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# **An Industry Perspective on the Title V Task Force Recommendations**

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The Lilly logo is written in a red, cursive script font.

**Answers That Matter.**

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# Topics

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General perspective of the process

Industry perspective of the process

Key recommendations for industry

What happens next?

# General perceptions

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Knowledgeable and experienced representatives for all three stakeholder groups

The process enabled success

- EPA served in an advisory capacity
- Extensive public input
- Effective identification and prioritization of issues
- In-depth analysis from multiple perspectives
- Recommendations reflect majority and minority views

The quality of the report resulted in strong endorsement by Clean Air Act Advisory Committee

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# The Industry Perspective: General

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Title V is useful

- Task Force recognized the valuable aspects of Title V program

The rules should not change much

- Task Force members not inclined to suggest many changes to Title V program rules

Share success

- Focus should be on best practices and opportunities for improvement

The process was initially a success

- Many issues important to industry were addressed

Some areas of strong consensus

- Agreement among stakeholders for improved public access and involvement

Cost underestimated

- Burden/cost of the program not fully recognized
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# Program Benefits

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# Program Costs

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## EPA Program Cost Estimate\*

Source Type	Initial Burden	Recurring Burden	Annualized Costs (5-year recovery)
Major Large Source	\$55k (1221) hrs)	\$8.1k (180 hrs)	\$22.6k

\*1992 Regulatory Impact Assessment

⇒ Total industry annualized costs: \$352M/yr

Real industry costs estimated at \$2-5 billion/year excluding annualized initial burden

Initial and ongoing costs, to both permittees and regulatory authorities, significantly exceeded cost estimates

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# Program Costs

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USEPA continues to significantly underestimate cost of Title V program implementation

- 2007 ICR submittal to OMB ignores Title V permit fees as a burden to sources [> \$100 million/year]
  - Agency estimates average annual cost to a source is ~\$9,500 [~250 hours per year]
    - Number of hours implementing program is too low
    - \$38/hour cost for source labor [state and fed labor cost is \$45/hour]
  - Sources not consulted in the process
  - Title V Task Force report chapter on cost was ignored
  - EPA estimates total cost of program is about \$220 million/year [most of it paid by sources]
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# Key Recommendations

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## Incorporation of Applicable Requirements

- Use citation approach for incorporating MACT
- Incorporate construction permit terms/conditions by restating terms

## Permit Revisions/Operational Flexibility

- More efficient incorporation of new requirements and use of off-permit and minor modifications

## Compliance Certifications

- Support “short form” that focuses on deviations
  - Provide opportunity for permittee to explain certification basis
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# Key Recommendations

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## Insignificant Emission Units

- Eliminate from the permit/streamline out of permit

## Title I/Title V Interface

- Need for efficient mechanism for processing construction/ operating permit changes
- Eliminate/reduce “SIP gap” problems

## Monitoring

- Monitoring sufficiency issues should be addressed in underlying regulations
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# Key Recommendations

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## EPA Review of Proposed Permits

- Support concurrent versus sequential EPA/public review
- Sequential reviews only when significant comment germane to permit received (excluding permittee comments)

## Appeals/Petitions

- Expedite appeal resolution and consideration of source stay requests
  - Include petitioners and permittee in resolution of petitions
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# From recommendation to implementation

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Task Force report to CAAAC

- April 2006

EPA review and response to CAAAC

- January 2007

EPA implementation of recommendations

- Guidance documents - ???
- Rulemaking - ???

State implementation of recommendations

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# EPA's initial response

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## Guidance documents

- Incorporation by reference
- Insignificant activities
- Permit revisions
- Compliance certification short form

## Rule revisions

- Exclude insignificant activities from permits
  - Broaden scope of administrative permit amendment and minor permit revision
  - Improve public participation procedures
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# In light of EPA inaction where can we jump straight to state implementation?

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Task Force report to CAAAC

- April 2006

EPA review and response to CAAAC

- January 2007

EPA implementation of recommendations

- Guidance documents - ???
- Rulemaking - ???

State implementation of recommendations

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# Candidates for state action

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Incorporation by reference

More efficient use of off-permit modifications and minor permit modifications

Short form compliance certifications

Prompt resolution of permit appeals