



**Minutes**  
**Small Business Environmental Council**  
October 17, 2013  
DNR Central Office  
101 S Webster Street, Madison, WI  
Room 713  
9:00 am – 12:00 pm

**Members Present:** Jeanne Whitish, Amy Litscher, Shane Lauterbach, Vince Ruffolo, Jamie Julian (for Rep. André Jacque), Al Shea

**Absent:** Richard Klinke, Rep. André Jacque (sent Jamie Julian in his place)

**DNR Staff:** Kimberly Ake, Lisa Ashenbrenner Hunt

**Guests:** Kristin Hart

**Agenda Repair – Kimberly Ake**

Jeanne asked when Amy would take over as chair. Amy confirmed that she would be taking over at the next meeting in January.

Jeanne also mentioned the upcoming Small Business Roundtable. She participates in the roundtable and said last year she was the only small business owner present. Most participants are representatives of associations.

**Construction and Operation Permit Program Requirements (AM-24-12) Update – Kristin Hart**

See the “Air Permit Streamlining Rule” handout attached following the minutes for more information.

Kristin explained that the goal of these rule changes is to improve the efficiency of the air permitting process for operation and construction permits. The scope statement is very flexible. However, one issue they are required to address is to define “cause or exacerbate”. The existing rules state that a source cannot cause or exacerbate a violation of air quality standards. These rule changes also aim to align federal and state regulations for ship engine testing.

Shane asked which industries would be most affected by the rule changes. Kristin answered that any industry that has engines or other combustion sources or emits PM 2.5 (such as through mechanical grinding) might be affected.

DNR will be holding listening sessions starting next week to generate stakeholder input. Kristin encourages council members to attend these sessions and to encourage others to do the same. Steve Dunn and J.R. Sims will be representing DNR at the listening sessions.

They will give a talk, but people will also be able to stop in any time during the sessions to talk with staff and ask questions. They are interested in getting feedback on what is hard about permitting, what works well, etc. The final session will be in Madison and DNR will present what it has learned as a result of the sessions. This information will also be presented to the Air Management Study Group.

Parts of this rule change will be more controversial than others. The Department will be able to bifurcate the rule, moving forward on the less controversial parts more quickly. The more controversial changes will have additional stakeholder involvement.

Kimberly asked about the possibility of expanding permit exemptions or creating new ones as part of the rulemaking. Kristin indicated that this was on the table. Kimberly also asked about the possibility of granting exemptions if a company participates in an Environmental Results Program (ERP). Amy asked if this would be like Green Tier participation. Kimberly indicated that, while Green Tier focuses on sustainability, an ERP focuses more on compliance, asking businesses to complete a self-certification indicating they are in compliance with regulations. Kristin would like to further develop this idea.

Kristin encouraged the Council to contact those listed on the handout if they have any questions. Barb Pavliscak will be handling the fast tracked rule package and Steve Dunn will handle the slower track.

Vince asked if the rule changes would go to the legislature. Kristin thought that, once the changes are approved by the Natural Resources Board, they would just go to the governor, since the changes are the result of an executive order.

### **50% Registration Operation Permit Overview – Kristin Hart**

Kristin also provided an overview of the development of a 50% Registration Permit (ROP). The PowerPoint presented is attached following the minutes. A ROP is a general permit for small sources of air pollution. Vince asked what was considered low emissions. Kristin answered that right now, there is a 25% ROP that requires a source's actual annual emissions to be under 25% of the major source threshold. This program is now expanding and developing a ROP for those sources under 50% of the major source threshold.

The ROP is a simple, streamlined process of obtaining a permit. It consists of 10 questions, and the permit can be issued within 15 days. It also allows facility modifications without requiring a construction permit as well as flexibility in recordkeeping. There are, however, some disadvantages to having a ROP. ROP holders still have to comply with all other applicable regulations; however, unlike other permits, the additional requirements are not outlined in the ROP. Kristin is interested in partnering with the Small Business Environmental Assistance Program (SBEAP) to develop an ERP or similar program that would help sources figure out what regulations apply to their facilities.

