

# Graphic Arts Coalition

Representing the Graphic Communications Industries

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October 13, 2011

Clerk  
Illinois Pollution Control Board  
100 W. Randolph St., Suite 11-500  
Chicago, Illinois 60601

RE: (R012-10) In the Matter of: Registration of Smaller Sources (ROSS): New 35 Ill. Adm. Code 201.175.

On behalf of the affected members of the Illinois graphic arts community, the Graphic Arts Coalition (GAC), including the following organizations: the Great Lakes Graphics Association (GLGA), the Flexographic Technical Association (FTA) and the Specialty Graphic Imaging Association (SGIA), wishes to support the Illinois Environmental Protection Agency (IEPA) in their permit streamlining activities, as required in Public Act 097-0095, effective July 1, 2011, and offer comments on the New 35 Illinois Administrative Code 201.175, Registration of Smaller Sources (ROSS). GAC appreciates the IEPA's willingness to work with the printing industry in developing this new air permitting program.

As background, GAC represents the printing and publishing industry (SIC 2700 and various NAICS 323 codes) in Illinois. As reported in the 2010 Print Market Atlas, the value of goods shipped for the industry in Illinois is approximately \$9.3 billion. Approximately 1,915 companies employing about 60,485 workers are engaged in offset lithographic printing in Illinois. GAC represents over 300 of these firms. Seventy-four percent of Illinois printers employ less than 20 employees. Printing is a prime example of small businesses involved in manufacturing.

In reviewing the proposed ROSS program, GAC wishes to offer comments on how the permitting process can be improved. GAC supports the IEPA in the development of the Registration of Smaller Sources (ROSS) permitting option for air pollution sources in Illinois, but has several questions and concerns with the proposed rule. These concerns are outlined in the attached comments.

The Agency states in the "Notice of Proposed Amendment" that "Owners and operators of qualifying sources would no longer be required to apply for construction or operating permits, await review of permit applications and issuance of a permit, pay construction and operating permit fees, or submit annual emissions report." However, the ROSS program requires annual emissions calculations for recordkeeping purposes, has an unknown review and approval time, and requires the same annual fees as a lifetime operating permit for sources with emissions below 25 tons per year, which would be the permit required for sources that qualify for a ROSS. GAC is concerned that there is little economic or administrative incentive for registration and that therefore the ROSS program will not be successful.

We would be willing to meet with you to discuss our comments and suggestions. Please feel free to contact Joseph Lyman, GLGA President, at 262-522-2212; Marci Kinter, SGIA Vice President of Government & Business Information, at 703-359-1313; or Doreen M. Monteleone, FTA Director of Special Projects & EHS Services, at 631-737-6020 with any questions you may have or to arrange a meeting time that is convenient for you and the appropriate staff involved in the development of these permitting programs.

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We look forward to working with you toward the mutual benefit of the Illinois Environmental Protection Agency and Illinois's graphic arts firms.

Sincerely,



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### Sections (b)

The intent of the ROSS program is to reduce regulatory, administrative recordkeeping, financial, and reporting burdens on smaller sources, while also reducing the permitting workload for the agency. GAC supports this goal, but is concerned that this regulation still requires sources to calculate emission, as previously required for the Annual Emissions Reports submitted to the agency.

As currently written, sections (b)(2)(A) and (b)(2)(B), combined with section (e) may be interpreted as requiring sources to calculate emissions annually in order to demonstrate compliance with the rule. This is not necessary if the source has determined in their original application that actual emissions are below 5 tons, and no significant changes have occurred in their operation. In addition, sources such as printing operations can use material use thresholds to determine if emissions exceed the 7 ton per year or 10 ton over 24 months thresholds. This is a much less time consuming task than calculating actual emissions, and achieves the same endpoint.

As indicated on Page 3 (Page 13 of 25) of Document 73265, sources will be required to certify in their initial application that emissions will be or are below the threshold, and annually certify that they remain below the thresholds in (b)(2)(A) and (B). Sources should have the option to determine how they will certify that emissions remain below the threshold, including certifying that no significant changes in operations have occurred that would increase emissions, certifying that material use remains below a threshold equivalent to the emissions thresholds for the rule, or certifying that they have calculated that their emissions are below the threshold. Sections

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(b)(2)(A) and (b) (2) (B) should clarify that sources are required to certify that their emissions are below the threshold, not sum their actual emissions.

