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# TACB Bulletin

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## GOVERNOR URGES COST RECOVERY OF PERMITTING

Under the emerging austerity budget proposals for the state for the next two years it appears the TACB will be expected to hold its costs to the current level, recover around \$8.5 million through user fees, and curtail travel, purchases, and staff size by not filling vacant positions. (The freeze on employment and travel and purchasing restrictions apply to most state agencies.)

A spokesperson for Governor Mark White's office said the governor's budget proposal calls upon the agency to recover the costs of permitting facilities that produce emissions into the air by raising \$3.5 million in user fees in fiscal year 1986 and \$5 million in fiscal year 1987, and to remain at the current budget level. The Legislative Budget Board has also recommended that the agency's budget remain at the current level, which is \$12,972,303 per year. The TACB had requested a budget of \$13,602,080 per year for the 1986/1987 biennium.

The Sunset Advisory Commission has recommended that the board collect fees sufficient to recover not less than 25 percent nor more than 50 percent of the cost of reviewing and acting on permits, amending and renewing permits, inspecting permitted facilities, and enforcing the rules, orders, and permits issued under the Texas Clean Air Act (TCAA). Such fees would be collected on permit applications submitted and for inspections performed in enforcement of the Act.

At the present time the agency charges a fee only for issuing construction permits. Preliminary cost estimates prepared by the staff indicate that during 1984 the cost of issuing permits and exemptions and enforcing the terms and conditions of permits was about \$3.9 million. Although on the average only 150 construction permits are issued per year, approximately 2400 permit-related authorizations are transacted through the permitting program. These include exemptions, permit amendments, revisions, operating permits, and changes of location and ownership. The current provisions of the TCAA would allow the TACB to charge additional fees for most permit-related authorizations issued; the Act would not, however, allow collection of fees for inspections.

## TACB ANALYZING OPTIONS FOR COST RECOVERY

Roger Wallis, TACB executive assistant who heads up the Policy Analysis Office, and that office's staff are surveying and evaluating permitting procedures and permit fee systems used by other Texas agencies as well as those used by air pollution control agencies in other states. This information will form part of the data background for identifying programs and policies which might be suitable for application by the TACB. In addition, appropriate alternate permit fee systems are being analyzed to identify potential costs and additional cost recoveries which could be generated.

The Policy Analysis staff has collected data on 23 states and two local jurisdictions that have permit fee systems in place. The range of total fees collected by these agencies is from \$1,300 to \$18,500,000, the lowest being in the state of Hawaii and the highest the South Coast Air Quality Management District, California. Many states collect a filing fee, a processing fee, and a renewal fee.

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The board adopted regulations in December 1982 requiring the collection of fees for permits to construct or modify industrial facilities with significant potential to emit air pollutants. The amount of the fee is based on the estimated capital cost of the project for which a permit is required. (The Legislature in 1979 provided for such a fee system under the TCAA.) In 1983 and 1984 the TACB collected a total of \$806,624 in fees, or one-tenth of the amount called for in the governor's proposal, Executive Director Bill Stewart said.

### FEE REVIEW COMMITTEE MEETS FEB. 8

The board's ad hoc permit fee review committee will meet in Austin at 9:30 a.m. February 8 prior to the board meeting at 10:30 a.m. Board Member Hubert Oxford III, committee chairman, said at a January 11 meeting that he could not foresee a significant increase in the amount of costs recovered from permit fees sooner than a year from now because of the legal procedure that must be followed to revise the regulations and put a new fee structure into operation.

### INDUSTRY'S VIEWS SOUGHT ON FEE QUESTIONS

Saying that the board is faced with the necessity of recovering more of the costs of permitting, he said "we would like to hear from those who would have to pay the bill as to how they would like to see us do it." He also said the committee would like to hear from industry on the Sunset Advisory Commission's suggestions concerning registration and permitting of facilities built prior to current ACB permit requirements (grandfathered facilities). In discussing several other aspects of the permits question, Oxford pointed out that permits now expire after one year from the date of issuance if construction is not begun within that year. He raised the question whether and under what conditions permits should be extended.

