

MEMORANDUM OF AGREEMENT
BETWEEN
MARICOPA COUNTY
AND THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, REGION IX
REGARDING
DELEGATION OF NATIONAL EMISSION STANDARDS
FOR HAZARDOUS AIR POLLUTANTS

C 88.00.005.2

I. INTRODUCTION

This Memorandum of Agreement (hereinafter "Agreement") establishes procedures to facilitate delegation to Maricopa County ("MC") of the authority to implement and enforce federal rules, emission standards, and requirements promulgated under Section 112 of the Clean Air Act, 42 U.S.C. § 7412 (hereinafter referred to as the "Section 112 federal rules"). This Agreement further sets forth the manner in which the United States Environmental Protection Agency, Region IX ("EPA"), and MC will coordinate their respective responsibilities to ensure expeditious delegation of the Section 112 federal rules to MC. EPA and MC will review this Agreement as the need arises.

Pursuant to Section 112, EPA promulgates national emission standards for hazardous air pollutants, i.e., the Section 112 federal rules. Under Section 112(1), a local air pollution control agency (hereinafter "local agency") may develop and submit to EPA for approval a program for the implementation and enforcement of promulgated Section 112 federal rules, provided certain specified approval criteria have been met. On November 26, 1993, EPA promulgated regulations, codified at 40 C.F.R. Part 63, Subpart E (hereinafter "Subpart E"), to provide guidance useful to state and local agencies in developing programs for submittal under Section 112(1). The procedures established in Subpart E apply to Section 112 federal rules promulgated under the Clean Air Act prior to the 1990 amendments and codified in 40 C.F.R. Part 61, as well as to those promulgated after the 1990 amendments and codified in 40 C.F.R. Part 63. Therefore, this Agreement applies to future delegations of Section 112 federal rules codified in either 40 C.F.R. Part 61 or Part 63. This Agreement does not affect previous delegations that have been granted for rules codified in 40 C.F.R. Part 61. Those delegations remain in effect.

While submission of local rules or programs under 112(1) is voluntary, a local agency seeking to implement and enforce some provisions of its own program in lieu of a Section 112 federal rule needs to obtain EPA approval under Subpart E. Once granted approval, the approved local rules or programs would be federally enforceable and would substitute for the otherwise applicable Section 112 federal rule within that local agency's jurisdiction. Regardless of whether a local rule or program is approved or disapproved, nothing shall prohibit EPA from enforcing any applicable emission standard or requirement under Section 112. See Section 112(1)(7) and 40 C.F.R. § 63.90(c)(2).

Subpart E includes several options for requesting approval of local rules or programs. Under one of these options, a local agency may request delegation of Section 112 federal rules as promulgated without changes. To obtain approval under this option, a local agency need only meet the criteria in 40 C.F.R. § 63.91. On October 30, 1996, EPA promulgated approval under

Section 112(1)(5) and 40 C.F.R. § 63.91 of MC's program for receiving delegation of Section 112 federal rules that are unchanged from the Section 112 federal rules as promulgated. *See* 61 Federal Register 55910. During this approval process, MC informed EPA that it intends to obtain the regulatory authority necessary to accept delegation of the Section 112 federal rules by incorporating by reference these rules into local codes of regulation. *See* 60 Federal Register 36083, 36092. This Agreement establishes procedures to facilitate this delegation process.

II. POLICY STATEMENT

EPA and MC are responsible for ensuring that their respective obligations under this Agreement are met. In summary, MC has the responsibility to incorporate the Section 112 federal rules into local codes of regulation by reference and to initiate the delegation process by submitting an application that conforms with Subpart E; while EPA has the responsibility to provide MC with information regarding upcoming Section 112 federal rules and to review MC's applications. EPA and MC agree to maintain a high level of cooperation and coordination between their respective staffs in a partnership to assure successful and effective delegation of the Section 112 federal rules.

III. INFORMATION SHARING

A. GENERAL

EPA and MC agree to participate in conference calls, as needed, to discuss legal, policy, resource, or technical issues related to delegation of Section 112 federal rules.