Another concern with section (b) is the inconsistent application of a safety factor for the continued applicability emissions threshold. Section (b) (2) (A) provides for a fluctuation of 2 tons in any given 12 month period, during which source remains eligible for the ROSS. However, by setting the two calendar year threshold at 10 tons, any source with emissions in a single year of 7 tons would have to compensate for this fluctuation by reducing emissions to 3 tons in the following year. To properly account for this fluctuation, the two calendar year threshold should be 12 tons, meaning that the facility can resume normal operation after the fluctuation and maintain emissions below 5 tons in the following year. Similar fluctuation in yearly and 24 month emissions of HAPs, mercury, and lead should be provided for in (b) (2) (B).

The following is suggested language to achieve the above recommended changes:

### 2) Annual renewal of registration:

A) For the purposes of determining *continued eligibility* under subsection (a)(1)(C) of this Section, the owner or operator *must certify* that the sum of all actual emissions from all units associated with the source for the prior calendar year, and if the summed actual emissions of combined particulate matter, carbon monoxide, nitrogen oxides, sulfur dioxide, and volatile organic material air pollutant emissions for the prior calendar year are greater than 7 tons, or if the total sum of actual emissions of combined particulate matter, carbon monoxide, nitrogen oxides, sulfur dioxide, and volatile organic material air pollutant emissions from the prior two calendar years are greater than 12 tons, the owner or operator must apply for the applicable operating permit under the Act pursuant to subsection (g) of this Section.

B) For the purposes of determining *continued eligibility* with subsections (a)(1)(D), (a)(1)(E) and (a)(1)(F) of this Section, the owner or operator *must certify* that the sum the actual emissions from all units at the source for the prior calendar year, and if the summed emissions of HAPs, mercury or lead are equal to or exceed the 0.7 TPY, 0.07 TPY, or 0.07 TPY for the prior calendar year, respectively, or if the total sum of actual emissions of HAPs, mercury or lead from the prior two calendar years are greater than 1.2 tons, 0.12 tons, or 0.12 tons respectively, the owner or operator must apply for the applicable operating permit under the Act pursuant to subsection (g) of this Section.

### Section (c)

Section (c)(4)(B) and (c)(4)(C) set the annual fee for application and renewal of an ROSS at \$235 per year (per 9.14 of the Act), which is the same as the annual fee for sources with permit limits below 25 tons per year (\$235 per year per 9.6 of the Act). It is unclear why an operation with an existing lifetime permit would choose to change to a ROSS, when there is no economic incentive. This is especially true if a source would ever have to reapply for a lifetime operating permit in the future because emissions exceed the threshold, as outlined in the comments on section (g) below.

To provide an economic incentive for sources who would qualify for registration, there should be no fee associated with registration and renewal for small sources. With an economic incentive, more sources are likely to use the ROSS program, and provide the administrative burden relief that the agency seeks. GAC requests that 9.14 of the Act be revised to provide an economic incentive for the use of the ROSS, by eliminating application and renewal fees.

### Section (d)

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- 1) The proposed regulation and accompanying material do not indicate if there is a penalty for sources that fail to register timely under the ROSS program. If a new source misses the 90 day deadline in Section (d) for a new source, are they excluded from ROSS and required to get a permit? If a facility is required to register via the ROSS system, but does not register initially, will they be subject to a penalty or be required to pay permit fees for the time they should have been registered, as outlined in (g) and (h) of Section 9.6 of the Act? GAC would like to see the Agency develop a grace period of at least a year, during which any source that qualifies for the ROSS program is given the opportunity to register without facing penalties. Many small sources may not have been aware of the requirement to obtain a permit, or lacked the finances and expertise to complete a permit application. These sources would be well served by the new ROSS program, however if they fear penalties for applying, they may not apply for registration.
- 2) It is unclear in this section how sources that register, either new or existing sources, will be notified of the acceptance of their registration. It is essential that sources that apply for the ROSS be notified that their registration has been received and accepted, so they can be assured of their compliance status. It is also unclear in this section if new sources must wait to begin operations until their ROSS has been approved. There is no clear indication of how long review of registrations will take, which is understandable because the Agency cannot be certain of how many applications will be received once the ROSS program is launched. GAC recommends that once a facility has submitted a registration to the Agency, they receive a notification that the registration has been approved.
- 3) This Section allows for sources with existing permits to register using the ROSS, if they qualify. Will the existing permits for these sources be automatically rescinded, or will these sources need to complete another process in order to have those permits withdrawn? GAC recommends that any source that applies for and receives a ROSS have any existing permits automatically deactivated, and that the source receive notification along with their registration approval that the permits have been deactivated.

