

**Department of State
Division of Publications**
312 Rosa L. Parks, 8th Floor Snodgrass/TN Tower
Nashville, TN 37243
Phone: 615.741.2650
Fax: 615.741.5133
Email: register.information@tn.gov

For Department of State Use Only

Sequence Number: 02-15-14
Notice ID(s): 2136
File Date: 2/28/14

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Environment and Conservation
Division:	Air Pollution Control
Contact Person:	Lacey J. Hardin
Address:	15th Floor, William R. Snodgrass Tennessee Tower 312 Rosa L. Parks Avenue Nashville, Tennessee 37243-1531
Phone:	(615) 532-0545
Email:	Lacey.Hardin@gov.tn

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	ADA Coordinator
Address:	2 nd Floor, William R. Snodgrass Tennessee Tower 312 Rosa L. Parks Avenue Nashville, Tennessee 37243
Phone:	(866) 253-5827 (toll free) or (615) 532-0200. Hearing impaired callers may use the Tennessee Relay Service ((800) 848-0298).
Email:	beverly.evans@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	15th Floor, William R. Snodgrass Tennessee Tower		
Address 2:	312 Rosa L. Parks Avenue		
City:	Nashville, Tennessee		
Zip:	37243		
Hearing Date :	04/22/14		
Hearing Time:	9:30 AM	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Additional Hearing Information:

The proposed changes to Chapter 1200-03-09 (Construction and Operating Permits) incorporate the Greenhouse Gas Plantwide Applicability Limit provisions published in the Federal Register by the United States Environmental Protection Agency on July 12, 2012. These draft provisions will allow major sources of greenhouse gases that choose to utilize these procedures to make certain changes without undergoing major new source review as long as they do not exceed the permitted allowable emissions. This process is already available to sources that are major for the other affected pollutants.

There will be a public hearing before the Technical Secretary of the Tennessee Air Pollution Control Board to consider the promulgation of amendments to the Tennessee Air Pollution Control Regulations and the State Implementation Plan pursuant to Tennessee Code Annotated, Section 68-201-105. The comments received at this hearing will be presented to the Tennessee Air Pollution Control Board for their consideration in regards to

the proposed regulatory amendments. The hearing will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. §§ 4-5-201 et Seq.

Anyone desiring to make oral comments at this public hearing is requested to prepare a written copy of their comments to be submitted to the hearing officer at the public hearing. Written comments not submitted at the public hearing will be included in the hearing record only if received by the close of business on April 22, 2014, at the office of the Technical Secretary, Tennessee Air Pollution Control Board, 15th Floor, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, Nashville, TN 37243.

If you have any questions about the origination of this rule change, you may contact Ms. Lacey Hardin at (615) 532-0554. The proposed changes incorporate the Greenhouse Gas Plantwide Applicability Limit provisions published in the *Federal Register* by the United States Environmental Protection Agency on July 12, 2012. Copies of documents concerning this matter are available for review at the office of the Technical Secretary and at certain public depositories. For information about reviewing these documents, please contact Mr. Malcolm Butler, 15th Floor, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, Nashville, TN 37243, telephone (615) 532-0600.

Revisions considered at this hearing may be adopted by the Tennessee Air Pollution Control Board under T.C.A. § 68-201-105, the Board general authority to promulgate rules. The changes proposed below may be revised based on comments received from the public, the regulated community, and any other affected entities. The Tennessee Air Pollution Control Board will consider all comments and set the fee appropriately.

