INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	STATUS: Pending	POLICY NUMBER: Air-035-NPD
AGENCY NONRULE POLICY DOCUMENT	AUTHORIZED: Thomas W. Easterly, Commissioner	
SUBJECT: Permitting Ethanol Production Facilities	SUPERSEDES: New	ISSUING OFFICE(S): Office of Air Quality
	ORIGINALLY EFFECTIVE: March 15, 2011	RENEWED/REVISED: Date

Disclaimer: *This Nonrule Policy Document (NPD) is being established by the Indiana Department of Environmental Management (IDEM) consistent with its authority under IC 13-14-1-11.5. It is intended solely as guidance and shall be used in conjunction with applicable rules or laws. It does not replace applicable rules and laws, and if it conflicts with these rules or laws, the rules or laws shall control. Pursuant to IC 13-14-1-11.5, this policy will be available for public inspection for at least 45 days prior to presentation to the appropriate State Environmental Board, and may be put into effect by IDEM 30 days afterward. If the nonrule policy is presented to more than one board, it will be effective 30 days after presentation to the last. IDEM also will submit the policy to the Indiana Register for publication.*

1.0 PURPOSE

In 2007, the United States Environmental Protection Agency (U.S. EPA) published a final rule: Prevention of Significant Deterioration (PSD), Nonattainment New Source Review (NSR) and Title V: Treatment of Certain Ethanol Production Facilities Under the "Major Emitting Facility" Definition. The rule amended the term "chemical process plants" in the PSD, NSR and Title V permit regulations to exclude all facilities that produce ethanol through a natural fermentation process regardless of whether the ethanol is produced for human consumption, fuel or for an industrial purpose. IDEM has permitted ethanol production facilities in accordance with the federal rule since it became effective in 2007, and is in the process of amending the state air permitting rules to be consistent with the federal rule. It is the intention of this non-rule policy document to affirm that IDEM interprets the term "chemical process plants" in the Indiana PSD, NSR and Title V permit rules consistent with the 2007 federal rule.

2.0 SCOPE

This policy affects Indiana's definition of "major stationary source" at 326 IAC 2-2-1, the applicability provisions of 326 IAC 2-3-2, and the definition of "major source" at 326 IAC 2-7-1 by interpreting the source category "chemical process plants" contained in those definitions and the applicability provisions as excluding ethanol production facilities that produce ethanol by natural fermentation included in North American Industry Classification System (NAICS) codes 325193 for Ethyl Alcohol Manufacturing or 312140 for Distilleries, as revised in 2007.

3.0 SUMMARY

IDEM interprets the source category "chemical process plants" contained in IDEM's air program permit rules to exclude ethanol production facilities that produce ethanol by natural fermentation included in NAICS codes 325193 for Ethyl Alcohol Manufacturing or 312140 for Distilleries, as revised in 2007.

4.0 DEFINITIONS

4.1 "North American Industry Classification System (NAICS)" – The standard used by federal agencies in classifying business establishments. NAICS was developed by the federal Office of Management and Budget in 1997.

5.0 ROLES

5.1 Designated representatives of ethanol production facilities that produce ethanol by natural fermentation included in NAICS codes 325193 for Ethyl Alcohol Manufacturing or 312140 for Distilleries, as revised in 2007 are responsible for submitting permit applications in accordance with this policy.

5.2 Office of Air Quality permit reviewers and their supervisors are responsible for reviewing permit applications and issuing air permits in accordance with this policy.

6.0 POLICY

IDEM interprets the source category "chemical process plants" as excluding ethanol production facilities that produce ethanol by natural fermentation that are included in NAICS codes 325193 for ethyl alcohol manufacturing, or 312140 for distilleries, as revised in 2007. The term "chemical process plants" is a source category in the definition of "Major Stationary Source" at 326 IAC 2-2-1, the applicability provisions of 326 IAC 2-3-2, and the definition of "Major Source" at 326 IAC 2-7-1.

7.0 REFERENCES

7.1. Indiana Administrative Codes:
   A. 326 IAC 2-2-1, Permit Rules, Prevention of Significant Deterioration (PSD) Requirements, Definitions
   B. 326 IAC 2-3-2, Permit Rules, Emission Offset, Applicability
   C. 326 IAC 2-7-1, Permit Rules, Part 70 Permit Program Definitions

7.2. 72 FR 24060, published May 1, 2007, available at www.gpoaccess.gov
www.census.gov/eos/www/naics

7.3. Legislative Services Administration #11-99 Amendments to Rules Concerning Permitting of Ethanol Production Facilities:
   A. Link to the draft rule language (Section 8 Notice):
   http://www.in.gov/legislative/iac/20110316-IR-326110099FDA.xml.pdf
   B. Link to Indiana Register page:
   http://www.in.gov/legislative/iac/irtoc.htm?id=1.7.3&hdate=20110316&ldate=20110316

PENDING

8.0 SIGNATURES

Thomas W. Easterly, Commissioner
Indiana Department of Environmental Management

3/15/11
Date

Keith Baugues, Assistant Commissioner
Office of Air Quality

3/15/11
Date

David R. Joest, Assistant Commissioner
Office of Legal Counsel and
Office of Criminal Investigations

03/15/11
Date

This policy is consistent with Agency requirements.

Quality Assurance Program, Planning and Assessment
Indiana Department of Environmental Management

3/15/11
Date