B. EPA

1. EPA will update MC periodically on important developments under Section 112, including progress on the proposal and promulgation of Section 112 federal rules and development of EPA policies. EPA agrees to provide MC with the names, addresses, and phone and fax numbers of the EPA contacts for each Section 112 federal rule, as well as any information regarding delegation.
2. EPA agrees, when reasonably foreseeable, to communicate to MC that the implementation and enforcement of any new Section 112 federal rule may require additional legal, technical, or financial resources on the part of MC.
3. EPA will provide MC with any information EPA may have collected regarding sources within MC's jurisdiction that may be subject to a Section 112 federal rule.

C. MC

1. MC will work cooperatively with EPA to identify all sources within MC's jurisdiction that may be subject to a Section 112 federal rule.

2. MC agrees to notify EPA in advance of any proposed program changes that may affect MC's ability to implement or enforce any Section 112 federal rule for which MC has received delegation or will request delegation. Program changes of concern include modification of MC's legal authorities (e.g., statutes, regulations, or judicial or legislative actions affecting those authorities), modification of resource levels, modification of implementation schedules, etc., that were part of any approval under Section 112 or Subpart E.
3. MC understands that EPA may request MC to provide the information or the demonstrations referenced in 40 C.F.R. § 63.96(a).

IV. DELEGATION PROCEDURES

A. MC

1. As noted above, MC intends to obtain the regulatory authority necessary to accept delegation of the Section 112 federal rules by incorporating these rules into local codes of regulation by reference. For the Section 112 federal rules for which MC will seek delegation, MC agrees to incorporate the Section 112 federal rules by reference into the Maricopa Air Pollution Control Regulations as expeditiously as possible.
2. For each Section 112 federal rule (or group of rules) for which MC will seek delegation, MC agrees to submit a letter as soon as practicable (if possible, immediately after the relevant local regulatory action is complete and within one year of EPA's promulgation of the Section 112 federal rule) to the Director of EPA Region IX's Air Division requesting delegation of the Section 112 federal rule. MC shall include with this letter proof that MC has obtained the necessary regulatory authority to fully implement and enforce the Section 112 federal rule for which it is seeking delegation. This proof shall include a certified excerpt of Board action, agenda form, and a copy of the regulatory provisions by which the Section 112 federal rule was adopted.

B. EPA

1. In response to a letter requesting delegation of a Section 112 federal rule, EPA agrees to expeditiously review the request and respond in writing as to whether the delegation is approved or disapproved.
2. If the delegation request is approved, the effective date of the delegation of the Section 112 federal rule will be the date when the Director of EPA Region IX's Air Division signs the approval letter.
3. Periodically, EPA will publish in the Federal Register an updated list of the Section 112 federal rules that have been delegated.

V. POST-DELEGATION

A. EPA

1. After delegation of a Section 112 federal rule, EPA agrees to continue to provide assistance to MC in the implementation or enforcement of the Section 112 federal rule.
2. Pursuant to 40 C.F.R. §§ 63.9(a)(4)(ii) and 63.10(a)(4)(ii), EPA hereby waives the requirements that owners or operators of affected sources submit notifications and reports to EPA, as well as to MC for any Section 112 federal rules for which MC has received delegation (i.e., upon delegation affected sources need only submit required notification and reports to MC). EPA reserves the right to reevaluate the appropriateness of such a broad waiver in the event of programmatic changes or on a source category basis.

B. MC

1. MC understands that for any Section 112 federal rule for which it requests and receives delegation, it will be the primary implementing agency and will be responsible for implementing and enforcing the Section 112 federal rule independent of and in addition to the conditions of any affected source's operating permit under 40 C.F.R. Part 70.
2. MC understands that certain authorities are retained by EPA and are not delegable to MC. *See, for example, 40 C.F.R. § 63.90(c).* In general, authorities that are not delegable include those functions that require rulemaking in the Federal Register or those situations where federal oversight is the only way to ensure national consistency in the application of the standards.
3. MC agrees that the delegation of 40 C.F.R. Part 63, Subpart A will include the authorities listed in Table 1 of the July 10, 1998, memorandum from John S. Seitz to the Regional Offices, entitled "Delegation of 40 CFR Part 63 General Provisions Authorities to State and Local Air Pollution Control Agencies." EPA retains the authority to make decisions according to the provisions listed in Table 2 of the July 10, 1998, memorandum. The July 10, 1998, memorandum is attached and should be referred to for further guidance.
4. MC agrees to forward to EPA a copy of all decisions made pursuant to Table 1 authorities (as listed in the July 10, 1998, memorandum mentioned above), as well as any determinations made pursuant to 40 C.F.R. 63.6(i)(1) or 63.5(e) and (f). In addition, MC agrees to provide EPA with a copy of any requests sent to MC for minor or intermediate alternatives to MACT standard test methods or monitoring, prior to approval or disapproval by MC.