Materials concerning the proposed actions will be available at <http://tn.gov/environment/ppo/#air> and also for public inspection during normal working hours starting on March 20, 2014, at the following locations:

Air Pollution Control Division
15th Floor, WR SnodgrassTN Twr
312 Rosa L. Parks Avenue
Nashville, TN 37243

Pollution Control Division
Metropolitan Health Dept.
311 23rd Avenue, North
Nashville, TN 37203

Air Pollution Control Division
Cookeville EFO
1221 South Willow Avenue
Cookeville, TN 38506

Air Pollution Control Division
Knoxville EFO
3711 Middlebrook Pk., Suite 220
Knoxville, TN 37921

Air Pollution Control Division
Johnson City EFO
2305 Silverdale Road
Johnson City, TN 37601-2162

Air Pollution Control Division
Jackson EFO
1625 Hollywood Drive
Jackson, TN 38305

Air Pollution Control Division
Columbia EFO
1421 Hampshire Pike
Columbia, TN 38401

Knox County Department of
Air Quality Management
140 Dameron Avenue, Suite 242
Knoxville, TN 37917

Memphis/Shelby County Air Poll. Control
Shelby County Health Dept.
814 Jefferson Avenue
Memphis, TN 38105

Air Pollution Control Division
Chattanooga EFO
540 McCallie Avenue, Suite 550
Chattanooga, TN 37402

Air Pollution Control Division
Nashville EFO
711 R. S. Gass Boulevard
Nashville, TN 37243

Kingsport Public Library
400 Broad Street
Kingsport, TN 37660

Chattanooga-Hamilton County
Air Pollution Control Bureau
6125 Preservation Drive
Chattanooga, TN 37416

U.S. EPA, Region IV
APTMD - 12th Floor, Atlanta Federal Center
61 Forsyth Street S.W.
Atlanta, GA 30303
c/o Mr. Scott Davis, Chief

All persons interested in the air quality of the State of Tennessee are urged to attend and will be afforded the opportunity to present testimony to the hearing officer regarding the proposed additions and/or revisions to the State Implementation Plan.

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
1200-03-09	Construction and Operating Permits
Rule Number	Rule Title
1200-03-09-.01	Construction Permits

(Place substance of rules and other info here. Statutory authority must be given for each rule change. For information on formatting rules go to <http://state.tn.us/sos/rules/1360/1360.htm>)

Chapter 1200-03-09
Construction and Operating Permits

Amendments

Subpart (i) of part 46 of subparagraph (b) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (i) so that, as amended, the new subpart shall read as follows:

- (i) Greenhouse gases (GHGs), the air pollutant defined in part 86.1818–12(a) of Chapter I of Title 40 of the Code of Federal Regulations as the aggregate group of six greenhouse gases: Carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride, shall not be subject to regulation except as provided in subparts (iv) through (v) of this part, and shall not be subject to regulation if the stationary source maintains its permitted total source-wide emissions below the GHG PAL level, meets the requirements in parts (s)1. through 15. of this paragraph, and complies with the PAL permit containing the GHG PAL.
- (I) In the event that the U.S. Court of Appeals for the D.C. Circuit or the U.S. Supreme Court issues an order which would render GHG emissions not subject to regulation under the Prevention of Significant Deterioration, New Source Review provisions and/or the Title V operating permit program of the Federal Act, then GHGs shall not be subject to regulation, nor shall GHG emissions be required to be included in any construction or operating permit under this regulation 1200-03, as of the effective date of the Federal Register notice of vacatur.
- (II) In the event that there is a change to Federal law that supersedes regulation of GHGs under the Prevention of Significant Deterioration, New Source Review provisions and/or the Title V operating permit program of the Federal Act, then GHGs shall not be subject to regulation, nor shall GHG emissions be required to be included in any construction or operating permit under this regulation 1200-03, as of the effective date of the change in Federal law.

Part 1 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting the current part 1 and replacing it with a new part 1 so that, as amended, the new part shall read as follows:

1. Applicability.

- (i) The Technical Secretary may approve the use of an actuals PAL, including for GHGs on either a mass basis or a CO₂e basis, for any existing major stationary source or any existing GHG-only source if the PAL meets the requirements in parts 1 through 15 of this subparagraph. The term "PAL" shall mean "actuals PAL" throughout this subparagraph.
- (ii) Any physical change in or change in the method of operation of a major stationary source or a GHG-only source that maintains its total source-wide emissions below the PAL level, meets the requirements in parts 1 through 15 of this subparagraph, and complies with the PAL permit:
 - (I) Is not a major modification for the PAL pollutant;
 - (II) Does not have to be approved through the PSD program; and

