June 29, 2007

Mr. Barrett Parker
US Environmental Protection Agency

Delivered electronically: parker.barrett@epa.gov

Dear Mr. Parker:

The American Composites Manufactures Association submits these comments regarding the February 2007 EPA Review Draft, "Emission Factor Uncertainty Assessment." While EPA has not asked for comments on the policy implications of the Assessment at this time, the February review draft in fact proposes certain significant policy changes.

The draft EPA document reads,

> …if the intended use [of an emission factor] is to determine whether a particular source's emissions are sufficiently large to establish applicability of a rule requirement, the user [source or permitting agency] could select from the upper end of the range [instead of the mean] to reduce the chance that a specific source's applicability determination could be found to be incorrect… p. 1-3.

For the reasons described below, EPA should not adopt or recommend a policy to use the upper end rather than the mean of a range of emission data in estimating the emissions from a specific source.

1. **Emission factors based on a mean are not "incorrect."**

The text quoted above implies that a specific source's emission estimate based on the mean of a range of the available data, instead of some indication of the upper range, may be "incorrect." But what is the "correct" emission rate of the source?

EPA's published methods for conducting source tests, such as Methods 18, 25, and 204, are not in themselves free of error and variability. A source test conducted using EPA methods may or may not provide a truly accurate indication of the source's emissions. Much of the variability in data available for derivation of emission factors may be the result in the variability inherent in EPA's test methods, rather than underlying variability in the processes themselves.

We disagree with EPA's implied assertion that a single test of emissions at a source, using EPA's published methods, will be *correct*, while an emission estimate for the source based on a mean of source test data from a large number of similar sources will likely be *incorrect*. The error associated with using the emission factor is likely to be *lower* than that associated with a single source test.

2. **Small businesses rely on average emission factors.**

Even if a significant amount of the variability in the data from which an emission factor is derived is the result of variation in the process being tested rather than in the test methods, sources must still be able to use the mean of the data when preparing emission estimates.

Using EPA's example (an emission factor which is 100 pound emission per ton or product produced, with probable range of emissions, when accounting for uncertainty, of 50 to 220 pound/ton), a small company is likely to have a synthetic minor permit based on the 100 pound/ton emission factor, which would allow production of 199 tons of product per year and while remaining exempt from Title V and MACT requirements.

However, if the source was required under new EPA policy to use an upper confidence interval, say 200 pound emissions per ton of product, then the source would be limited to less than 100 tons of production. This severe limit of production may not be economically viable, if the average emission rate in the industry really is 100 pounds/ton. The source could respond to such a change in the effective emission rate estimate by applying for major source status and adopting MACT controls, but this would likely represent a significant cost, out of proportion with the likely actual emissions.

The source could also conduct a source test using EPA's methods, but such tests are expensive for small companies, are often technically infeasible when considering Method 204, and the data from the test will have an unknown and possibly significant amount of error associated with them. Further, the source test will be only a "snapshot" of the source's emission rate, and may not represent the source's typical operations.

For small companies for which either MACT compliance or source testing is infeasible and/or unaffordable, an EPA policy requiring the use of an upper limit rather than the mean of data in preparing emission estimates will dramatically increase the costs and impacts of EPA and state regulations. And this would be true even through the best emission estimations (with the lowest error) will be those based on the mean of the available data.

3. **EPA should carefully estimate the costs to small business of a change in policy or recommended practice.**

The costs to small businesses resulting from a change in EPA's policy regarding using emission factors for site-specific regulatory purposes may include:

- costs for consultants to prepare new emission estimates
- administrative costs for applying for new permits
- control costs if a source is required to comply with MACT
- costs for preparing BACT or LAER analyses and the resulting control costs
- loss of business due to decreased production allowed under a permit.

Before continuing its consideration of a possible change in EPA's policy, the agency should conduct a cost-benefit analysis of the possible new policy, carefully considering among other factors the impacts to small businesses.

Sincerely,

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