There are currently two types of ROPs. Type A is the general 25% ROP for facilities emitting less than 25 % of the major source threshold. The Type C ROP is just for printers that emit less than 25% of the major source threshold for criteria pollutants and less than 50% of the major source threshold for hazardous air pollutants (HAPs). Right now, over 600 facilities in the state are covered under a ROP. There have not been major compliance issues as a result. The 25% ROP was developed first, in order to start small. It is now being expanded to cover additional facilities. The 50% ROP has been mandated by the legislature in the recent budget. This new ROP will be referred to as Type B.

Vince asked if the 50% ROP would be allowed throughout the state, even in non-attainment areas. Kristin said yes, as long as the definition of a major source remains the same everywhere.

Vince asked if a new business, such as a body shop, would be required to get this type of permit. Kristin said there will still be exemptions available for low emitters with fewer than 1,666 pounds per month of specific pollutant emissions. Kimberly noted that small businesses, such as body shops, do not think in terms of pounds of pollutants emitted. They are more likely to think of their emissions in number of cars painted, etc.

There are still some issues that need to be worked out. There is uncertainty as to whether the current rule will allow for a 50% ROP. Rule change may be required. EPA will also have to approve the change, as it needs to be federally enforceable.

Kristin also mentioned that sources will be required to do modeling under the 50% ROP. Jeanne asked how much that would cost a source. Amy estimated the cost to be around \$4,000, although it could go higher. Kristin notes that small sources do not need to model for anything other than particulate matter under the 25% ROP as long as their stacks are vertical. Shane asked where a source could go for modeling. DNR will perform modeling free of charge as long as their stacks are vertical and unobstructed. There is also a list of environmental consultants on the SBEAP webpage: <http://dnr.wi.gov/files/PDF/pubs/am/AM429.pdf>.

Vince asked what would happen if a source didn't know it would be over the threshold until they were up and running. Shane noted that sources need to proactively assess their emissions.

Shane also asked about the rule being federally enforceable. EPA does currently recognize the 25% ROP.

The first draft of this rule change is expected to be completed in early December and will be presented to the Air Management Study Group at that time. In early 2014, public meetings will be held as well as a meeting with EPA. A final draft will be presented to the Air Management Study Group in April and a hearing and public notices will occur in June of next year.

Kristin would like the SBEAP to be involved as well. Vince questioned whether local governments would be involved, since they can help walk businesses through what they need to do. Kristin said they would not have much involvement. Jeanne also thought economic development organizations should be involved.

Amy asked if the 25% ROP would be going away. Kristin affirmed that they would be keeping the 25% ROP, which is more streamlined than the 50% ROP will be. Thus, there will be advantages to maintaining a 25% ROP.

Dave Minkey is drafting the new permit. Ted Cauwels will be responsible for granting coverage under the 50% ROP once it is created. Their contact information is listed in the PowerPoint slides attached below.

**Action Item: Kristin will provide periodic updates to the Council on the status of the 50% ROP.**

**Volatile Organic Compound Control Regulations for Lithographic Printing (AM-18-13) – Kristin Hart**

Kristin provided a handout, “Volatile Organic Compound Regulations for Lithographic Printing AM-18-13”, which is attached to this document following the minutes.

Kristin presented on proposed changes to the Volatile Organic Compound (VOC) Regulations for Lithographic Printing. She explained that the EPA publishes control technology guidelines for organic compound emissions. In 2009, DNR changed its rules to incorporate new federal guidelines. The new guidelines were added to the old ones as “Part II” and the old rules were kept as “Part I”. Some of these rules seem to contradict each other.

This rule affects printers with as little as three tons of VOC emissions per year located in the non-attainment areas of southeast Wisconsin. The rule will be streamlined so it is easier to understand and the two parts are better aligned.

