	50
Comment Period Notification	10	10
Hold Public Hearings	100	90
Interaction with EPA	20	5
Analyze Public Comments	40	20
Permits Issuance	8	6
Total Burden	428	214
<p>^aCommercial/residential permits will be simpler, so the permitting authority would take about 1/3 of the time to review the permit application and draft the permit than it would for an industrial source permit. The comment period notification and time for public hearings, however, would be about the same because of the fixed time necessary to provide notice and hold hearings. The amount of time interacting with EPA would be much less due to the relative simplicity of the permits. Analyzing public comments would take half as long as for an industrial permit because although the permits are much simpler, there could be a fair amount of public interest because of the location of the source. Permit issuance would take slightly less time than for an industrial source since most of the costs are fixed.</p>		

Table 2. Permitting Authority Burden and Cost (Annual)							
Activity	Number of Units		Hours per Unit	Total Hours	Total Cost (\$) ^b	Annual Hours	Annual Cost (\$)
	Year 1 ^a	Year 2					
Program Administration	112 Programs	112 programs	3500	784,000	\$36,064,000	392,000	\$18,032,000
Permit Preparation and Issuance ^c							
New Industrial Permit due to GHG	86	172	428	110,424	\$5,079,504	55,212	\$2,539,752
New Industrial Permit - add GHG component	50	50	471	47,100	\$2,166,600	23,550	\$1,083,300
New Commercial/Residential Permit	9	18	214	5,778	\$265,788	2,889	\$132,894
General Permits Administration	112 Programs	112 programs	80	17,920	\$824,320	8,960	\$412,160
Permit Revisions							
Permit Revisions - Due to GHG	458	915	40	54,920	\$2,526,320	27,460	\$1,263,160
Permit Revisions - add GHG to Current Non-GHG Permits	448	448	4	3,584	\$164,864	1,792	\$82,432
Permit Revisions - Significant	1394	1394	90	250,920	\$11,542,320	125,460	\$5,771,160
Permit Revisions - Minor	6968	6968	30	418,080	\$19,231,680	209,040	\$9,615,840
Permit Revisions - Administrative	6968	6968	5	69,680	\$3,205,280	34,840	\$1,602,640
Permit Renewals							
Permit Renewals w/addition of GHG	2614	2614	99	517,572	\$23,808,312	258,786	\$11,904,156
Permit Renewals	653	653	90	117,540	\$5,406,840	58,770	\$2,703,420
Review General Permits	622	622	10	12,440	\$572,240	6,220	\$286,120
Review Monitoring and Compliance Certification Reports	16,603	16,603	15	498,090	\$22,912,140	249,045	\$11,456,070
Annual Enforcement Activity Reporting	112 Programs	112 programs	40	8,960	\$412,160	4,480	\$206,080
Totals				2,917,008	\$134,182,368	1,458,504	\$67,091,184
^a Year 1 is comprised of Step 1 and six months of Step 2 under the GHG Tailoring Rule; throughout Year 2 Step 2 will be in place. ^b Salaries from Title V ICR adjusted to 2007 dollars using 2007 OPM General Schedule Salary Table available at: http://www.opm.gov/oaca/07tables/index.asp ^c Incorporating GHG information/requirements into new, revised, and renewed permits adds an additional 10% to the current time. ^d New commercial/residential permits require half the time needed for new industrial permits ^e The Title V ICR estimates that 3,267 permits annually undergo renewal and we estimate that 80% of these will involve combustion. Therefore, 2,614 must add GHG requirements; while 653 do not.							

Table 3. Average Source Burden per GHG Title V Permit		
Activity	Burden Hours per Permit - Industrial	Burden Hours per Permit - Commercial/Residential^a
Prepare Application	300	150
Draft Permits Interaction	40	20
Public Hearing Participation	10	10
Total Burden	350	180
<p>^aCommercial/residential permit applications will be significantly simpler than industrial source title V permit applications. However, due to their inexperience, we estimate commercial/residential sources will take half as long to complete their steps for their permit application as it will for industrial sources to complete their steps. Less interaction, again 50% less time, will be needed with permitting authorities during the permit drafting process. Finally, public hearing participation will likely require the same amount of time because of the fixed time burdens necessary to complete hearings.</p>		