VI. DISCLAIMERS

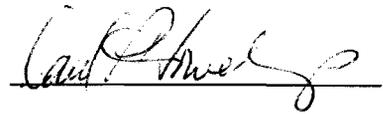
1. This Agreement is for the benefit of EPA and MC. This Agreement does not create any rights, duties, or obligations, implied or otherwise, in any third parties.
2. As stated above, nothing shall prohibit EPA from enforcing any applicable emission standard or requirement under Section 112.

This Agreement shall become effective when signed by both parties.



Fulton Brock
Chairman
Maricopa County
Board of Supervisors

Date: 10.06.99



David P. Howekamp
Director
Air Division
U.S. EPA Region IX

Date: 11/1/99

Attachment



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

JUL 10 1998

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

MEMORANDUM

SUBJECT: Delegation of 40 CFR Part 63 General Provisions Authorities to State and Local Air Pollution Control Agencies

FROM: John S. Seitz, Director
Office of Air Quality Planning and Standards (MD-10)

TO: See Addressees

This memorandum is to provide guidance to the EPA Regional Offices on delegation of discretionary authorities relating to air toxics in 40 CFR part 63, subpart A (the General Provisions) to State and Local Air Pollution Control (S/L) agencies through 40 CFR part 63, subpart E (Approval of State Programs). Under the General Provisions, the EPA Administrator has the authority to approve certain changes to, or make decisions under, specific General Provisions requirements. Questions have been raised by the Regions about whether S/L agencies may make the same discretionary decisions when they are delegated the General Provisions.

In explaining the straight delegation process for delegating air toxics provisions to S/L agencies under 40 CFR part 63, subpart E, we did not clarify what discretionary authorities are delegated to S/L agencies when they seek straight delegation of the General Provisions. Although this is briefly discussed in the proposed General Provisions' preamble (Federal Register, August 11, 1993, page 42775-42777), the forthcoming proposed subpart E revisions will fill that gap by clarifying which discretionary authorities may be delegated to S/L agencies through straight delegation of the General Provisions. At your discretion, the Regional Offices must then specify in delegation agreements or documents which of the subpart A authorities are being delegated to each State. We recommend that you begin implementing these changes as soon as possible. Therefore, this memorandum is intended to explain the changes and provide guidance for you to begin implementing the changes now. Neither this memorandum nor the subpart E rulemaking changes any source-specific decisions that have already been made under the General Provisions, but the guidance in this memorandum should be used as guidance for all future decisions regarding the General Provisions' authorities.

To implement these changes, you will need to clarify with your S/L agencies which General Provisions' authorities have and have not been delegated. In cases where you may have delegated authorities in the past that should no longer be delegated, you will need to inform your S/L agencies that delegation of these authorities will be revoked.

part 61, and for changes to State implementation plans (SIP's).² Past guidance issued for NSPS changes has permitted delegation to S/L agencies of all the Administrator's authorities except those that require Federal rulemaking, or those for which Federal oversight is critical to ensuring national consistency in the application of standards. Additionally, such delegations were not intended to give S/L agencies the authority to issue interpretations of Federal law that are subsequently binding on the Federal Government. Current SIP policy, as reflected in *White Paper Number 2 for Improved Implementation of the Part 70 Operating Permits Program*,³ permits S/L agencies to alter SIP requirements so long as the alternative requirements are shown to be equally stringent and are within a pre-approved protocol (and so long as public review is provided and EPA approval is obtained). The S/L agencies can show equivalent stringency by providing substantive criteria in SIPs governing the implementation of alternative requirements.

