

## Texas Commission on Environmental Quality Fact Sheet - PSD and Nonattainment

### Prevention of Significant Deterioration (PSD) New Source Review (NSR) Permit

Authorizes major sources of criteria pollutants, certain non-criteria regulated pollutants locating in areas that attain federal standards, and greenhouse gases (GHGs) statewide.

- Criteria pollutant: Regulated pollutant with a national ambient air quality standard (NAAQS).
- Non-criteria pollutant: Regulated pollutant with emission limits but no NAAQS. However, applicants must demonstrate compliance with state standards and effects screening levels. (Includes the pollutant GHGs when emissions meet the thresholds specified in [30 Texas Administrative Code §116.164\(a\)\(1\) or \(a\)\(2\).](#))

Applies to new major sources and major modifications of existing major sources. See [Fact Sheet - PSD and Nonattainment Significant Emissions](#) and [Fact Sheet – PSD Applicability – Greenhouse Gases](#).

- Two types of “major stationary source:”
  1. *Named*. A stationary source category listed in [40 CFR § 51.166\(b\)\(1\)](#) with the potential to emit (PTE) 100 tons per year (tpy) or more of a regulated pollutant. See *Fact Sheet – PSD and Nonattainment Significant Emissions* for list of categories.
    - Fugitive emissions are included in the total tpy emission rate.
  2. *Un-Named*. Any stationary source not listed in [40 CFR § 51.166\(b\)\(1\)](#) with PTE 250 tpy or more of a regulated pollutant.
- A source that is *major* for any regulated pollutant - that is, meets the PTE for the source type - is considered to be major for all regulated pollutants.
- A *minor source* is a named or un-named source with regulated pollutant emissions that are less than the major source thresholds (that is, 100 or 250 tpy, respectively).

Requires PSD Review.

- At a new major source for a regulated pollutant.
- At an existing major source, if the net emissions increase equals or exceeds pollutant-specific significant emission rates (SER).
- At an existing minor source, if the project increase meets either the named or the un-named major source threshold by itself.

Requires a Best Available Control Technology (BACT) review, an air quality analysis (AQA) (including additional impacts analysis (AIA) and Class I analysis), and public notice.

- BACT review is a control technology evaluation that considers technical practicability and economic reasonableness of the control. BACT is required.
- The AQA demonstrates that the source’s impact will not cause or contribute to a violation of a NAAQS or PSD increment. Air dispersion modeling and ambient air monitoring may be required. This AQA requirement does not apply to GHGs.
- The AIA examines impacts of air emissions on soils, vegetation, and visibility. The AIA requirement does not apply to GHGs.
- Class I analysis is required if the major project is located within 100 km (62 miles) of a Class I area. Refer to the [Counties Within 100 km or less of a Class I Area](#) map to see potentially affected counties. The Class I analysis requirement does not apply to GHGs.
- Public notice includes the opportunity for the public to comment on the draft permit and request a contested-case hearing. Contested case hearings do not apply to GHGs.

## Nonattainment New Source Review (NNSR) Permit

Authorizes major sources located in areas that do not attain federal standards. Nonattainment areas, emission limits, and offsets are pollutant specific. Refer to [Nonattainment Area map](#). (GHGs do not have a NAAQS and are only regulated under PSD.)

What is a major source for NNSR?

- A source that meets the emission thresholds based on the nonattainment pollutant and area classification. A major source for NNSR is different from a major source for PSD.

Applies to new major sources, major modifications of existing major sources, and minor sources with a project that is major by itself. See [Fact Sheet - PSD and Nonattainment Significant Emissions](#).

Requires nonattainment review. Note that when two standards apply in a nonattainment county or area, the most stringent is used for air permitting. For example, for ozone nonattainment:

- At a new major source for VOC or NO<sub>x</sub>.
  - 25 tpy of either VOCs or NO<sub>x</sub> for any severe ozone nonattainment area; offset ratio - 1.3 to 1.
  - 50 tpy of either VOCs or NO<sub>x</sub> for any serious ozone nonattainment area: offset ratio - 1.2 to 1.
  - 100 tpy of either VOCs or NO<sub>x</sub> for Dallas-Fort Worth (DFW), Houston-Galveston-Brazoria (HGB), and Wise County nonattainment areas (2008 standard): Moderate for ozone; offset ratio = 1.15 to 1.
  - 100 tpy either VOCs or NO<sub>x</sub> for Bexar County (2015 standard): Marginal for ozone; offset ratio = 1.10 to 1.
- At an existing major source, if the net emissions increase equals or exceeds:
  - 25 tpy of either VOCs or NO<sub>x</sub> for any serious or severe ozone nonattainment area.
  - 40 tpy of either VOCs or NO<sub>x</sub> for DFW, HGB, and Wise County nonattainment areas (2008 standard): Moderate for ozone.
  - 40 tpy of either VOCs or NO<sub>x</sub> for Bexar County (2015 standard): Marginal for ozone.
  - Netting is not required in the DFW, HGB, or Bexar and Wise County nonattainment areas if the project increase is less than 40 tpy.
- At an existing minor source if the project is a major source by itself and the emissions increase (no netting allowed) equals or exceeds:
  - 25 tpy of either VOCs or NO<sub>x</sub> for any severe ozone nonattainment area.
  - 50 tpy of either VOCs or NO<sub>x</sub> for any serious ozone nonattainment area.
  - 100 tpy of either VOCs or NO<sub>x</sub> for DFW (2008 ozone standard).
  - 100 tpy of either VOCs or NO<sub>x</sub> for HGB (2008 ozone standard).
  - 100 tpy of either VOCs or NO<sub>x</sub> for Wise County (2008 ozone standard).
  - 100 tpy of either VOCs or NO<sub>x</sub> for Bexar County (2015 ozone standard).

Requires a Lowest Achievable Emission Rate (LAER) technology evaluation, emissions offsets, and public notice. Unlike BACT, LAER does not consider economic impacts.

- LAER is the most stringent emission limitation either:
  - contained in the State Implementation Plan (SIP) or TCEQ rule for the source or
  - achieved in practice by such class or source category.
- Offsets are actual emission reductions of the pollutant or precursor pollutant that is increasing and must be obtained from within the nonattainment area.
  - Offset ratio depends on the nonattainment classification. Reductions must offset the proposed emissions increase.
  - The Air Quality Division, Banking and Trading Programs Team, administers offsets. The team tracks emissions available for purchase or trade and ensures the emissions are creditable.
- Public notice includes the opportunity for the public to comment on the draft permit and request a contested case hearing.