"It's my opinion this is also something that needs to be looked at in cost recovery," he said. "I see it as a person getting an extension that gives him an air right at that location practically free, with no hearing required. This has an effect on the neighbors and also on someone else who may want to build something at the same location."

Deputy Executive Director Eli Bell pointed out that at present persons seeking permits are faced with a one-year state expiration date on applications and an 18-month expiration on prevention of significant deterioration permits issued by EPA. "I think it would be appropriate to have the expiration dates coincide," he said.

Executive Director Stewart said one of his goals is to try to hold to a minimum level the costs of administration of any fee system the agency adopts.

The Senate Finance Committee held a hearing on the agency's budget on January 14, and a hearing before the Budget and Oversight Subcommittee of the House Environmental Affairs Committee is set for 2 p.m. January 29. The House Appropriations Committee and Government Organization Committee, and an appropriate Senate committee are expected to hold hearings in the near future on legislation affecting the agency. The Senate and House are scheduled to adopt an appropriations bill in April or May, in which case it would probably go to the governor in May or June.

## TACB EMERGENCY RESPONSE PLAN STRENGTHENED

Current heightened public interest in the control of hazardous materials and response to accidental episodes involving hazardous materials coincides with a reassessment of the TACB's role in the state network operating under the Governor's Division of Emergency Management, according to Bob Mauel, staff coordinator of the TACB Emergency Management Center (EMC).

"Adequate preparedness is especially significant in Texas because we have one of the greatest potentials in the country for a catastrophic release of contaminants into the air, not only because of the manufacture and storage of petrochemicals and toxic materials in the state, but also because of the transport of these products by rail and truck in all directions in the state," Mauel said.

The TACB Emergency Management Center staff is preparing a program that will mobilize the entire agency to work as a coordinated team. All emergency documents and the TACB Emergency Episode Response Manual have been updated to support the agency's role in emergency episodes as defined in the Texas Emergency Management Plan. In most situations, the TACB would be in a support position to the Department of Public Safety Division of Emergency Management, which typically is the first state agency notified about an emergency episode, or to other agencies which may have primary concerns. These would include but are not limited to the Department of Water Resources, Railroad Commission, Bureau of Radiation Control, Department of Public Health, Houston

A confrontation between a pig and a propane tanker-truck carrying 9,000 gallons of liquefied propane presented the TACB Emergency Management Center (EMC) with a "what if" situation a few days ago. The tanker-truck hit the pig and overturned shortly after midnight on Texas Highway 85 in Dimmit County.

The transfer company sent another vehicle to off-load the propane. No complications occurred. The tanker-truck driver was sent to an area hospital with minor injuries; EMC reports do not show the final disposition of the pig.

"What sounds like a somewhat amusing incident had serious implications and the EMC staff and all agencies in the state response network had to be alert to the possible serious consequences if the tanker had leaked," Gonzales said. The Department of Public Safety (DPS) and the Railroad Commission reported to the scene of the accident.

Another "what if" accident occurred last week in El Paso, where a freight train overturned at 7 a.m. during switching operations at the Southern Pacific Railway yard. Three chemical tank cars containing (1) carbolic acid, (2) propylene oxide, and (3) triethanolamine were involved, but Gonzales said quick action by railroad crews prevented any major spillage. Because of the quick local response, there were no injuries and no danger to life or property, Gonzales said. The DPS and the EPA also offered assistance at the scene.

Carbolic acid is a very irritating compound with a distinct disagreeable odor. Propylene oxide is an animal carcinogen and can pose hazards of fire and explosion. Triethanolamine is a low toxicity chemical which poses a danger if heated to decomposition in which process it emits toxic fumes and oxides of nitrogen.

Emergency Response Group, Dallas-Fort Worth Emergency Response Group, and, in the event of an industry episode, industry response groups.

In a hazardous materials emergency episode the usual procedure is: 1) identify the problem; 2) determine what if any evacuation of the population is necessary; 3) identify the health and welfare (property damage) effects; and 4) minimize the danger.