We recognize that Regions have the prerogative to approve delegation of specific authorities to some S/L agencies and not to others. Therefore, we encourage Regions to provide as clearly as possible an explanation of the criteria they have used to approve or disapprove delegation of a specific authority, and to apply those criteria consistently across their S/L agencies. Such criteria could include a determination of whether the S/L agency has sufficient expertise to make such decisions, or a determination that the working relationship between the Region and the S/L agencies is such that individual decisions could or could not be determined through consultation on an "as needed" basis. For example, you may want to work more closely with your S/L agencies on their first decision-making for some authorities, thus gaining assurance that the S/L agencies can and will make appropriate decisions. We also recommend that Regions obtain copies of all S/L agencies' alternative determinations for their records; especially where new issues are addressed.

Delegation of Specific Authorities

The part 63 General Provisions lists 15 specific types of authorities for which the Administrator may make discretionary decisions on a source-specific basis. When the General Provisions are delegated to an S/L agency, such discretion may be appropriately delegated, provided the stringency of the underlying standard would not be compromised.

We recognize that, in order for Regional Offices to have the authority to delegate some of the authorities outlined in this memorandum (such as intermediate changes to test methods), delegation 7-121 must first be revised to delegate these authorities to the Regions. We intend to make this revision, i.e., to delegation 7-121, as soon as possible. Additionally, the Emission

²However, we are expanding our interpretation of previous policy for the applicability determinations' discretionary authority.

³ Memorandum from Lydia Wegman, Deputy Director, OAQPS, to Regional Air Division Directors, March 5, 1996.

General Provisions authorities' decision-making made in your Region, I am comfortable with trusting your judgement about which of the Administrator's discretionary authorities listed here should be delegated to the S/L agencies in your Region. When the Region delegates any category I authority to the S/L agency, it could be accomplished either when the General Provisions are delegated or at the time that each relevant maximum achievable control technology (MACT) standard is delegated, with the exception of approval of construction and reconstruction (40 CFR part 63, section 63.5), which should be delegated when the General Provisions are delegated.

There are some category I authorities, such as approval of intermediate alternatives to test methods, for which you should be notified when decisions are made by your S/L agencies. Also, you may want to monitor the progress of S/L agencies' decision-making, in addition to updating your files for compliance and enforcement matters. We have indicated these authorities in Table 1 with an asterisk. We encourage you to document, in delegation agreements or delegation rulemaking, the request for notification when decisions are made regarding the indicated category I authorities.

Category II. General Provisions That May Not Be Delegated

Authorities listed in this section are those decisions which could result in a change to the stringency of the underlying standard, which are likely to be nationally significant, or which may require a rulemaking and subsequent Federal Register notice. Therefore, these authorities must be retained by the EPA Regional Office or EPA Headquarters. As a result, the following authorities in Table 2 may not be delegated to S/L agencies (all references are to sections of 40 CFR part 63, subpart A):

If you have any questions, or would like to discuss this matter further, please contact me at (919) 541-5608, or Tom Driscoll of my staff at (919) 541-5135.

Table 2. Authorities That May Not Be Delegated

Section	Authority
Section 63.6(g)	Approval of Alternative Non-Opacity Emission Standards
Section 63.6(h)(9)	Approval of Alternative Opacity Standard
Sections 63.7(e)(2)(ii) and (f)	Approval of Major Alternatives to Test Methods (see Attachment 1)
Section 63.8(f)	Approval of Major Alternatives to Monitoring (see Attachment 1)
Section 63.10(f)	Waiver of Recordkeeping -- all

ATTACHMENT 1

Intermediate change to monitoring is a modification to federally required monitoring involving “proven technology” (generally accepted by the scientific community as equivalent or better) that is applied on a site-specific basis and that may have the potential to decrease the stringency of the compliance and enforcement measures for the relevant standard. Though site-specific, an intermediate decrease may set a national precedent for a source category and may ultimately result in a revision to the federally required monitoring. Examples of intermediate changes to monitoring include, but are not limited to: (1) use of a continuous emission monitoring system (CEMS) in lieu of a parameter monitoring approach; (2) changes to quality control requirements for parameter monitoring; and (3) use of an electronic data reduction system in lieu of manual data reduction.