### Section (e)

Section (e) 3) requires sources to calculate emissions annually and maintain records of these emissions calculations for 5 years. As mentioned in comments on Section (b), the requirement to calculate emissions annually makes the ROSS recordkeeping nearly as time consuming and complex as recordkeeping for the Lifetime operating permit. Again, it is unclear why a source would switch from an existing Lifetime operating permit when the cost and recordkeeping requirements of both are the same.

As calculation of emissions can be time consuming and expensive for small operations, alternatives to demonstrate that emissions remain below the thresholds in (b)(2)(A) and (B) should be provided in section (e). One option is to maintain documentation that no significant changes have occurred in their operation since the original application that would increase emissions. Sources such as printing operations can use material use thresholds to determine if emissions exceed the 7 ton per year or 10 ton over 24 months thresholds. This is a much less time consuming task than calculating actual emissions, and achieves the same endpoint. Additionally, as the requirements for filing a registration or renewal as outlined in (c) (2) indicated that a "statement" that the source meets the requirements is all that is required, it is unclear why annual calculations are required in section (e), when there are other ways to demonstrate that emissions are below the thresholds.

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To improve the flexibility of the ROSS, and increase the chances that sources with existing permits will seek to switch to the ROSS, sources should have the option to determine how they will certify that emissions remain below the threshold. Options should include certifying that no significant changes in operations have occurred that would increase emissions from their original emission determination, certifying that material use or other throughput data remains below a threshold equivalent to the emissions thresholds for the rule, or certifying that they have calculated that their emissions remain below the threshold.

The following is suggested language to achieve the above recommended changes:

e) The following records shall be kept and available for inspection by the Agency for at least 5 calendar years:

- 1) A description of the emission units associated with the source and their associated control devices;
- 2) A description of control efficiency or emission rates of any control devices that are relied upon to meet the criteria for ROSS in subsections (a) and (b) of this Section;
- 3) *Documentation supporting that the source is eligible for ROSS pursuant to the criteria in subsections (a) and (b) of this Section. This may include:*
  - i. *A copy of the source's initial registration including documentation of the source's actual emissions demonstrating that the source is eligible for ROSS pursuant to the criteria in subsections (a) and (b) of this Section and a copy of annual renewal of registration.*
  - ii. *Material use, throughput, or other production records that demonstrate that emissions are below the thresholds in subsections (a) and (b)*
  - iii. *Calculations that demonstrate that actual emissions are below the thresholds in subsections (a) and (b)*

### Section (g)

Another intention of the ROSS program is to lighten the administrative burden on the agency through the conversion of approximately 3,200 sources to registrations versus permits. The agency anticipates that approximately half of all permitted sources in Illinois, which account for less than 1% of emissions, are eligible for the program. Most eligible permitted sources are under Lifetime or General Lifetime permits which afford some flexibility to avoid additional construction fees. If a source with a Lifetime permit withdraws their permit and replaces it with a ROSS, but then exceeds the thresholds in (2)(A) or (B), they would have to reapply for a permit and repay the fee. The Lifetime permit re-application would also have to be reviewed by the Agency. This possibility, along with the same annual fee and requirements to calculate emissions previously mentioned, makes it difficult to see the value in withdrawing from an existing Lifetime permit in favor of a ROSS. If there is no value in obtaining a ROSS instead of an existing Lifetime permit, the administrative burden relief anticipated by the Agency will not be realized.

One way to solve this program and encourage facilities to apply for a ROSS would be to remove the requirement to pay construction fees again if they facility needs to apply for a Lifetime permit after switching to a ROSS. This could save these facilities between \$1,000-\$1,500 in fees that would be reassessed for emissions units that were included in the rescinded construction permit.

The following is suggested language to achieve the above recommended changes:

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(g)

*(4). Emission units previously covered by a source's permit prior to the effective date of this section will not be subject to construction fees under part (1) and (3) of this subsection; however the owner or operator must comply with all other applicable permitting fees and requirements under the Act and 35 Ill. Adm. Code Parts 201 and 203.*

### General Comments

Public Act 97-0095, which contained the permit streamlining initiatives including ROSS, also provided for electronic filing of fees and permits. It is unclear in the proposed regulation and accompanying materials if ROSS permits applicants will be able to electronically register, renew, update facility information, submit changes, and pay fees. GAC recommends that the Agency develop the ROSS program with the option to complete all necessary actions electronically as well as on paper.