- (III) Is not subject to the provisions in part (a)6. of this paragraph (restrictions on relaxing enforceable emission limitations that the major stationary source used to avoid applicability of the major NSR program); and
 - (IV) Does not make GHGs subject to regulation as defined by part (b)46 of this paragraph.
- (iii) Except as provided under item 1(ii)(III) of this subparagraph, a major stationary source or a GHG-only source shall continue to comply with all applicable Federal or State requirements, emission limitations, and work practice requirements that were established prior to the effective date of the PAL.

Subpart (i) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (i) so that, as amended, the new subpart shall read as follows:

- (i) "Actuals PAL" for a major stationary source means a PAL based on the baseline actual emissions (as defined in part (b)45. of this paragraph) of all emissions units (as defined in part (b)8. of this paragraph) at the source, that emit or have the potential to emit the PAL pollutant. For a GHG-only source, "actuals PAL" means a PAL based on the baseline actual emissions (as defined in subpart (s)2(xiii) of this paragraph) of all emissions units (as defined in subpart (s)2(xiv) of this paragraph) at the source, that emit or have the potential to emit GHGs.

Subpart (iii) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (iii) so that, as amended, the new subpart shall read as follows:

- (iii) "Small emissions unit" means an emissions unit that emits or has the potential to emit the PAL pollutant in an amount less than the significant level for that PAL pollutant, as defined in part (b)24. of this paragraph or in the Federal Clean Air Act, whichever is lower. For a GHG PAL issued on a CO₂e basis, "small emissions unit" means an emissions unit that emits or has the potential to emit less than the amount of GHGs on a CO₂e basis defined as "significant" for the purposes of subpart (b)46(iii) of this paragraph at the time the PAL permit is being issued.

Subpart (iv) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.04 Construction Permits is amended by adding a new item (III) so that, as amended, the subpart shall read as follows:

- (iv) "Major emissions unit" means:
 - (I) Any emissions unit that emits or has the potential to emit 100 tons per year or more of the PAL pollutant in an attainment area; or
 - (II) Any emissions unit that emits or has the potential to emit the PAL pollutant in an amount that is equal to or greater than the major source threshold for the PAL pollutant as defined by the Federal Clean Air Act for nonattainment areas. For example, in accordance with the definition of major stationary source in section 182(c) of the Federal Clean Air Act, an emissions unit would be a major emissions unit for VOC if the emissions unit is located in a serious ozone nonattainment area and it emits or has the potential to emit 50 or more tons of VOC per year.
 - (III) For a GHG PAL issued on a CO₂e basis, any emissions unit that emits or has the potential to emit equal to or greater than the amount of GHGs on a CO₂e basis that would be sufficient for a new source to trigger permitting requirements under part (b)49 of this paragraph at the time the PAL permit is being issued.

Subpart (v) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (v) so that, as amended, the new subpart shall read as follows:

- (v) "Plantwide applicability limitation (PAL)" means an emission limitation expressed on a mass basis in tons per year, or expressed in tons per year CO₂e for a CO₂e-based GHG emission limitation, for a pollutant at a major stationary source or GHG-only source, that is enforceable as a practical matter and established source-wide in accordance with parts 1 through 15 of this subparagraph.

Subpart (viii) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting the current subpart (viii) and replacing it with a new subpart (viii) so that, as amended, the new subpart shall read as follows:

- (viii) "PAL major modification" means, notwithstanding parts (b)2, 3, 4, and 46 of this paragraph (the definitions for major modification, major sources and modifications for ozone, net emissions increase, and subject to regulation), any physical change in or change in the method of operation of the PAL source that causes it to emit the PAL pollutant at a level equal to or greater than the PAL.

Subpart (ix) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (ix) so that, as amended, the new subpart shall read as follows:

- (ix) "PAL permit" means the major NSR permit, the minor NSR permit, or the State operating permit under a program that is approved into the plan, or the title V permit issued by the Technical Secretary that establishes a PAL for a major stationary source or a GHG-only source.

