



# State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION


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## MEMORANDUM

TO: Air Quality Permitting Supervisors and Evaluators

FROM: Francis C. Steitz, Chief, Bureau of Air Permits 

SUBJECT: When to Require Submission of N.J.A.C. 7:27-18 Netting Analysis

DATE: October 29, 2009

This memo provides guidance to staff reviewing applications that may be subject to N.J.A.C. 7:27-18 (Emission Offset Rule). This summary guidance on Subchapter 18 applicability should not be used in place of the actual rule. An application is subject to N.J.A.C. 7:27-18 if:

1. The facility has a potential to emit of any air contaminant that exceeds thresholds listed in N.J.A.C. 7:27-18 (a) 1, or
2. The application proposes an emission increase of any air contaminant that by itself equals or exceeds thresholds listed in N.J.A.C. 7:27-18 (a) 1

And

3. The application proposes an emission increase that would result in a significant net emission increase (SNEI) of any air contaminant listed in Table 3 of N.J.A.C. 7:27-18.7, and the facility is located in:
  - a. A nonattainment area for that respective criteria pollutant; or
  - b. An attainment area for that respective criteria pollutant, and the proposed significant net emission increase would result in an increase in the ambient concentration that equals or exceeds the significant air quality impact level in an area that is nonattainment; or
  - c. An attainment area for that respective criteria pollutant, and the proposed significant net emission increase would result in an increase in the ambient concentration that would result in a violation of an applicable NAAQS or NJAAQS.

The only means available to determine if an emission increase proposed in an application is a SNEI is to perform the netting calculations listed at N.J.A.C. 7:27-18.7. Every

facility that proposes an increase in allowable emissions and meets the criteria in either 1 or 2 above must perform the SNEI calculation to determine if they are subject to Subchapter 18. It is the applicant's responsibility to determine if any new or modified equipment results in a significant net emission increase pursuant to N.J.A.C. 7:27-18.2 and 18.7. The applicant must keep this determination on site and provide it to the Department upon request. Under the following circumstances, the permit reviewer should request and review the SNEI calculation:

1. When the requested increase (IA) is greater than or equal to 5 tons/year.
2. When it is known or suspected that the facility has permitted and/or has pending applications with increases for the contemporaneous period that equals or exceeds 60% thresholds listed in N.J.A.C. 7:27-18 (a) 1.
3. When the applicant is requesting to include new emissions under an emission unit cap.
4. When the applicant is requesting a limitation to avoid triggering Subchapter 18.

This request for a submittal of the SNEI calculation is in addition to the certifications already required for Significant Modification Applications and Minor Modification Applications. Pursuant to N.J.A.C. 7:27-22.24(d) an applicant must demonstrate compliance with N.J.A.C. 7:27-18 for any significant modification with an emission increase. Additionally any Minor Modification Application must be certified to indicate that a change is eligible to be processed as a minor modification, including the fact that it is not subject to Subchapter 18.

In lieu of a AQPP review and to satisfy both N.J.A.C. 7:27-22.24(d) and Subchapter 18, evaluators are to require applicants who are not requested to submit SNEI calculations to certify the facility has evaluated Subchapter 18 applicability and that they are not subject to the offset rule.

CC: J. Preczewski