

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IV

345 COURTLAND STREET ATLANTA, GEORGIA 30365

JUN 1 6 1989

Mr. Richard Grusnick, Chief Air Division Alabama Department of Environmental Management 1751 Congressman W.L. Dickinson Drive Montgomery, Alabama 36130

Dear Mr. Grunsnick:

This letter is in response to a telephone conversation between Mr. Lewis Nagler of my staff and Mr. Ken Barrett of your staff. In that conversation we agreed to provide EPA's position on two questions involving PSD increment consumption. We have coordinated our response with the EPA Headquarters at Research Triangle Park, North Carolina. Below are answers to your questions.

Question One:

In order for a new source subject to PSD to avoid the monitoring and modeling requirements, can the new source offset its expected ground level impacts by allowing an existing baseline source to increase its stack height to 65 meters?

Response:

The new stack height (65 meters) would have no effect on the source applicability. That applicability is based only on net emissions changes. Therefore, the source cannot avoid monitoring or modeling requirements if the net emissions increase from the modification would cause the applicable significance levels to be exceeded.

The source might be excluded from ambient monitoring if the higher stack height caused the existing air quality concentrations to drop below the significance level (via modeling). This assumes that the new stack height is federally enforcable. This can be accomplished by changing the permit condition for the baseline stack prior to having the new source permitted.

Question Two:

Can a baseline source raise its stack to 65 meters in order to expand the available PSD increment?

Response:

The PSD increment can be expanded as a result of changing the stack height within the legal limitations. PSD is intended not to clean up existing air quality but to prevent degradation. If raising a stack height lowers ground level concentrations, then this has the same effect as decreasing emissions.

If we can be of further assistance please call me or Wayne Aronson of my staff at $(404)\ 347-2864$.

Sincerely yours,

Bruce P. Miller, Chief

Air Programs Branch

- F. Miller

Air, Pesticides, and Toxics

Management Division