Intermediate change to a test method is a within-method modification to a federally enforceable test method involving “proven technology” (generally accepted by the scientific community as equivalent or better) that is applied on a site-specific basis and that may have the potential to decrease the stringency of the associated emission limitation or standard. Intermediate changes are not approvable if they decrease the stringency of the standard. Though site-specific, an intermediate change may set a national precedent for a source category and may ultimately result in a revision to the federally enforceable test method. In order to be approved, an intermediate change must be validated according to EPA method 301 (part 63, appendix A) to demonstrate that it provides equal or improved accuracy and precision. Examples of intermediate changes to a test method include, but are not limited to: (1) modifications to a test method’s sampling procedure including substitution of sampling equipment that has been demonstrated for a particular sample matrix and the use of a different impinger absorbing solution; (2) changes in sample recovery procedures and analytical techniques, such as changes to sample holding times and use of a different analytical finish with proven capability for the analyte of interest; and (3) “combining” a federally-required method with another proven method for application to processes emitting multiple pollutants. As an example, Region IX and the CARB have developed a testing protocol to determine whether California chromium electroplaters needed to “retest” for the Chromium Electroplating NESHAP. This testing protocol has been attached (Attachment 2) for your information should you choose to use it. Again, these examples should only be approved if they do not decrease the stringency of the monitoring requirement.

Major change to monitoring is a modification to federally required monitoring that uses unproven technology or procedures or is an entirely new method (sometimes necessary when the required monitoring is unsuitable). A major change to a test method may be site-specific or may apply to one or more source categories and will usually set a national precedent. Examples of major changes to a test method include, but are not limited to: (1) use of a new monitoring approach developed to apply to a control technology not contemplated in the applicable regulation; (2) use of a predictive emission monitoring system (PEMS) in place of a required

NOTE: The authority to approve decreases in sampling times and volumes when necessitated by process variables has typically been delegated in conjunction with the *minor changes to test methods*, but these types of changes are not included within the scope of *minor changes*.

Attachment 2 Continued

estimated that in California there are approximately 100 hard chrome platers, 150 decorative chrome platers and 50 chromic acid anodizers, over half of which have performed source tests (where applicable). Many of these source tests have sufficient information and quality control to demonstrate compliance with the Federal NESHAP for chrome plating and anodizing. This document is to present and discuss the criteria developed for this purpose.

NESHAP Source Testing for Compliance

The NESHAP standard for chrome plating and anodizing indicates that source testing to demonstrate compliance with the standard is required unless the facility is a decorative chrome plater or chromic acid anodizer choosing the alternate emission limitation of 45 dyne/cm bath surface tension. In accordance with this, 40 CFR part 63 specifies acceptable source test procedures, methods, materials, etc. Although the requirements outlined in the NESHAP are specific, there are allowances for the "owner or operator of an affected source conduct[ing] performance testing at startup to obtain an operating permit in the State in which the affected source is located, the results of such testing may be used to demonstrate compliance with this subpart . . ." (40 CFR 63.344). The following discussion presents a step-by-step approach for determining whether an existing source test in California can be used to demonstrate compliance with the chrome plating and anodizing NESHAP.

Determining if Existing Source Tests Can Be Used to Demonstrate Compliance

The Chrome Plating Source Test Review Criteria Section (see below) provides a step-by-step process for the review of existing source tests in light of the NESHAP standards. The following is a discussion of each of the criteria steps from the Chrome Plating Source Test Review Criteria Section with an explanation of the rationale for the chosen process.

Criteria Step 1. Compliance with the NESHAP Standards Demonstrated? The NESHAP standards are in terms of milligram of total chrome per dry standard cubic meter (mg/dscm) of ventilation gas flow. The NESHAP standards are listed in 40 CFR part 63, section 63.342. Emission standards vary depending on whether the facility performs hard chrome plating, decorative chrome plating, chromic acid anodizing, or whether the facility is new or existing, and how large the facility is (how much chrome plating is performed on an annual basis).

Most of the existing chrome emission source test reports provide a variety of information including test date and time, plating bath rectifier amp-hours, sample volume, ventilation gas velocity, sample flowrate percent isokinetic, duct temperature, flowrate, ventilation gas water content, total and hexavalent chrome catch, as well as chrome emissions on a process rate (amp-hrs) and concentration basis.

Attachment 2 Continued

approval for the use of the SCAQMD method 205.1 for total chrome analysis only and will issue an official letter soon.

