Texas Permitting Program Update from EPA

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1992 - EPA fully approved the Texas PSD SIP

- 1990s Texas began to add optional provisions to their air permitting program in advance of EPA final decisions to: include flexibility desired by permit holders, and bring previously unregulated major sources under a permit.
 - 1994-2003 TX adopted Flexible Permit program [8 revisions in 9 years].
 - 1996 TX adopted 'Qualified Facilities' provision exempting individual units within facilities.
 - EPA concerns about approvability

2001 - EPA Approved TX Title V permit program

- 2002 EPA approved federal revisions to PAL & NSR reform program more stringent than TX. Increased inquiries to align federal/state programs.
- 2005/2006 TX removed federal PSD cross reference from their SIP.
- 2007 'Fair Notice' letters to flexible permit holders.
- 2008 Two citizen petitions and BCCA suit. EPA proposes partial approval/partial disapproval of Public Participation rule.

2009

- Agreement with BCCA on schedule for 30 backlogged SIP decisions.
- Proposed disapproval of: Flexible Permits, Qualified Facilities, and NSR reform SIPs.
- Forums with public, industry and State begin.
- Objections to Title V operating permits with issues.

2010

- Bi-weekly meetings with TCEQ to explore pathways to resolve permit issues
- 41 Objections: since October 2009
- No objection agreement with Conoco-Phillips and TOTAL, other companies

Path Forward

GOAL: 'Deflexing' approach that:

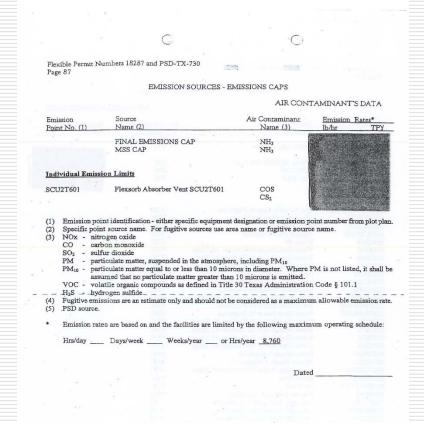
- Provides approach for TCEQ to revise permits
- Clarifies unit specific emission limits with associated monitoring, reporting, recordkeeping.
- Clarifies IBR and PBR issues
- Provides for public review

OPTIONS:

- 1. Federal 3rd party Audit
- 2. Consent Agreement
- 3. TCEQ + EPA Permit Process [?]
- 4. Future federal action [enforcement, recall of permit, etc]

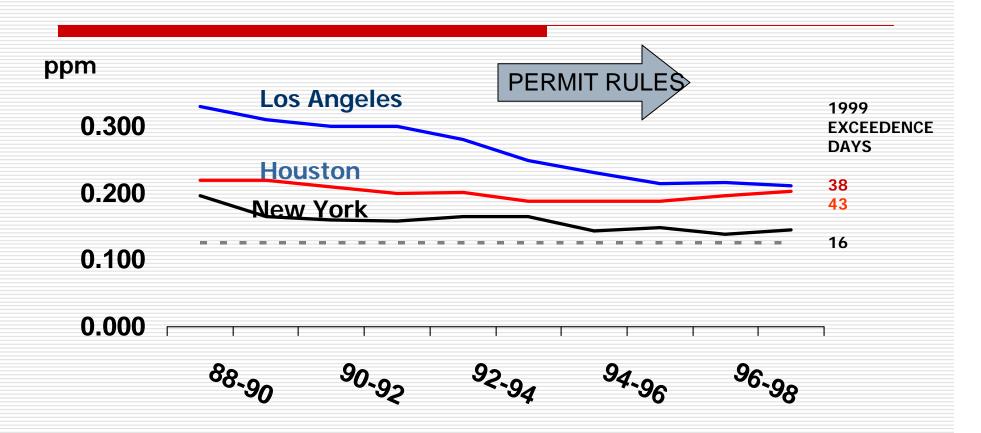
Other Issues

- IBR of underlying permits
- Review of Permit-by-Rule program (in particular general PBRs)
- Alteration approval and TCEQ implementation
- Emissions Data -Confidential Business Information?



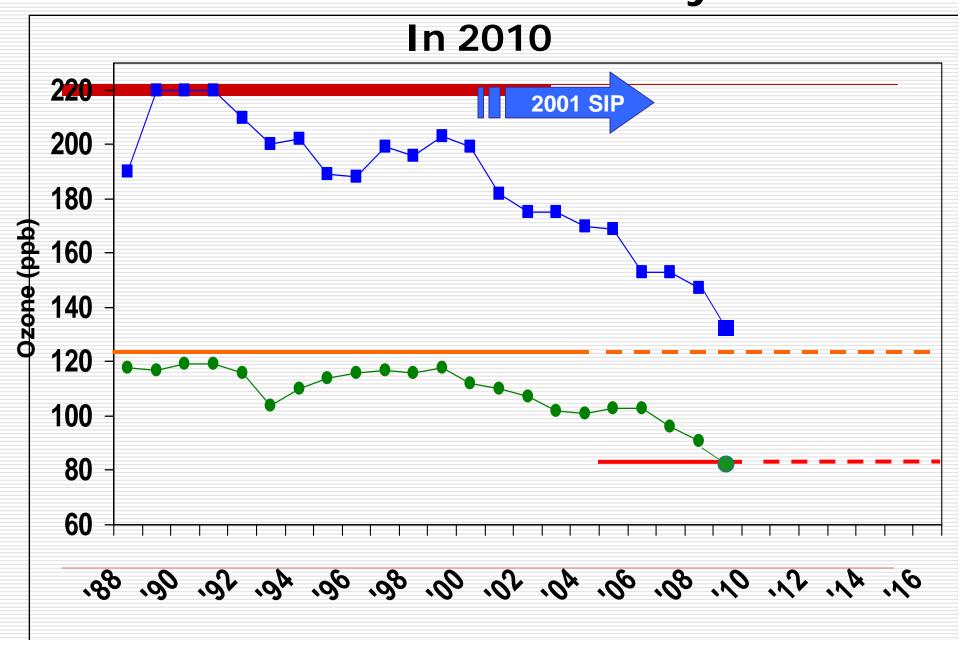


Houston Air Quality In 2000



Ten Year Trends in 1-HOUR Ozone Levels

Houston Air Quality



2001 Houston SIP (Tons/Day NOX Reductions)

