

operational changes that exceed the SER will be subject to NSR.

Short-term PSEL's were previously required to be included in all permits for pollutants with short-term ambient air quality standards. The rules have been revised to require short-term PSEL's only for pollutants for which a short-term SER has been established (ODEQ establishes short-term SER's on an area specific basis as needed to ensure attainment and maintenance of a short-term NAAQS). The rules also have been revised to include procedures and criteria to be used when revising a short-term PSEL (previously, the rules only included criteria applicable to the annual PSEL's). Although this change will allow most ACDP's and title V operating permits to be issued in the future without including short-term PSEL's, ACDP's and title V operating permits will still need to include short-term PSEL's for areas where ODEQ has previously relied upon them to demonstrate attainment and maintenance of the NAAQS.

The general requirements for all PSEL's have been revised to clarify that annual PSEL's will be established on a rolling 12-month basis and to require sources to maintain either a Standard ACDP or a title V operating permit in order to have a netting basis (and a source-specific PSEL). It is ODEQ's intention that the PSEL function as a limit on a source's PTE.

EPA has reviewed the provisions of the PSEL rule and finds that it establishes limits on a source's PTE that are Federally enforceable and enforceable as a practical matter (with adequate requirements for monitoring, recordkeeping, and reporting in section 0080) in accordance with EPA's guidance for limiting PTE. Therefore, EPA is approving this rule such that PSEL's in ACDP's and title V operating permits that comply with the requirements of this rule will be considered to be limits on a source's PTE.

New provisions for addressing unassigned emissions have been added. The purpose of this section is to track and manage the difference between the netting basis and what a source could emit based on its current physical and operational design. This section essentially limits unassigned emissions to no more than the SER, and establishes the process for reducing unassigned emissions and the netting basis when permits are renewed, modified, or reopened. Unassigned emissions may only be used for netting purposes, and cannot be sold or banked. Emissions that are removed from the netting basis cannot be used in future

netting actions. The provision for temporary PSD increment allocation has been repealed. The effect of this repeal is that all requested increases in PSEL's will be evaluated for compliance with applicable PSD increments using the same criteria.

The provisions for voluntary PSEL's for hazardous air pollutants (OAR 340-222-0060) has been revised to reflect the change to a rolling 12-month average and to accommodate generic PSEL's. Because this provision does not directly relate to the SIP, EPA is taking no action on this portion of the PSEL rule. The effect of this is that HAP PSEL's established in ACDP's will not be Federally-enforceable limits on a source's PTE. However, for purposes of the Federal hazardous air pollutant program under section 112 of the CAA and for purposes of title V of the CAA, limits on PTE need not be Federally enforceable at this time.

It is important to note that the rule explains how insignificant activities are addressed in plant-site emission limits. Categorically insignificant activities are generally not considered when establishing PSEL's and demonstrating compliance with PSEL's. However, emissions from aggregate insignificant activities are considered. Importantly, the rules state that all emissions from insignificant activities must be included when determining whether a source or modification is major for purposes of NSR or PSD. This means that a source which requests a PSEL below the major source thresholds to avoid NSR or PSD must include emissions from all insignificant activities in the PSEL.

The rule includes a new section with specific requirements for ensuring compliance with PSEL's. It requires sources to monitor emissions or other parameters on a frequency and with averaging periods sufficient to demonstrate compliance with the annual PSEL on a monthly basis and with short-term PSEL's. Sources are required to maintain adequate records and to submit annual reports as required in ACDP's or title V operating permits. Specific requirements for monitoring, recordkeeping, and reporting will be included in all permits with PSEL's.

Finally, the rule includes a new section which specifies how PSEL's and netting bases will be treated when two or more sources combine into one (e.g., when one source buys a neighboring plant), or when one source splits into two or more sources (e.g., when one source sells a portion of its plant to another company).

Overall, the revisions to ODEQ's rules for Plant Site Emission Limits have clarified and strengthened the rules.

Although the new provisions for generic PSEL's may allow insignificant increases at some existing non-major sources, the Oregon PSEL's still establish a more rigorous mechanism for regulating non-construction emissions increases at existing sources than do most other State programs. Furthermore, the new provisions for unassigned emissions will reduce PSEL's for major sources now and into the future. EPA is therefore approving the revisions to the PSEL rules.

#### 9. Division 224, Major New Source Review

This Division contains the ODEQ major source permit to construct programs as required by title I, parts C and D of the CAA. It requires an ACDP prior to beginning construction on a new major source or major modification. This Division applies to new major sources and major modifications and requires that no owner or operator begin actual construction without first having received an ACDP and having satisfied the requirements of this Division.

Revisions to this Division must be evaluated in the context of the currently-approved ODEQ NSR rule. ODEQ's NSR rule differs from EPA's regulations in a number of fundamental ways. EPA evaluated and initially approved the ODEQ NSR program on August 13, 1982 (47 FR 35191), as being equivalent or more stringent than EPA's regulations on a program basis. The ODEQ NSR program, which is closely linked to the ODEQ PSEL program, does not subject the same sources and modifications to major NSR as would EPA's rules. The ODEQ program has lower major source thresholds, so smaller new sources and changes to smaller existing sources are subject to review. However, the ODEQ program utilizes a plant-wide cap approach to defining major modification rather than a contemporaneous net emissions increase approach as does EPA's rules. The effect of this plant-wide cap approach is that some changes which would be subject to review under EPA's rules are not subject under ODEQ's rules. However, some changes which would not be subject to review under EPA's rules are subject under ODEQ's rules. In addition, changes which would result in increased emissions, but would not be considered modifications under EPA's rules, are reviewed for compliance with standards and increments under ODEQ's PSEL program. Overall, EPA when it initially approved Oregon's program in 1982 determined that the Oregon program would review and control emissions from new and modified sources equal to