Subpart (x) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (x) so that, as amended, the new subpart shall read as follows:

- (x) "PAL pollutant" means the pollutant for which a PAL is established at a major stationary source or a GHG-only source. For a GHG-only source, the only available PAL pollutant is greenhouse gases.

Subpart (xi) of part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (xi) so that, as amended, the new subpart shall read as follows:

- (xi) "Significant emissions unit" means an emissions unit that emits or has the potential to emit a PAL pollutant in an amount that is equal to or greater than the significant level (as defined in part (b)24. of this paragraph or in the Federal Clean Air Act, whichever is lower) for that PAL pollutant, but less than the amount that would qualify the unit as a major emissions unit as defined in subpart (iv) of this part. For a GHG PAL issued on a CO₂e basis, "significant emissions unit" means any emissions unit that emits or has the potential to emit GHGs on a CO₂e basis in amounts equal to or greater than the amount that would qualify the unit as a small emissions unit as defined in subpart (iii) of this part, but less than the amount that would qualify the unit as a major emissions unit as defined in item (iv)(III) of this part.

Part 2 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by adding a new subparts (xii) through (xv) that reads as follows:

- (xii) "GHG-only source" means any existing stationary source that emits or has the potential to emit GHGs in the amount equal to or greater than the amount of GHGs on a mass basis that would be sufficient for a new source to trigger permitting requirements for GHGs under part (b)1 of this paragraph and the

amount of GHGs on a CO₂e basis that would be sufficient for a new source to trigger permitting requirements for GHGs under part (b)46 of this paragraph at the time the PAL permit is being issued, but does not emit or have the potential to emit any other non-GHG regulated NSR pollutant at or above the applicable major source threshold. A GHG-only source may only obtain a PAL for GHG emissions under subparagraph (s) of this paragraph.

- (xiii) "Baseline actual emissions" for a GHG PAL means the average rate, in tons per year CO₂e or tons per year GHG, as applicable, at which the emissions unit actually emitted GHGs during any consecutive 24-month period selected by the owner or operator within the 10-year period immediately preceding either the date the owner or operator begins actual construction of the project, or the date a complete permit application is received by the Technical Secretary for a permit required under this paragraph. For a permit required by a plan, whichever is earlier. For any existing electric utility steam generating unit, "baseline actual emissions" for a GHG PAL means the average rate, in tons per year CO₂e or tons per year GHG, as applicable, at which the emissions unit actually emitted the GHGs during any consecutive 24-month period selected by the owner or operator within the 5-year period immediately preceding either the date the owner or operator begins actual construction of the project, except that the Technical Secretary shall allow the use of a different time period upon a determination that it is more representative of normal source operation.
 - (I) The average rate shall include fugitive emissions to the extent quantifiable, and emissions associated with startups, shutdowns, and malfunctions.
 - (II) The average rate shall be adjusted downward to exclude any noncompliant emissions that occurred while the source was operating above an emission limitation that was legally enforceable during the consecutive 24-month period.
 - (III) The average rate shall be adjusted downward to exclude any emissions that would have exceeded an emission limitation with which the stationary source must currently comply, had such stationary source been required to comply with such limitations during the consecutive 24-month period.
 - (IV) The average rate shall not be based on any consecutive 24-month period for which there is inadequate information for determining annual GHG emissions and for adjusting this amount if required by items (II) and (III) of this subpart.
- (xiv) "Emissions unit" with respect to GHGs means any part of a stationary source that emits or has the potential to emit GHGs. For purposes of this paragraph, there are two types of emissions units as described in the following:
 - (I) A new emissions unit is any emissions unit that is (or will be) newly constructed and that has existed for less than 2 years from the date such emissions unit first operated.
 - (II) An existing emissions unit is any emissions unit that does not meet the requirements in item (I) of this subpart.
- (xv) "Minor source" means any stationary source that does not meet the definition of major stationary source in part (b)1 of this paragraph for any pollutant at the time the PAL is issued.

