

US EPA ARCHIVE DOCUMENT

OCI Beaumont LLC
Prevention of Significant Deterioration Permit for Greenhouse Gas Emissions
PSD-TX-1334-GHG

Basis of Decision for Issuance of Final Permit

Supplement to the Statement of Basis

U.S. Environmental Protection Agency
July 31, 2014

I. Summary of the Formal Public Participation Process

The U.S. Environmental Protection Agency, Region 6 (EPA) proposed to issue a Prevention of Significant Deterioration (PSD) permit to OCI Beaumont LLC (OCI) for modification to its methanol and ammonia plants in Nederland, Jefferson County Texas. EPA announced the public comment period on the EPA Region 6 website and through a public notice published in the Beaumont Enterprise on June 21, 2014. EPA also provided notification to agencies and other interested parties in accordance with 40 CFR Part 124.

During the public comment period, the Administrative Record for the draft permit with the Statement of Basis (SOB) was available to the public at the EPA Region 6 office in Dallas, and at the Marion & Ed Hughes Library in Nederland, Texas.

The public notice for the draft permit also provided the public with notice of the public hearing. The public notice stated, “Any request for a public hearing must be received by the EPA either by email or mail by July 14, 2014, and must state the nature of the issues proposed to be raised in the hearing” and “The EPA maintains the right to cancel a public hearing if no request for a public hearing is received by July 14, 2014, or the EPA determines that there is not a significant interest. If the public hearing is cancelled, notification of the cancellation will be posted by July 16, 2014, on the EPA’s Website at <http://yosemite.epa.gov/r6/Apermit.nsf/AirP>. Individuals may also call the EPA at the contact number listed above to determine if the public hearing has been cancelled.”

EPA did not receive any written comments concerning the draft permit during the comment period, and did not receive any written requests for a public hearing.

II. Update to Applicability Analysis

On June 23, 2014, the United States Supreme Court issued a decision addressing the application of stationary source permitting requirements to greenhouse gases (GHG). *Utility Air Regulatory Group (UARG) v. Environmental Protection Agency (EPA)* (No. 12-1146). The Supreme Court said that the EPA may not treat greenhouse gases as an air pollutant for purposes of determining whether a source is a major source required to obtain a Prevention of Significant Deterioration (PSD) or title V permit. However, the Court also said that the EPA could continue to require that PSD permits, otherwise required based on emissions of conventional pollutants, contain limitations on GHG emissions based on the application of Best Available Control Technology (BACT). Pending further EPA engagement in the ongoing judicial process before the District of Columbia Circuit Court of Appeals, the EPA is proceeding with this final permitting decision consistent with EPA’s understanding of the Supreme Court’s decision.

In this final permit decision, EPA is continuing to apply the PSD BACT requirements to GHG. The source is a major source because the facility has the potential to emit greater than 100 tons per year (tpy) of CO and other criteria pollutants. In addition, the modification of OCI is subject to PSD for a pollutant other than GHG because the project increases emissions of CO by 255.9 tpy, NO_x by 99.5 tpy, VOC by 62.7 tpy, and PM/PM₁₀/PM_{2.5} by 83 tpy. Furthermore, the modification results in a GHG emissions increase and a net GHG emissions increase equal to or greater than 75,000 tpy on a carbon dioxide equivalent (CO_{2e}) basis and greater than zero on a mass basis [*see* 40 C.F.R §§ 52.21 (a)(2), (b)(23) and (49)(iv); *PSD and Title V Permitting Guidance for Greenhouse Gases* (March 2011) at 13-15]. Since the Supreme Court recognized EPA’s authority to require the application of BACT to

sources that emit GHGs in greater than *de minimis* amounts, EPA believes it may apply the 75,000 tpy threshold in existing regulations at this time to determine whether BACT applies to GHGs at this facility. Accordingly, this project continues to require a PSD permit that includes limitations on GHG emissions based on application of BACT.

EPA Region 6 continues as a PSD permitting authority for GHG emissions in accordance with the provisions of the FIP that do not conflict with the Court's decision and thus remain in place. The Supreme Court's decision does not limit the authority and responsibility of Region 6 with regard to this particular permitting action. No other changes to the administrative record or Final Permit are warranted as a result of the recent Supreme Court decision.

III. Revision in Final Permit

EPA made one administrative change to the draft permit "Prevention of Significant Deterioration Permit for Greenhouse Gas Emissions Issued Pursuant to the Requirements at 40 CFR §52.21" as follows:

Final Permit Conditions:

The cover sheet titled "Prevention of Significant Deterioration Permit for Greenhouse Gas Emissions Issued Pursuant to the Requirements at 40 CFR §52.21" has been modified to state the following:

In accordance with 40 CFR §124.15(b)(3), this PSD Permit becomes effective ~~30 days after the service of notice of this final decision unless review is requested on the permit pursuant to 40 CFR §124.19~~ immediately upon issuance of this final decision.

IV. National Historic Preservation Act (NHPA)

On May 27, 2014, EPA sent a letter to the State Historic Preservation Officer (SHPO) requesting concurrence on EPA findings for OCI's cultural survey. The SHPO sent a letter with concurrence to the EPA on July 7, 2014.

EPA also sent letters on February 27, 2014 to Indian tribes identified by the Texas Historical Commission as having historical interests in Texas to inquire if any of the tribes have historical interest in the particular location of the project and to inquire whether any of the tribes wished to consult with EPA in the Section 106 process. EPA did not receive any requests from tribes to be consulting parties.