Jeanne asked if the Printer ERP was still running. The program is not running, but the materials are still available and helpful. Kimberly explained that, in order to keep the program going, it would be necessary to continue doing inspections, which the program has not been able to do.

In January 2014, the yellow sheet on this rule will go to the Natural Resources Board for approval. The rule would be finalized by spring 2016.

Kimberly asked how many sources would be affected by this rule. Shane responded that it would be a lot.

Mike Sloat is the rule writer. His contact information is available on the attached handout.

**Small Business Program staffing update and discussion on program objectives – Kimberly Ake**

Kimberly first provided an update on the Council’s vacancy. Recommendations for potential candidates were provided to the Governor’s office, but the vacancy has not yet been filled.

**Action Item – DNR will continue to follow up with the Governor’s office regarding the Council vacancy.**

Jeanne noted that someone from the Governor’s staff would be present and the Small Business Roundtable at DNR the following week. She will bring up the vacancy at that time.

Kimberly then provided a hiring update for three new staff in the Small Business Program. The second round of interviews was just completed this week Tuesday. Offers will be made within the next couple weeks. Jeanne participated on the interview panel and remarked that she was impressed with the thoroughness of the hiring process and the quality of the candidates.

All three positions will be hired from the same pool of applicants. One candidate will have air experience in order to manage the federal requirements of the program. The other two positions have not yet been defined, but one may specialize in waste and the other in water. Thus, the program will be expanded to address other issues beyond air.

Kimberly then asked the Council members what they felt the Small Business Program should focus on.

Jeanne suggested that the program immediately let small businesses know the program exists. Amy suggested having a booth at conferences or other events where small businesses may be in attendance. Vince recommended the program also interact with economic development professionals.

It was also noted that small businesses are sometimes fearful when interacting with DNR. The program should work to project a friendlier image and let businesses know the program is here to help them, not punish them.

Vince gave an example of small businesses that have to monitor their water and consistently do a good job, receiving awards from their cities. However, they are still treated the same as any other business by DNR. He felt businesses should be rewarded if they show they are in compliance for a certain number of years. Perhaps they could have less frequent monitoring requirements or other incentives. This would motivate them to be in compliance.

Jeanne also recommended having a Green Tier program specifically for small businesses. She has spoken with Mark McDermid about her business joining Green Tier, but found it to be cost prohibitive. She thought there should be a program where smaller businesses can self-certify and provide annual reports and get some type of recognition.

Amy also recommended the program let businesses know about the Environmental Compliance Audit Program in which businesses can do a self-audit and fix violation without penalty.

Jeanne also recommended creating a certification program with checklists for businesses that are just starting or expanding to better understand what their requirements are.

Shane discussed the amount of regulations that his company has to monitor. They have had to increase their administrative staff to deal with regulations, which takes resources away from actual production. The regulatory burden also affects his employees. Providing education on regulations would make it easier for businesses to grow.

Vince said the people who make the regulations have no idea what it is like for the affected businesses. He also gave an example of a builder who constructed an 18 story building with city and state approval, but the federal government told him to tear the building down because the staircase was a quarter inch off the regulation. He eventually was able to obtain a permit to fix the issue by adding a lip, but he had spent a considerable amount of time and money resolving the issue. Vince also gave other examples. One small business was cited for not having an MSDS for a gallon of antifreeze they had purchased from Wal-Mart. Another small business had a machine that had been torn down. They were cited for not having lockout tag out in place, even though the machine was not functional. The small mom and pop shops don't understand these types of regulations.

Amy added that businesses needed to better understand what exemptions are out there and what their options are if they are not exempt.

Shane pointed out that businesses don't always understand DNR language. Amy agreed that DNR needs to provide resources in the language of the businesses.

Al Shea arrived around 10:30.