Part 3 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new part 3 so that, as amended, the new part shall read as follows:

3. Permit application requirements. As part of a permit application requesting a PAL, the owner or operator of a major stationary source or a GHG-only source shall submit the following information to the Technical Secretary for approval.
 - (i) A list of all emissions units at the source designated as small, significant or major based on their potential to emit. In addition, the owner or operator of the source shall indicate which, if any, Federal or State applicable requirements, emission limitations, or work practices apply to each unit.
 - (ii) Calculations of the baseline actual emissions (with supporting documentation). Baseline actual emissions are to include emissions associated not only with operation of the unit, but also emissions associated with startup, shutdown, and malfunction.
 - (iii) The calculation procedures that the major stationary source owner or operator proposes to use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total for each month as required by subpart 13(i) of this subparagraph.
 - (iv) As part of a permit application requesting a GHG PAL, the owner or operator of a major stationary source or a GHG-only source shall submit a statement by the source owner or operator that clarifies whether the source is an existing major source as defined in subparts (b)(1)(i) and (ii) of this paragraph or a GHG-only source as defined in subpart 2(xii) of this subparagraph.

Subpart (i) of part 4 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (i) so that, as amended, the new subpart shall read as follows:

- (i) The Technical Secretary may establish a PAL at a major stationary source or a GHG-only source, provided that at a minimum, the requirements in items (I) through (VII) of this subpart are met.
 - (I) The PAL shall impose an annual emission limitation expressed on a mass basis in tons per year, or expressed in tons per year CO₂e, that is enforceable as a practical matter, for the entire major stationary source or GHG-only source. For each month during the PAL effective period after the first 12 months of establishing a PAL, the major stationary source or GHG-only source owner or operator shall show that the sum of the monthly emissions from each emissions unit under the PAL for the previous 12 consecutive months is less than the PAL (a 12-month average, rolled monthly). For each month during the first 11 months from the PAL effective date, the major stationary source or GHG-only source owner or operator shall show that the sum of the preceding monthly emissions from the PAL effective date for each emissions unit under the PAL is less than the PAL.
 - (II) The PAL shall be established in a PAL permit that meets the public participation requirements in part 5 of this subparagraph.
 - (III) The PAL permit shall contain all the requirements of part 7 of this subparagraph.
 - (IV) The PAL shall include fugitive emissions, to the extent quantifiable, from all emissions units that emit or have the potential to emit the PAL pollutant at the major stationary source or GHG-only source.
 - (V) Each PAL shall regulate emissions of only one pollutant.

- (VI) Each PAL shall have a PAL effective period of 10 years.
- (VII) The owner or operator of the major stationary source or GHG-only source with a PAL shall comply with the monitoring, recordkeeping, and reporting requirements provided in parts 12 through 14 of this subparagraph for each emissions unit under the PAL through the PAL effective period.

Part 5 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new part 5 so that, as amended, the new part shall read as follows:

- 5. Public participation requirements for PALs. PALs for existing major stationary sources or GHG-only sources shall be established, renewed, or increased, through a procedure that is consistent with 40 CFR 51.160 and 51.161, subparagraph (l) of this paragraph, part (5)(b)3~~7~~ of this rule, or Rule 1200-03-09-.02(11)(f)8. This includes the requirement that the Technical Secretary provide the public with notice of the proposed approval of a PAL permit and at least a 30-day period for submittal of public comment. The Technical Secretary must address all material comments before taking final action on the permit.

