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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 27, 2010

Mr. Jack Steele
Houston-Galveston Area Council
P. O. Box 22777
Houston, Texas 77227-2777

Re: Air Permits for Major Sources in Counties Neighboring the
Houston-Galveston-Brazoria Ozone Nonattainment Area

Dear Mr. Steele:

Thank you for your December 9, 2010 letter providing recommendations from the Houston-Galveston Area Council (H-GAC) concerning air permitting of major sources in counties neighboring the Houston-Galveston-Brazoria (HGB) nonattainment area. We share your goals of cleaner air and economic viability.

As our air permitting staff discussed with H-GAC's advisory Regional Air Quality Planning Committee (RAQPC) in September of 2010, the purpose of the Prevention of Significant Deterioration (PSD) program is to allow new source growth to occur without causing a National Ambient Air Quality Standard (NAAQS) violation or interfering with an area's ability to attain the NAAQS. The Texas Commission on Environmental Quality (TCEQ) PSD review process requires all new or modified major sources to demonstrate compliance with federal air quality standards. For ozone, this demonstration includes the evaluation of the potential impacts from significant increases of nitrogen oxides (NOx) and volatile organic compound (VOC) emissions in the immediate area near the proposed emissions.

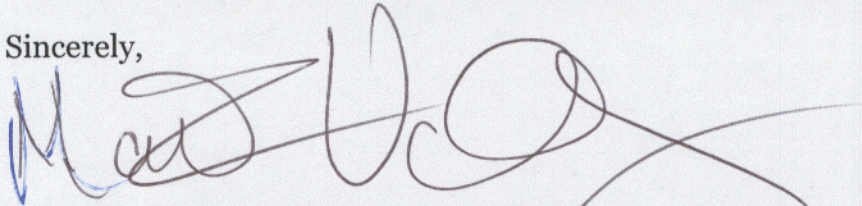
The TCEQ agrees with H-GAC that technical guidance from the Environmental Protection Agency (EPA) regarding the appropriate screening tools and modeling protocols available to conduct a single-source ozone analysis is limited. Due to a variety of technical challenges related to single-source photochemical modeling, the TCEQ PSD program does not require individual permit applications to conduct a modeling analysis to determine the potential impacts of ozone precursors in neighboring ozone nonattainment areas. However, applicants and the TCEQ may consider factors in the PSD review process such as nonattainment control strategies; modeling demonstrations conducted by applicants and TCEQ; and, results of studies, such as Texas Air Quality Studies I and II. The TCEQ continually seeks guidance from EPA on air permitting issues and will continue to work with EPA to apply reasonable approaches to evaluate future ozone analyses on a case-by-case basis.

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Because ozone formation is a complex transport issue, the TCEQ addresses regional ozone formation through the State Implementation Plan (SIP) process rather than through individual permitting actions. A SIP is a comprehensive, enforceable plan that explains how the state will comply with air quality standards according to the Federal Clean Air Act. Among other requirements, the SIP must document how areas within the state that are not meeting the ozone NAAQS will meet the standard by EPA's deadline. The SIP development process typically takes more than one year to develop the conceptual model and modeling analyses that consider emissions from major and minor industrial sources, small businesses, and motor vehicles. Emissions from these sources are accounted for not only for sources within the nonattainment area, but from across North America.

The TCEQ values good working relations with all local governments. For this reason, I would encourage H-GAC and TCEQ to continue to work together to meet both H-GAC and TCEQ goals and to keep open and on-going communication. I hope this response addresses the items raised in your letter. If you have additional questions, or if we can be of any further assistance, please contact Mr. Robert Opiela, P.E., (512) 239-1147 or Mr. John Vermillion, P.E., at (512) 239-1292.

Sincerely,



Mark R. Vickery, P.G., Executive Director
Texas Commission on Environmental Quality