Jeanne inquired about the possibility of permit writers and sector specialist shadowing businesses to understand them better. Al said they are starting to do that.

Jeanne also emphasized the need for a level playing field among businesses. Larger small businesses get inspected, while very small businesses often do not, giving them an advantage. On the flip side, Shane noted that he has disagreed with a fine and fought it. The really small businesses can't do that. They don't have lawyers on staff and are often afraid of questioning the agency. Vince also observed that small businesses don't have lobbyists to speak on their behalf.

Amy pointed out that small businesses have questions about safety and human resources as well as environmental issues. The Small Business Program should be able to point them in the right direction on those issues.

Jeanne recommended having inspectors or permit writers meet with the Council. Al said there are too many inspectors that deal with different types of facilities. The best approach would be to have them shadow businesses in the industry in which they interact.

Shane recommended having training at a business and inviting other local businesses. For instance, there could be training on what a 25% ROP is. They could walk through the facility and talk about issues. Al thought there might be a barrier in that businesses would not want to invite competitors into their facilities. Shane said he would be willing to do it.

Vince warned about the next generation of entrepreneurs. He said people are afraid to start a business now.

Jeanne said that permit writers have discretion on exemptions and interpret them differently. She wanted to know why this happens. Al said the Department has moved to a line organizational structure. However, in an organization of 3,000 people, culture change takes time. Regional staff used to report to regional directors, which they no longer do. There are now performance procedures, metrics, and new expectations going into performance evaluations. The Department also now has increased authority to terminate or discipline employees.

Amy recommended submitting articles to business journals to encourage public attendance at Council meetings. Biz Times (southeast region) and In Business (Dane County) would be good publications for this purpose.

### **Meeting schedule for next year – members**

The Council decided the next meeting would be Thursday, January 23<sup>rd</sup> in Madison. Thursdays continue to work well for members.

**Action Item: Lisa will send out a survey to get input on meeting dates for the rest of 2014.**

Al asked the Council if they would like to have another meeting outside of Madison. Vince recommended moving the meeting around, possibly to universities and to invite economic development organizations to attend. Lisa questioned if the public would feel comfortable coming to a DNR office. The locations of the other meeting are yet to be determined. However, it was decided that the April meeting would be held outside of Madison.

## Air Permit Streamlining Rule AM-24-12

The primary objective of this rule is to improve operational efficiency and simplify the Air Pollution Permitting processes administered under chs. NR 406 and 407, Wis. Adm. Code, while remaining consistent with the Federal Clean Air Act.

Very Flexible Scope Statement – Intention is to use stakeholder groups both internal and external to DNR to determine what should be included in the final rule.

Ch. NR 406 - Construction Permit Changes	Ch. NR 407 - Operation Permit Changes
Defining terms -Reconstruction -Shutdown <b>*Cause or Exacerbate</b> Aligning state definitions with federal definitions Clean up old language Correct errors or omission Create an Administrative Revision Process Expand existing exemptions Create new exemptions Examine Construction Permit Waiver to remove requirement for “undue hardship.” Other – Want your ideas	Defining terms Aligning state definitions with federal definitions Clean up old language Correct errors or omission *Examine exemption for “Natural Minor” sources Simplify and expand usability of Minor Revision Process *Expand Registration Permit Program Make operation permits for minor sources non-expiring Expand existing exemptions Create new exemptions Other – Want your ideas

\*Specifically required by rule

### Timing

October 21 through October 24 - Listening sessions around state (see attached)

November 12 – Madison listening session GEF 2, G09

December 3 – Presentation of proposal to Air Management Study Group (AMSG) – What parts of this rule will move forward quickly and what parts are proposed for further stakeholder involvement

Next AMSG (April?) – Present proposed draft rule language to AMSG on portion of the rule moving forward on fast track. Presentation of next steps for portion of rule on slower track

Final Rule (fast track) – late 2015, SIP Approval – late 2016

Final Rule (slow track) – Mid 2016 (depending on issues), SIP approval – Mid 2017