## AGENCY STAFF READY TO OFFER POOLED RESOURCES

The collective expertise of the agency staff -- chemists, physicists, biologists, meteorologists, engineers, and technicians -- can be brought to bear on the problems associated with an incident. The agency's initial response probably would be deployed from one or more of the 12 regional offices which typically handle emergency episodes of limited nature without recourse to the central office backup.

One of the agency's chief roles is the gathering of information. "We do not have to go into a situation 'cold' and try to analyze what is involved," Mauel said. "We have a lot of information to begin with, including construction and operating permit information, a statewide pollution emissions inventory, and the general knowledge of our staff concerning the industries. We know pretty well what is where."

Through its permitting activities, the TACB is familiar with most of the different chemicals and pollutants that would occur in the area of an episode and how they can interact with one another. Modellers -- engineers who design and use computer dispersion models -- can take "worst case" meteorological scenarios and predict the dispersion of emissions of pollutants, and the agency's health and welfare effects group of scientists can tell how dangerous those pollutants are in the concentrations that would be occurring.

## NEW MOBILE LAB COULD ASSIST IN SOME EVENTS

A mobile laboratory, expected to be ready for service by the end of January to do on-site analyses of pollutants during special studies, is a new contribution to the control and response capability. Dr. Maxine Jenks, Sampling and Analysis Division director, said it would be available for use in the event of major spills, fires, and other events where contaminants may be released over a long time into the air. Using the mobile laboratory, the team will be able to monitor for contaminants and analyze both organic and inorganic materials at the scene of an episode. However, because at least 24 hours will be required to deploy the lab to the scene, more prompt air sampling can be accomplished by using field equipment already available. Analyses would be conducted at the central office laboratories in Austin.

Dr. Jenks and Mauel said one of the primary considerations in a response to a hazardous materials episode is the safety of the response personnel. Mauel said personnel in Austin would have available equipment including face masks, self-contained breathing equipment, and chemical-resistant suits.

A total of 86 reports of spills, fires, explosions, pipeline leaks, gas well blow-outs, accidents of trucks carrying hazardous materials, leaks from stationary storage tanks, and train derailments were received by the TACB Emergency Management Center during 1984. Ed Gonzales, EMC



operations chief, said the entire state network was put on the alert in each instance because of the potential for major problems, but that in most instances local authorities and the DPS coped with the situations. The EMC is "on call" 24 hours a day throughout the year.

"There were several cases during the year where we considered a number of 'what if's' in relation to the incidents," Gonzales said. "It was necessary to consider what would need to be done if certain conditions developed as a result of the accidents, and to be ready to respond in the best manner possible to protect lives and the environment."

## SPECIAL PERMITS CATEGORY ADDED TO REG. VI

The board-approved order revising Regulation VI, Control of Air Pollution by Permits for New Construction or Modification, is expected to be filed before the end of January with the Secretary of State. The revisions will take effect 20 days from the date of that filing.

The order repeals the current Sections 116.6 and 116.7, adopts new Sections 116.6 and 116.7, and incorporates the Standard Exemption List into the regulation.

The new sections provide for a "Special Permits" category for new or modified facilities that do not appear on the standard exemption list but will not have sufficient emissions to warrant full construction permit review.

If a facility's emissions exceed 250 tons per year of nitrogen oxide (NO<sub>x</sub>) or carbon monoxide (CO) or 25 tons of any other pollutant, a construction permit is required. If the emissions are below those amounts, then either a special permit or an exemption is required. Special permits will be issued to those facilities which do not require a construction permit and are not on the Standard Exemption List.

The 38-page Standard Exemption List is a specific listing of types of facilities; it also specifies conditions which must be satisfied for a facility to qualify for a standard exemption, including allowable emission levels.

## 1984 PERMIT FEES UP OVER 1983, UNDER FORECAST

The TACB received \$483,131 in construction permit application fees in 1984 as compared with \$323,493 in 1983, short of the anticipated \$735,000 which was forecast prior to the adoption of the fee requirement in December 1982. Steve Spaw, program director for Central Regulatory Operations, said the difference between the forecast amount and actual 1984 collections was a result of the slow-down in the state's economy.

