

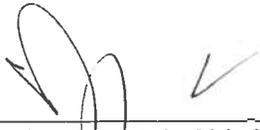
FORM # 1

FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR
ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS

1. Nevada Division of Environmental Protection
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May 13, 2016



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2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.
3. Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.300 establishes specific authority of the SEC regarding operating permit requirements for sources of air contaminants.

SPECIFIC CHANGES:

In an effort to streamline the NDEP's air quality operating permit programs and align the resources spent on permit applications with the benefit to air quality, the NDEP is proposing to reform the Class II, Class III and Class IV provisions as they exist in NAC 445B.001 to 445B.3689, inclusive.

The amendments propose to:

- Eliminate the permit requirement for Class III and Class IV sources and redefine a Class II source. Existing Class III and Class IV sources will either not require a permit or will become a Class II source.
- Amend the public notice requirements for Class II permits to (1) add a requirement for public notice if the source is/will locate near a sensitive population, (2) add a threshold for PM_{2.5} emissions, and (3) develop a timeline for acting on an application for a Class II permit that requires public notice.
- Housekeeping: Combine the current definitions for "Class I-A application" and "Class I-B application" into "Class I application."

The NDEP will develop additional Class II general permits for appropriate categories of sources/activities. Additionally, the NDEP will work with area sources through outreach and education programs to assist them in compliance with federal requirements.

4. NEED FOR AND PURPOSE:

These amendments will streamline the NDEP air quality permitting process to further the timely processing of permit applications and better align the resources being spent by the NDEP on processing applications with the consequent benefit to air quality. With the elimination of the Class III and Class IV permit programs, NDEP staff will be able to concentrate on the larger stationary sources that emit more pollutants. Currently, the NDEP often invests as much time to process a Class III application as a Class II, and the air quality benefit is often substantially less.

Within the Class II category of sources, appropriate “general” permits will be developed by the NDEP to cover certain operations or activities that are substantially similar in nature and are performed by numerous stationary sources. Sources that fit the criteria of a general permit may apply for authority to operate under it. This will reduce both the cost and time required for such sources to obtain a permit.

5. ECONOMIC EFFECTS:

(a) Regulated Business/Industry. This regulation will have an economic impact on existing Class III and Class IV permit holders. Of the current Class IV permits (approximately 260), it is anticipated that about 90 percent would be rescinded, alleviating those sources of the annual maintenance fee (~\$52 for SFY 17) and any future permit-associated costs. Of the current Class III permits (approximately 225), it is anticipated that about 70 percent would be rescinded, alleviating those sources of the annual maintenance fee (~\$260 for SFY 17) and any future permit-associated costs. Regarding the sources that are anticipated to transition into the Class II program (about 90), more than 25 percent are expected to qualify for a general permit. A general permit application is \$500. For a transitioning source to apply for a regular Class II operating permit, it would cost \$3,000, reduced by an amount determined by the time remaining on their current permit. Existing fees to apply for a Class III and a Class IV permit are \$300 and \$50, respectively.

(b) Public. The proposed regulation will have no economic impact on the public.

(c) Enforcing Agency. There may be a small increase or decrease in income to the agency with the transition of some Class III and Class IV sources to Class II. Any additional income will be used to supplement the cost of outreach and education to assist sources subject to federal requirements, but no longer required to have an NDEP operating permit.

6. The proposed amendments do not overlap any other State or federal regulations.

7. The proposed amendments are no more stringent than what is established by federal law.

8. The proposed amendments do not impose a new fee. They eliminate the Class III and Class IV permitting programs and, thereby, remove application and annual maintenance fees for

those programs. The amendments also reorganize the sources currently holding Class III and Class IV permits into new categories: (1) no permit required, (2) general permit, and (3) Class II permit. See #5 above.