### Contacts

Rules Website: <http://dnr.wi.gov/news/input/ProposedPermanent.html>

Construction Permit Changes - Steve Dunn (608)267-0566 [steven.dunn@wisconsin.gov](mailto:steven.dunn@wisconsin.gov)

Operation Permit Changes - Barb Pavliscak (608)935-1927 [barbara.pavliscak@wisconsin.gov](mailto:barbara.pavliscak@wisconsin.gov)

Rule Package Coordinator - Kristin Hart – (608)266-6876 [kristin.hart@wisconsin.gov](mailto:kristin.hart@wisconsin.gov)

**DNR Public Meeting Notice**  
**Listening Sessions on Air Permit Process Improvements**

**What is the topic of the meeting?**

The Department of Natural Resources (DNR) Air Management Program is seeking public input and ideas on how the application, review and issuance process can be improved for air pollution operation and construction permits. The Air Management Program is seeking the broadest range of input so that all permit program customers can have their input received and considered by the department.

**Meeting times and locations**

**Monday, October 21, 2013 – Eau Claire**

**2:00-4:00 PM, Rooms 158 & 185, DNR Eau Claire Service Center, 1300 W. Clairemont Avenue, Eau Claire, WI 54701**

**Tuesday, October 22, 2013 – Mosinee**

**1:30-3:30 PM, Mosinee Room, Mosinee Branch Library\*, 123 Main Street, Mosinee, WI 54455**

**\*This meeting is not sponsored by the Marathon County Public Library**

**Wednesday, October 23, 2013 – Milwaukee**

**1:00-3:00 PM, Rooms 140 & 141, DNR Southeast Region Headquarters, 2300 N. Dr. Martin Luther King Jr. Drive, Milwaukee, WI 53212**

**Thursday, October 24, 2013 – Green Bay**

**1:30-3:30 PM, Lake Michigan Room, DNR Green Bay Service Center, 2984 Shawano Avenue, Green Bay, WI 54313**

**Format of meeting**

The meeting will be held as an open house, including an open discussion with Air Program staff. Informal conversations and questions with staff and time for providing public input and comments will be the primary focus of the meeting. However, approximately 30 minutes after the start of the open house, Air Program staff will make a presentation on the air permit application process and discuss some process improvement ideas that the department is already considering

**Other methods of providing input**

If you are unable to make the meeting, you may also provide your input by sending your ideas to:

Wisconsin Department of Natural Resources, Bureau of Air Management, PO Box 7921, Madison, WI 53707,  
Attn: Steve Dunn or by email to [Steven.Dunn@wisconsin.gov](mailto:Steven.Dunn@wisconsin.gov)

Reasonable accommodation, including the provision of informational material in an alternative format, will be provided upon request for qualified individuals with disabilities.

## 50% Registration Permit Overview

Small Business Environmental Council  
October 17, 2013  
Kristin Hart – DNR Permits and Stationary  
Source Modeling Section Chief

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## What is a Registration Permit?

- A Registration Permit (ROP) is a type of general air permit for facilities with low actual emissions.
- ROP is drafted, undergoes public comment and is issued.
- Facilities apply for coverage under the ROP.
- Coverage is granted to all qualifying facilities.

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## Advantages of the ROP

- *Simple*: Application consists of 8 questions.
- *Fast*: Coverage decisions made within 15 days of receipt of application.
- *Flexible*: Facility may add or modify equipment without getting a construction permit.
- *More flexible*: recordkeeping requirements can be changed to better suit operations.

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**Disadvantages of the ROP**

- ROP does not list out all applicable requirements that apply to a facility

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- Facility must still comply with all applicable requirements.