A breakdown of the fees for permits to construct or modify facilities showed a mix of industry size. Fifty firms paid the current maximum fee of \$7,500, 50 paid the minimum of \$300, and 67 paid fees in the range between the maximum and minimum. The \$300 fee is charged for projects with an estimated capital cost of \$300,000 or less; \$7,500 if the estimated capital cost is \$7.5 million or more; and where the estimated capital cost is between \$300,000 and \$7.5 million, the fee is 0.1 percent of the estimated capital cost.

Fees are paid at the time an application for a construction permit is submitted. Fees are not charged for operating permits, permit amendments, permit revisions, exemptions, site approvals for permitted portable facilities, changes of ownership, or changes of location of permitted facilities.

In 1984 around 100 new construction permits were issued by the agency; and around 600 exemptions were issued to facilities which engineering reviews determined would not make a significant contribution of air contaminants to the atmosphere. In some instances where exemptions were issued, special conditions were required to be met by the applicants, and in others, it was confirmed that the facilities were identified on the TACB list of standard exemptions from permit requirements.

Permits issued did not indicate a change in Texas' industry mix. There was some refinery expansion, and around 20 permits were issued for cogeneration facilities for the production of power and steam.

## PUBLIC HEARINGS ON SIP TO BE CONSIDERED

At its February 8 meeting, the TACB will consider authorizing public hearings in March in Dallas and Tarrant counties on revisions to the state implementation plan (SIP) for ozone, and in El Paso County, for revisions to the SIP for ozone and carbon monoxide.

Copies of an agency staff analysis of control options for the three counties have been mailed to local air pollution control agencies and metropolitan planning organizations in the counties and Region 6 of the Environmental Protection Agency (EPA).

Board Member R. Hal Moorman said that now the TACB will negotiate with EPA and give legal and technical advice to the concerned local governments "and they will have to make the hard decisions between the cost of the controls and the risk of sanctions and a no-growth situation." He made the comment at a meeting of the Regulation Development Committee, headed by Vittorio K. Argento.

## DEMONSTRATION OF ATTAINMENT PROBLEMS CITED

The staff's analysis concludes that a demonstration of attainment by the mandated deadline of December 31, 1987 of the national ozone standard using EPA-approved procedures is not possible in Dallas County even if all identified control options are applied, and Tarrant County could demonstrate attainment only if the most stringent controls were applied and area and minor emission source growth were prohibited.

On paper, El Paso County is in a better position than Dallas and Tarrant counties. The analysis shows a demonstration of attainment for monitored air originating in El Paso through the implementation of economically reasonable volatile organic compound (VOC) control measures. But El Paso's airshed is a basin that includes Juarez, Mexico. To demonstrate attainment in El Paso County for days on which monitored air includes air originating in Mexico, it would be necessary to show emission reductions through the implementation of control measures in Juarez. This is outside the state's jurisdiction.

The analysis also shows that a demonstration of attainment of the carbon monoxide (CO) standard in El Paso by 1987 is possible through

implementation of a vehicle parameter inspection and maintenance program. However, this demonstration of attainment would only provide the emission reductions necessary to satisfy El Paso's portion of the emission reductions required for the El Paso/Juarez airshed. Implementation of control measures to reduce CO emissions in Juarez is outside the state's jurisdiction.

Dallas County now has 95,559 tons per year of VOC emissions; EPA requires a reduction of 54.9 percent, to 43,097 tons per year. If all identified control options would be applied, it would cost the county \$74.7 million. Elimination of some of the more expensive controls, in terms of dollar cost per ton, would reduce the cost of controls by about \$37.9 million and achieve an insufficient 34,382 tons per year in emissions reductions.

Current VOC emissions in Tarrant County are 62,934 tons per year; EPA requires a 50.8 percent reduction (31,970 tons per year). The TACB analysis shows that implementation of all identified control options would cost \$51.9 million and would reduce VOC emissions by 32,124 tons per year which would provide for a demonstration of attainment if there were no emission increases due to area and emission source growth.