Part 6 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new part 6 so that, as amended, the new part shall read as follows:

- 6. Setting the 10-year actuals PAL level.
 - (i) Except as provided in subparts (ii) and (iii) of this part, the actuals PAL level for a major stationary source or a GHG-only source shall be established as the sum of the baseline actual emissions (as defined in part (b)45 of this paragraph or, for GHGs, subpart 2(xiii) of this subparagraph) of the PAL pollutant for each emissions unit at the source; plus an amount equal to the applicable significant level for the PAL pollutant under part (b)24~~7~~ of this paragraph or under the Federal Clean Air Act, whichever is lower. When establishing the actuals PAL level, for a PAL pollutant, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units. Emissions associated with units that were permanently shut down after this 24-month period must be subtracted from the PAL level. The Technical Secretary shall specify a reduced PAL level(s) (in tons/yr) in the PAL permit to become effective on the future compliance date(s) of any applicable Federal or State regulatory requirement(s) that the Technical Secretary is aware of prior to issuance of the PAL permit. For instance, if the source owner or operator will be required to reduce emissions from industrial boilers in half from baseline emissions of 60 ppm NOX to a new rule limit of 30 ppm, then the permit shall contain a future effective PAL level that is equal to the current PAL level reduced by half of the original baseline emissions of such unit(s).
 - (ii) For newly constructed units (which do not include modifications to existing units) on which actual construction began after the 24-month period, in lieu of adding the baseline actual emissions as specified subpart (i) of this part, the emissions must be added to the PAL level in an amount equal to the potential to emit of the units.
 - (iii) For CO₂e based GHG PAL, the actuals PAL level shall be established as the sum of the GHGs baseline actual emissions (as defined in subpart 2(xiii) of this subparagraph) of GHGs for each emissions unit at the source, plus an amount equal to the amount defined as "significant" on a CO₂e basis for the purposes of subpart (b)46(iii) of this paragraph at the time the PAL permit is being issued. When establishing the actuals PAL level for a CO₂e-based PAL, only one consecutive 24-month period must be used to determine the baseline actual emissions for all existing emissions units. Emissions associated with units that were permanently shut down after this 24-month period must be subtracted from the PAL level. The reviewing authority shall specify a reduced PAL level (in tons

per year CO₂e) in the PAL permit to become effective on the future compliance date(s) of any applicable Federal or state regulatory requirement(s) that the reviewing authority is aware of prior to issuance of the PAL permit.

Part 7 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new part 7 so that, as amended, the new part shall read as follows:

7. Contents of the PAL permit. The PAL permit shall contain, at a minimum, the information in subparts (i) through (xi) of this part.
 - (i) The PAL pollutant and the applicable source-wide emission limitation in tons per year or tons per year CO₂e.
 - (ii) The PAL permit effective date and the expiration date of the PAL (PAL effective period).
 - (iii) Specification in the PAL permit that if a major stationary source or GHG-only source owner or operator applies to renew a PAL in accordance with part 10 of this subparagraph before the end of the PAL effective period, then the PAL shall not expire at the end of the PAL effective period. It shall remain in effect until a revised PAL permit is issued by the Technical Secretary.
 - (iv) A requirement that emission calculations for compliance purposes include emissions from startups, shutdowns and malfunctions.
 - (v) A requirement that, once the PAL expires, the major stationary source or GHG-only source is subject to the requirements of part 9 of this subparagraph.
 - (vi) The calculation procedures that the major stationary source or GHG-only source owner or operator shall use to convert the monitoring system data to monthly emissions and annual emissions based on a 12-month rolling total for each month as required by Subpart 13(i) of this subparagraph.
 - (vii) A requirement that the major stationary source or GHG-only source owner or operator monitor all emissions units in accordance with the provisions under part 13 of this subparagraph.
 - (viii) A requirement to retain the records required under part 12 of this subparagraph on site. Such records may be retained in an electronic format.
 - (ix) A requirement to submit the reports required under part 14 of this subparagraph by the required deadlines.
 - (x) Any other requirements that the Technical Secretary deems necessary to implement and enforce the PAL.
 - (xi) A permit for a GHG PAL issued to a GHG-only source shall also include a statement denoting that GHG emissions at the source will not be subject to regulation under part (b)46 of this paragraph as long as the source complies with the PAL.