Table 4. Source Respondent Burden and Cost (Annual)								
Activity	Number of Units		Hours per Unit	Total Hours	Total Cost (s) ^a	Annual Hours	Annual Cost (\$)	
	Year 1	Year 2						
Prepare Application								
Industrial Permit due to GHG	86	172	300	77,400	\$11,455,200	38,700	\$5,727,600	
Industrial Permit - add GHG component to Non-GHG Permit	50	50	330	33,000	\$4,884,000	16,500	\$2,442,000	
Commercial/Residential Permit	9	18	150	4,050	\$599,400	2,025	\$299,700	
Draft Permit								
Industrial	86	172	40	10,320	\$402,480	5,160	\$201,240	
Add GHG component to new Non-GHG Permit	50	50	44	4,400	\$171,600	2,200	\$85,800	
Commercial/Residential	9	18	20	540	\$21,060	270	\$10,530	
Gap Filling Monitoring Development	54	54	40	4,320	\$168,480	2,160	\$84,240	
Public Hearing Participation	3	4	10	70	\$2,730	35	\$1,365	
Operate Gap Filling Monitoring	8302	8302	200	3,320,800	\$129,511,200	1,660,400	\$64,755,600	
Prepare Monitoring Reports	16,603	16,603	80	2,656,480	\$103,602,720	1,328,240	\$51,801,360	
Permit Revisions								
Significant Permit Modifications	1394	1394	80	223,040	\$8,698,560	111,520	\$4,349,280	
Minor Permit Modifications	6968	6968	40	557,440	\$21,740,160	278,720	\$10,870,080	
Administrative Amendments	6968	6968	8	111,488	\$4,348,032	55,744	\$2,174,016	
Permit Revisions - due to GHG		915	43	39,345	\$1,534,455	19,673	\$767,228	
Permit Revisions - add GHG to current non-GHG permits	448	448	4	3,393	\$132,321	1,696	\$66,161	
Permit Renewals								
General Permit Renewal	622	622	2	2,488	\$97,032	1,244	\$48,516	
Permit Renewals w/addition of GHG	2614	2614	220	1,150,160	\$44,856,240	575,080	\$22,428,120	
Permit Renewals	653	653	200	261,200	\$10,186,800	130,600	\$5,093,400	
Other Activities	3267	3267	20	130,680	\$5,096,520	65,340	\$2,548,260	
Totals				8,590,614	\$335,033,940	4,295,307	\$167,516,970	
^a Year 1 is comprised of Step 1 and six months of Step 2 under the GHG Tailoring Rule; throughout Year 2 Step 2 will be in place. ^b Salaries from Title V ICR adjusted to 2007 dollars using 2007 OPM General Schedule Salary Table available at: http://www.opm.gov/oca/07tables/index.asp ^c Incorporating GHG information/requirements into new, revised, and renewed permits adds an additional 10% to the current time. ^d New commercial/residential permits require half the time needed for new industrial permits ^e The Title V ICR estimates that 3,267 permits annually undergo renewal and we estimate that 80% of these will involve combustion.								

Table 5. Agency Burden and Cost for the Two-Year Period							
Activity	Number of Units		Hours per Unit	Total Hours	Total Cost (\$)	Annual Hours	Annual Cost (\$)
	Year 1^a	Year 2					
Review Permits and Revisions							
New Permits ^b	36	60	20	1,920	\$86,688	960	\$43,344
Renewals	163	163	20	6,520	\$294,378	3,260	\$147,189
Permit Revisions due to GHGs ^c	458	915	8	10,984	\$495,928	5,492	\$247,964
Significant Permit Revisions	1,394	1,394	8	22,304	\$1,007,026	11,152	\$503,513
Minor Permit Revisions	6,968	6,968	1	13,936	\$629,210	6,968	\$314,605
Consult with Permitting Authority							
New Permits	36	60	8	768	\$34,675	384	\$17,338
Permit Revisions due to GHGs	115	229	8	2,752	\$124,253	1,376	\$62,126
Significant Permit Revisions	348	348	8	5,568	\$251,395	2,784	\$125,698
Minor Permit Revisions	1,742	1,742	1	3,484	\$157,303	1,742	\$78,651
Program Oversight	112 Programs	112 Programs	50	11,200	\$505,680	5,600	\$252,840
Review the Annual Report	112	112	10	2,240	\$101,136	1,120	\$50,568
Totals				81,676	\$3,687,671	40,838	\$1,843,836
^a Year 1 is comprised of Step 1 and six months of Step 2 under the GHG Tailoring Rule; throughout Year 2 Step 2 will be in place. ^b Review and consultation conducted on approximately 25% of permits annually ^c Permit revisions due to GHGs [add text for the fact these are separate?] are assumed to require the same amount of review and consultation time as significant or minor permit revisions.							