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**Current Registration Permits**

- Currently have Type A Registration Permit
  - Available for facilities emitting less than 25% of major source threshold
- Type C Registration Permits for Printers
  - Available for Printers emitting less than 25% of major source threshold for criteria pollutants and less than 50% for HAPs

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**New 50% Registration Permit**

- Type B Registration Permit
  - Available for facilities emitting less than 50% of major source threshold.
  - Nearly identical to Type A ROP in all other ways.
  - Several hundred additional facilities may be able to qualify for coverage

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**Issues**

- Present Rule may not allow 50% ROP
  - could need rule changes
- Assuring air quality standards are protected without over burdening facilities
- EPA Approval (federal enforceability is essential)
  - new equipment, changes allowed .
  - without construction permit review

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**Timing**

- Early December – first draft completed
- Dec. 3 – Presentation of draft to AMSG
- Jan/Feb/March 2014
  - Hold public meetings to collect ideas/comments from stakeholders
  - Meet with EPA
- April - Present final "draft" to AMSG
- June - Public notice/hearing

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**How can you be involved**

- Attend and comment at public meetings in early 2014
  - Proposed draft permit
  - Draft application
- Formal public comment period
- Formal Public Hearing

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### Resources

- Registration Permit Website at:  
<http://dnr.wi.gov/topic/AirPermits/Options.html#tabx4>
  - Application
  - Registration Permit Factsheet
  - Copies of the Type A and C ROPs
  - Modeling Guidance
  - Compliance Checklist

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### Contacts

- Permit Writer for Type B Registration Permit (aka 50% ROP)
  - Dave Minkey (920)662-5179
  - david.minkey@wisconsin.gov
- Registration Permit Coordinator
  - Ted Cauwels (608)273-5605
  - ted.cauwels@wisconsin.gov

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# **Volatile Organic Compound Regulations For Lithographic Printing AM-18-13**

The primary objective of this rule is to simplify and streamline lithographic printing rules in ss. NR 422.142 and NR 422.143, Wis. Adm. Code.

## **Background**

EPA publishes Control Technology Guidelines (CTG) for states with ozone non-attainment areas. Guidelines serve as the basis for states to promulgate and implement rules to control VOC emissions. In 2006, EPA revised the CTG for Lithographic Printing. In 2009 DNR updated its lithographic printing rules based on the revised CTG by creating two separate parts. Part I contains the older regulations and Part II contains the updated rules.

The final version of the lithographic printing rules approved by EPA is in two separate parts within the state rules. Part I contains the older regulations and part II contains the new requirements based on the revised CTG. While technically sufficient, the Department received feedback that the two part organizational structure causes confusion that could lead to inconsistent interpretation and application of the rules.

## **How are small businesses affected**

- The new rule contains additional requirements for printing facilities located in Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington, or Waukesha County.
- Affects printing facilities with emissions as low as 3 tons per year.
- Requires heatset lithographic printers to meet higher control efficiency for any new presses they will install.
- Requires emission testing every 4 years for small facilities.
- Contains a notification requirement of facilities so small they may not need a permit

## **Changes being proposed**

- Reorganize the rule to reduce confusion.
  - Remove Part II and have only one rule again
  - Keep Part II but clarify language and assure both parts are consistent
- Replace emission testing requirement for small facilities with other methods to assure control devices are meeting required efficiency.

## **Timing**

January 2014 - Obtain NRB approval of Scope

January – June 2014 – Work with Printing Council and internal staff to prepare draft rule

June 2014 – Have proposed rule in board order format to take before the NRB

Final Rule – spring 2016, SIP Approval – spring 2017

## **Contacts**

Rules Website: <http://dnr.wi.gov/news/input/ProposedPermanent.html>

Rule Writer: Mike Sloat – (608) 768-5693 [michael.sloat@wisconsin.gov](mailto:michael.sloat@wisconsin.gov)

Rule Package Coordinator: Kristin Hart – (608) 266-6876 [kristin.hart@wisconsin.gov](mailto:kristin.hart@wisconsin.gov)