Subitem II of item (II) of subpart (ii) of part 8 of subparagraph (s) of paragraph (4) of Rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subitem II so that, as amended, the new subitem shall read as follows:

- II. Reduce the PAL consistent with any other requirement, that is enforceable as a practical matter, and that the State may impose on the major stationary source or GHG-only source under the plan; and

Item (I) of subpart (i) of part 9 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new item (I) so that, as amended, the new item shall read as follows:

- (I) Within the time frame specified for PAL renewals in subpart 10(ii) of this subpart, the major stationary source or GHG-only source shall submit a proposed allowable emission limitation for each emissions unit (or each group of emissions units, if such a distribution is more appropriate as decided by the Technical Secretary) by distributing the PAL allowable emissions for the major stationary source or GHG-only source among each of the emissions units that existed under the PAL. If the PAL had not yet been adjusted for an applicable requirement that became effective during the PAL effective period, as required under subpart 10(v) of this subparagraph, such distribution shall be made as if the PAL had been adjusted.

Subpart (iv) of part 9 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (iv) so that, as amended, the new subpart shall read as follows:

- (iv) Any physical change or change in the method of operation at the major stationary source or GHG-only source will be subject to major NSR requirements if such change meets the definition of major modification in parts (b)2~~7~~ and 3~~7~~ of this paragraph.

Subpart (v) of part 9 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (v) so that, as amended, the new subpart shall read as follows:

- (v) The major stationary source or GHG-only source owner or operator shall continue to comply with any State or Federal applicable requirements (BACT, RACT, NSPS, etc.) that may have applied either during the PAL effective period or prior to the PAL effective period except for those emission limitations that had been established pursuant to part (a)6~~7~~ of this paragraph, but were eliminated by the PAL in accordance with the provisions in item 1(ii)(III) of this subparagraph.

Subpart (i) of part 10 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (i) so that, as amended, the new subpart shall read as follows:

- (i) The Technical Secretary shall follow the procedures specified in part 5 of this subparagraph in approving any request to renew a PAL for a major stationary source or GHG-only source, and shall provide both the proposed PAL level and a written rationale for the proposed PAL level to the public for review and comment. During such public review, any person may propose a PAL level for the source for consideration by the Technical Secretary.

Subpart (ii) of part 10 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (ii) so that, as amended, the new subpart shall read as follows:

- (ii) Application deadline. A major stationary source or GHG-only source owner or operator shall submit a timely application to the Technical Secretary to request renewal of a PAL. A timely application is one that is submitted at least 6 months prior to, but not earlier than 18 months from, the date of permit expiration. This deadline for application submittal is to ensure that the permit will not expire before the permit is renewed. If the owner or operator of a major stationary source or GHG-only source submits a complete application to renew the PAL within this time period, then the PAL shall continue to be effective until the revised permit with the renewed PAL is issued.

Subitem I of item (III) of subpart (iv) of part 10 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subitem I so that, as amended, the new subitem shall read as follows:

- I. If the potential to emit of the major stationary source or GHG-only source is less than the PAL, the Technical Secretary shall adjust the PAL to a level no greater than the potential to emit of the source; and

Subitem II of item (III) of subpart (iv) of part 10 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subitem II so that, as amended, the new sub-item shall read as follows:

- II. The Technical Secretary shall not approve a renewed PAL level higher than the current PAL, unless the major stationary source or GHG-only source has complied with the provisions of part 11 of this subparagraph (increasing a PAL).

Subpart (i) of part 11 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new subpart (i) so that, as amended, the new subpart shall read as follows:

- (i) The Technical Secretary may increase a PAL emission limitation only if the major stationary source or GHG-only source complies with the provisions in items (I) through (IV) of this subpart.
 - (I) The owner or operator of the major stationary source or GHG-only source shall submit a complete application to request an increase in the PAL limit for a PAL major modification. Such application shall identify the emissions unit(s) contributing to the increase in emissions so as to cause the major stationary or GHG-only source's emissions to equal or exceed its PAL.
 - (II) As part of this application, the major stationary source or GHG-only source owner or operator shall demonstrate that the sum of the baseline actual emissions of the small emissions units, plus the sum of the baseline actual emissions of the significant and major emissions units assuming application of BACT equivalent controls, plus the sum of the allowable emissions of the new or modified emissions unit(s), exceeds the PAL. The level of control that would result from BACT equivalent controls on each significant or major emissions unit shall be determined by conducting a new BACT analysis at the time the application is submitted, unless the emissions unit is currently required to comply with a BACT or LAER requirement that was established within the preceding 10 years. In such a case, the assumed control level for that emissions unit shall be equal to the level of BACT or LAER with which that emissions unit must currently comply.
 - (III) The owner or operator obtains a major NSR permit for all emissions unit(s) identified in item (I) of this subpart, regardless of the magnitude of the emissions increase resulting from them (that is, no significant levels apply). These emissions unit(s) shall comply with any emissions requirements resulting from the major NSR process (for example, BACT), even though they have also become subject to the PAL or continue to be subject to the PAL.
 - (IV) The PAL permit shall require that the increased PAL level shall be effective on the day any emissions unit that is part of the PAL major modification becomes operational and begins to emit the PAL pollutant.

Item (I) of subpart (i) of part 12 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new item (I) so that, as amended, the new item shall read as follows:

- (I) Each PAL permit must contain enforceable requirements for the monitoring system that accurately determines plantwide emissions of the PAL pollutant in terms of mass per unit of time or CO₂e per unit of time. Any monitoring system authorized for use in the PAL permit must be based on sound science and meet generally acceptable scientific procedures for data quality and manipulation. Additionally, the information generated by such system must meet minimum legal requirements for admissibility in a judicial proceeding to enforce the PAL permit.

Item (II) of subpart (i) of part 14 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new item (II) so that, as amended, the new item shall read as follows:

- (II) Total annual emissions (expressed on a mass basis in tons/year, or expressed in tons per year CO₂e) based on a 12-month rolling total for each month in the reporting period recorded pursuant to subpart 13(i) of this subparagraph.

Item (IV) of subpart (i) of part 14 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting it in its entirety and replacing it with a new item (IV) so that, as amended, the new item shall read as follows:

- (IV) A list of any emissions units modified or added to the major stationary source or GHG-only source during the preceding 6-month period.

Subpart (ii) of part 14 of subparagraph (s) of paragraph (4) of rule 1200-03-09-.01 Construction Permits is amended by deleting the current subpart (ii) and replacing it with a new subpart (ii) so that, as amended, the new subpart shall read as follows:

- (ii) Deviation report. The major stationary source or GHG-only source owner or operator shall promptly submit reports of any deviations or exceedance of the PAL requirements, including periods where no monitoring is available. A report submitted pursuant to item (11)(e)1(iii)(III) of Rule 1200-03-09-.02 shall satisfy this reporting requirement. The deviation reports shall be submitted within the time limits prescribed by item (11)(e)1(iii)(III) of Rule 1200-03-09-.02. The reports shall contain the following information:
 - (I) The identification of owner and operator and the permit number;
 - (II) The PAL requirement that experienced the deviation or that was exceeded;
 - (III) Emissions resulting from the deviation or the exceedance; and
 - (IV) A signed statement by the responsible official (as defined by the applicable title V operating permit program) certifying the truth, accuracy, and completeness of the information provided in the report.

Authority: T.C.A. §§ 68-201-101 et seq. and 4-5-201 et seq.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.



Date: Feb. 28, 2014

Signature: Barry R. Stephens

Name of Officer: Barry R. Stephens, P.E.

Title of Officer: Director, Tennessee Division of Air Pollution Control

Subscribed and sworn to before me on: February 28, 2014

Notary Public Signature: Malcolm H. Butler

My commission expires on: 1-11-2017

Department of State Use Only

Filed with the Department of State on: 2/28/14

Tre Hargett

Tre Hargett
Secretary of State

RECEIVED
2014 FEB 28 PM 4:26
OFFICE OF
SECRETARY OF STATE