Table 6. Additional Permitting Authority Burden and Cost For the Two-Year Period					
Activity	Burden Hour per Permit	Affected Permits		Total Burden (hours)	Total Cost (\$2007)^b
		Year 1^a	Year 2		
New Permit Preparation and Issuance - Industrial	428	86	172	110,281	5,072,941
Add GHG component to new Non-GHG Permit ^b	43	50	50	4,300	\$197,800
New Permit Preparation and Issuance - Commercial/Residential ^c	214	9	18	5,707	\$262,507
Permit Revisions - due to GHG	40	458	915	54,900	\$2,525,400
Permit Revisions - add GHG to Current Non-GHG Permits	4	448	448	3,584	\$164,864
Permit Renewals ^d	9	2614	2,614	47,052	\$2,164,392
Total Additional Burden				225,824	\$10,387,904

^aYear 1 is comprised of Step 1 and six months of Step 2 under the GHG Tailoring Rule; throughout Year 2 Step 2 will be in place.

^bSalaries from Title V ICR adjusted to 2007 dollars using 2007 OPM General Schedule Salary Table available at: <http://www.opm.gov/oaca/07tables/index.asp>

^cIncorporating GHG information/requirements into new, revised, and renewed permits adds an additional 10% to the current time.

^dNew commercial/residential permits require half the time needed for new industrial permits

^eThe Title V ICR estimates that 3,267 permits annually undergo renewal and we estimate that 80% of these will involve combustion.

Table 7. Additional Source Burden and Cost For the Two-Year Period						
Activity	Burden Hour per Permit	Rate per Hour ^a	Affected Permits		Total Burden (hours)	Total Cost (\$2007) ^b
			Year 1 ^a	Year 2		
Prepare Application - Industrial	300	\$148	86	172	77,300	\$11,440,400
Prepare Application - add GHG component to Non-GHG Permit ^c	30	\$148	50	50	3,000	\$444,000
Prepare Application - Commercial/Residential ^d	150	\$148	9	18	4,000	\$592,000
Draft Permit - Industrial	40	\$39	86	172	10,307	401,960
Draft Permit - Add GHG component to new Non-GHG Permit	4	\$39	50	50	400	\$15,600
Draft Permit - Commercial/Residential	20	\$39	9	18	533	\$20,800
Public Hearing Participation ^e	10	\$39	3	4	68	\$2,647
Permit Revisions - due to GHG	43	\$39	458	915	59,039	\$2,302,521
Permit Revisions - add GHG to current non-GHG permits	4	\$39	448	448	3,584	\$139,776
Permit Renewals ^f	20	\$39	2614	2,614	104,560	\$4,077,840
Total Additional Burden					262,791	\$19,437,544

^aYear 1 is comprised of Step 1 and six months of Step 2 under the GHG Tailoring Rule; throughout Year 2 Step 2 will be in place.

^bSalaries from Title V ICR adjusted to 2007 dollars using Employment Cost Index, Table 1, Private Industry Workers, Management, professional, and related. Index for December 2007 relative to December 2006. Available at: <http://www.bls.gov/web/echistrynaics.pdf>

^cIncorporating GHG information/requirements into new, revised, and renewed permits adds an additional 10% burden to the current time.

^dNew commercial/residential permits require half the time needed for new industrial permits

^eAmount of time required for public hearing participation remains the same for all permits, and one in 50 permits requires a hearing.

^fThe Title V ICR estimates that 3,267 permits annually undergo renewal; assume 80% of these involve combustion and require the addition of GHG components.