Tarrant County's area source and non-highway mobile source (population based) growth is estimated to be 2,794 tons of VOC per year by 1987 which would prevent a demonstration of attainment. Elimination of some of the more costly (\$ per ton) stationary and mobile source control options would reduce the cost of control by about \$27.2 million and achieve 23,997 tons per year in emissions reductions.

Current VOC emissions in El Paso are 27,605 tons per year, and in Juarez, 20,400 tons per year. Implementation of reasonable VOC control measures would provide a reduction of 9,089 tons per year at a cost of \$9 million per year, sufficient to demonstrate attainment for monitored air originating in El Paso on the basis of a 25.5 percent (7,039 tons per year) reduction requirement. A 27.2 percent reduction in Juarez emissions airborne across the border to El Paso would be needed, according to EPA methodology.

CO emission reductions of 28,329 tons per year, or 19.6 percent, are necessary for El Paso. Implementation of reasonable CO control measures would provide CO reductions of 29,252 tons per year.

## STATE TO ASSIST IN MONITORING PM<sub>10</sub> FOR EPA

The TACB is awaiting the arrival of monitoring equipment from the EPA to set up a Texas network as part of a nationwide system to measure ambient concentrations of particulate matter of ten microns or less in diameter (PM<sub>10</sub>). Such fine matter can enter the lungs and cause minor to serious health effects.

Regional and central office personnel who will operate the monitors and be responsible for storing the data and transmitting it to EPA have completed special training conducted by EPA's Region 6 Dallas. Innovative equipment will be used. Twenty-five size-selector-inlet (SSI) monitors will measure particulates up to 10 microns in diameter, and 12 dichotomous monitors will simultaneously monitor particles up to two and

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one-half microns in diameter and particles up to 10 microns in diameter. This will be TACB's first use of equipment with this capability. Monitors will be located at one or more sites in Amarillo, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Harris County, Odessa, San Antonio, and Texas City.

PM<sub>10</sub> sources include automobile exhaust emissions, many kinds of industrial and agricultural operations, as well as natural sources such as forest fires and windstorms. Most of the very small particles, however, are believed to be man-made, and are mainly responsible for adverse health effects because they can penetrate to deep within the lungs. EPA is working toward the promulgation of a federal PM<sub>10</sub> standard; no date has been announced for its publication.

EPA funding of state air programs and post-1982 SIP issues were the topics of major concern during a meeting of the five EPA Region 6 states on January 17-18 in Fort Worth. Eli Bell, deputy executive director of TACB was the moderator.

**EPA REGION 6  
AIR PROGRAM  
OFFICIALS MEET**

Air program officials for Arkansas, Louisiana, Oklahoma, New Mexico, and Texas discussed the current status of their SIP development efforts, with discussions centering around inspection/maintenance (I/M) programs; non-control technique guideline (non-CTG), reasonably available control measures (RACMs); sanctions; and rural ozone SIPs. Each state felt that they would be able to submit at least an interim SIP by the February 24, 1985 deadline set by EPA. EPA has granted Texas an extension to August 31 to submit its final SIP revisions.

EPA grant funding received considerable attention and was the topic of major concern discussed with top air officials from EPA Region 6 office, Dallas, who attended the last two hours of the meeting. At issue was the complex formula used by EPA in determining a grantee's continuing eligibility level (CEL) for receiving federal grant funds. According to federal EPA grant regulations, if a grantee fails to spend as much non-federal funds as it did the previous year, the grantee would not meet its CEL and could lose its current grant award.

Also discussed: visibility regulations, enforcement activities, air quality monitoring, and prevention of significant deterioration (PSD) permitting.

**NEW TACB LOGO  
INTRODUCED IN  
BIENNIAL REPORT**

The TACB's September 1, 1982-August 31, 1984 Biennial Report introduces the agency's new logo, which was designed by Graphic Artist Mark Steinfeldt. The logo will be used as an integral part of the title of the quarterly publication The Clear Blue and on other agency printed matter. Copies of the Biennial Report are available upon request to: TACB Public Information Section, 6330 Highway 290 East, Austin, Texas 78723.



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