Any use of an approved source test method must be done in strict accordance with the requirements and specifications of the method itself and performance testing requirements of section 63.344 of the NESHAP. Such requirements include sample point locations, use of EPA method 5 source test train, impinger solution compositions, isokinetic ratios, sample handling, sampling times, sample volume, catch mass requirements, etc. Implicit in the use of an approved source test method is the correct use of the method itself. Any variation in the source test procedure will trigger a retest unless the change has been approved beforehand by the EPA and the local permitting authority.

Criteria Step 4. Number of Runs: Paragraph 63.7(e)(3) of the part 63 General Provisions specifies at least three sampling runs to make up one source test. If three sampling runs were performed, the reviewer is directed to proceed on to review criteria step 5 (catch mass requirement).

<3 sampling runs: Previous source tests attempted to meet the requirement for at least three sampling runs. For some previous California source tests, the expected ultra-low concentrations of chrome in the exhaust required the use of longer than normal source test runs (normal sampling run length is 120 minutes and normal sampling volume is 1.7 dscm⁴).

Some operators chose (with local agency approval) to perform longer sample runs to capture enough sample to produce a chrome emission number and to reduce the potential for error with minimal chrome capture. In California the longer times ranged from 3 to 8 hours per sampling run. Due to the added expense, potential problems of multiple long sampling runs, and the potential operational conflicts due to reduced production from multiple sampling runs, these facilities proposed performing one or two long duration source tests instead of three or more shorter runs.

For tests where less than three sampling runs were conducted, the reviewer is directed to go to criteria step 6 to determine if the source testing results are far enough below the NESHAP emission limit to warrant acceptance.

⁴See 40 CFR part 63.344(c)(1). Method 306 or method 306A, "Determination of Chromium Emissions From Decorative and Hard Chromium Electroplating and Anodizing Operations."

Attachment 2 Continued

The Establishing Monitoring Parameters to Ensure Ongoing Compliance Section (see below) provides an approach to establishing the monitoring parameter compliance ranges after the performance test is completed. Where applicable,⁶ the basic requirements include the following:

- (1) Source test conducted during normal operating conditions.
- (2) Flowrate was monitored/recorded at outlet of emission control device.

Control Device Pressure Drop and Velocity Pressure: Assuming the above criteria items (1) and (2) were met and that the current ventilation gas flowrate is within 10 percent of the flowrate determined during the source test, the current control device pressure drop and/or velocity pressure can be used to establish the appropriate ranges/value for the monitoring parameters. Guidance for the development of the operating parameter range is found in 40 CFR 63 section 63.344.

Surface Tension Parameter Development: If the surface tension was monitored during the performance test, the facility operator should use the higher of either (1) the surface tension parameter measured during the source test; or (2) 45 dyne/cm as specified in the NESHAP. If the surface tension was not monitored during the source test, the facility should use 45 dyne/cm as the maximum allowable surface tension parameter for monitoring ongoing compliance.

Foam Thickness Parameter Development: If the foam additive thickness was monitored during the performance test, the facility operator should use the lessor of either (1) the foam thickness parameter measured during the source test; or (2) the 1 inch foam thickness as specified in the NESHAP. If the foam thickness was not monitored during the source test, then the facility should use 1 inch foam thickness as the minimum allowable thickness parameter for monitoring ongoing compliance.

⁶Flowrate monitoring is not possible and therefore not applicable for those plating baths without ventilation systems (surfactant additive only controls/surface tension regulated plating baths).

Attachment 2 Continued

Collect concurrent data on pressure drop across the control device, and outlet flow rate. If the outlet flow rate is within 10 percent of the outlet flow rate recorded during the source testing, then the current pressure drop value can be used to establish the compliant range for continuous monitoring if the controls are visually inspected and the work practice standards are conducted immediately prior to collecting current pressure drop data.

- (E) Surfactant Additive Surface Tension: If surface tension was monitored during the source test, use the higher of either (1) the surface tension developed during the source test or (2) 45 dyne/cm surface tension for demonstration of ongoing compliance. If no surface tension monitoring during source test, use 45 dyne/cm as surface tension parameter for demonstration of ongoing compliance.

Foam Thickness: If foam thickness was monitored during the source test, use the minimum thickness parameter for demonstration of ongoing compliance. If no foam thickness monitoring during source test, use 1 inch foam blanket as parameter for demonstration of ongoing compliance.