ATTACHMENT 1

<u>PLANT -WIDE APPLICABILITY LIMITS (PAL) - "FLEXIBLE" NSR</u>

A.   Positive Components

    1.   No netting out of BACT/BAT for new emissions units.
    2.   Includes emission cap(s):
       a. Actual for emission units if not BACT; or
       b. Allowable for emission units with BACT determination in the last five years, unless the state or local agency determines that a more recent BACT level is appropriate.
    3.   Considers upgrades of existing units over 10 years.

B.   Recommended Changes

    1.   Subject every source in a PAL to declining caps that move to BACT/BAT within a fixed time (e.g., 10 years); renew PAL every five years.
    2.   Prohibit combination of actual and allowable emissions under one cap:
       a.   Use separate caps where actuals and allowables are both used for one facility;
       b.   Prohibit use of allowable emissions from BACT units to increase actual emissions at units not controlled to BACT; and
       c.   Use actual emissions for all minor emission units.
    3.   In the establishment of the PAL emissions cap, use of a "cushion" (e.g., 39 tpy) above actual emissions must be facility wide, not per unit.
    4.   For enforcement purposes, PALs may be established on a smaller than plant-wide basis, with consideration of the grouping of like units for compliance monitoring purposes.
    5.   MACT and other emission reduction programs must result in reductions of the PAL cap (to the extent that the method for meeting MACT or other emission reduction programs reduces the pollutant covered by the PAL).
    6.   Provide significant flexibility for modifications (e.g., reporting or minor NSR as defined by the state/local agency).
    7.   Subject PALs to significant emissions monitoring to document progress and maintain enforceability. Any parametric monitoring needs to be related to emissions (e.g., tracking solvent use in surface coatings).
    8.   No commencement of new unit construction without appropriate approvals.
    9.   If the PAL is exceeded or the company terminates the PAL during the term of the PAL (as originally agreed to by the permitting authority and the company), the company must install BACT/LAER on all modified or reconstructed units that avoided federal NSR during the PAL lifetime.
    10.   Applications to increase PAL emissions levels must trigger normal NSR for all the changes.
    11.   Include ambient air quality safeguards:

a. Net increases in facility-wide actual emissions must trigger facility-wide air quality analysis;

b. A streamlined unit-specific analysis is needed to avoid downwash or other ambient problems if stack parameters are changed or a new stack added; and

c. Adjust the PAL when changes cause or contribute to a violation of any NAAQS or PSD increment.

12. Use an improved BACT Clearinghouse with annually defined presumptive BACT to streamline technology approval.

ATTACHMENT 2

UTILITY PROPOSAL - "CERTAINTY" NSR

A.   Positive Components

    1.   Covers entire source category.
    2.   No netting out of BACT for new and modified units.
    3.   Provides certainty on control upgrades for NO_x and SO_2.
    4.   Phases in "old source" control.

B.   Recommended Changes

    1.   Substantially shorten 30 year end date. (40 percent of NO_x reductions are proposed for the last five years).
    2.   Cover all criteria pollutants.
    3.   Determination of future emissions limits must not be locked into current NSPS. At a minimum, units not yet upgraded must be required to meet the most recent NSPS. Update the NSPS every two to five years to incorporate BACT.
    4.   Provide significant flexibility for minor modifications (state and local agency reporting requirements or minor NSR).
    5.   Reconstructions should undergo at least state/local agency technology review.
    6.   Need clear and narrow federal definition of "routine repair and maintenance."
    7.   Include ambient air quality safeguards:
        a.   Net increases in facility-wide actual emissions must trigger facility-wide air quality analysis; and
        b.   A streamlined unit-specific analysis is needed to avoid downwash or other ambient problems if stack parameters are changed or a new stack added.
    8.   Ensure that trading does not result in double-counting of emission reductions. Emissions reductions created for use in trading must be excess reductions beyond those mandated under any part of the Clean Air Act, including, but not limited to, the newly applicable NSPS. Use of trading must be shown to achieve greater reductions in a time frame quicker than would be realized if controls were imposed on a unit-by-unit basis.

ATTACHMENT 3

COMPLEX MANUFACTURING PROPOSAL - "NORMAL" NSR

A.   Positive Components

    1.   No netting out of BACT/BAT.
    2.   BACT/BAT triggered by:
        a.   New emissions unit; or
        b.   Modified emissions unit.
    3.   Appendix contains three potential ways to address reconstruction.
    4.   Recommendation to adequately fund and manage BACT/LAER Clearinghouse.
    5.   Supports the posting of NSR guidance documents.

B.   Recommended Changes

    1.   Trigger federal BACT at federal significant emission levels on an emissions unit basis.
    2.   Trigger state/local BAT at increases in allowables between state/local *de minimis* criteria and the federal significant emission levels.
    3.   Include ambient air quality safeguards:
        a.   Net increases in facility-wide actual emissions must trigger facility-wide air quality analysis; and
        b.   A streamlined, unit-specific analysis is needed to avoid downwash or other ambient problems if stack parameters are changed or a new stack added.
    4.   The concept of reconstruction triggered by financial test of accumulated component replacements has merit, but there is concern about implementation difficulty. In addition, the following refinements are necessary:
        a.   Delete accumulation time period;
        b.   Add narrowly defined *de minimis* maintenance exclusion (e.g., painting);
        c.   Add reasonable time to retrofit BACT/BAT after trigger reconstruction (e.g., two years); and
        d.   Define cost accumulation procedures. Any definition should consider inflation and current replacement cost or adjust replacement cost back to original cost.
    5.   Retain actual-to-potential test for modifications.
    6.   Ensure program applies to significant "debottlenecking" investments.