

Air Management Advisory Group Quarterly Meeting

March 6, 2025



Hybrid Meeting Guidelines

- Please sign in if attending in person.
- Attendees in the room can raise their hand and will be called on.
- Online attendees should use the raise hand feature and will be called upon by the meeting host
- The host will attempt to respond to all messages received
- Participants will join the meeting with their video disabled. We ask that you keep your video disabled for the duration of the meeting, unless called on by the host.

Air Management Advisory Group Quarterly Meeting Agenda

- Administrative Updates
- Proposed guidance, rules and legislative update
- PM NAAQS Update
- Member Updates
- Ozone and Bump-Up Update
- AMAG Administrative Update

Administrative Update

Gail Good, Air Management Program Director

Administration

- Secretary Karen Hyun
- Division Administrator Bart Sponseller
- Acting Deputy Division Administrator – Kyle Burton
 - Currently recruiting for DDA (Water Programs)

Governor's Budget

56. Air Permit Streamlining

Source of Funds	Agency Request				Governor's Recommendations			
	FY26		FY27		FY26		FY27	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	0	0.00	0	0.00	532,400	0.00	0	0.00
TOTAL	0	0.00	0	0.00	532,400	0.00	0	0.00

The Governor recommends providing one-time financing to improve the air permitting process.

Governor's Budget

AIR QUALITY

Fee for stationary source operation permits

Under current state and federal law, certain stationary sources that emit air contaminants are required to receive an operation permit from DNR. Current law requires DNR to promulgate rules for the payment and collection of fees by the owner or operator of a stationary source for which an operation permit is required under the federal Clean Air Act. The bill increases the fee from \$35.71 per ton of emissions to \$63.69 per ton of emissions.

Governor's Budget

			FY25	FY26	FY27	FY28	FY29	FY30	FY31
			CY24	CY25	CY26	CY27	CY28	CY29	CY30
Total Fees Billed				\$4,155,733	\$3,972,963	\$3,639,801	\$3,604,878	\$3,468,586	\$3,434,229
Annual expenses	46.0 FTE		\$6,351,818	\$6,486,040	\$6,617,071	\$6,750,752	\$6,887,121	\$7,026,193	\$7,168,050
Annual difference				(\$2,330,307)	(\$2,644,108)	(\$3,110,951)	(\$3,282,243)	(\$3,557,607)	(\$3,733,821)
Account balance			\$0	(\$2,330,307)	(\$4,974,414)	(\$8,085,366)	(\$11,367,608)	(\$14,925,215)	(\$18,659,036)

Billing for CY23 emissions based on current fee structure: \$2,972,870

Projecting CY24 billing: 2,931,746

Note: "Total Fees Billed" includes current base fee, current applicable category fees, and potential increased per ton fee

Title V Funding Subgroup

- March 21 9:30 - 11am
- April 3 10:30am - noon
- April 22 9:30 - 11am

Proposed Guidance, Rules and Legislative Update

Ron Binzley, Permitting Section Manager

Brianna Denk, Air Quality Planning and Standards Section Manager

Maria Hill, Compliance, Enforcement & Emissions Inventory Section Manager

Proposed/Final DNR Rules

Proposed DNR rule	Description	Phase
AM-05-22 Compliance Demonstration Rule	Updates to NR 439 testing, monitoring, recordkeeping, reporting requirements for compliance Rulemaking to Revise Chapter NR 439 Wisconsin DNR	Germane modifications approved by NRB 02/26/2025
AM-10-23 NSR Fee Rule	Updates to construction permit fees to assure compliance with Clean Air Act requirements and to meet business needs of permitted sources. NR410 Rulemaking Wisconsin DNR	Public Comment Period Closed 09/04/2024

EPA Rules/Guidance

Finalized EPA rule/guidance	Link	Date finalized
Stationary Gas and Combustion Turbines NSPS	Federal Register Notice	Proposed: 11/22/2024 Comment Deadline: 3/13/2025
NESHAP: Chemical Manufacturing Area Sources Technology Review	Federal Register Notice	Proposed: 1/22/2025 Comment Deadline: 3/24/2025

PM2.5 NAAQS Update

Brianna Denk, Air Quality Planning and Standards Section Manager

2024 PM2.5 NAAQS

- On February 7, 2024, EPA finalized a revision to the PM2.5 NAAQS initiating a two-year area designations process.
- On November 22, 2024, DNR submitted an exceptional events demonstration for two monitors in Milwaukee and Waukesha counties.
 - Pending EPA approval of DNR's exceptional events demonstration, all monitors in the state are below the standard based on 2021-2023 data
- On February 6, 2025, Wisconsin submitted a designation recommendation letter to EPA.
 - The Governor recommended full state attainment
 - Acknowledged the outstanding exceptional event demonstration

2024 PM2.5 NAAQS

- Next step in PM area designations process:
 - EPA propose attainment and nonattainment designations nationwide
 - Public comment period associated with proposed designations
- If EPA proceeds on current statutory timelines:
 - Proposed designations are expected in Fall 2025
 - Final designations are required by February 7, 2026

Member Updates

Ozone and Bump-Up Update

Brianna Denk, Air Quality Planning and Standards Section Manager

Ron Binzley, Permitting Section Manager

2025 Ozone Season Kick Off

Preliminary 2024 Ozone DVs and 2025 Critical Values

Monitor Name	2023 4 th High (ppb)	2024 4 th High (ppb)	Preliminary 2024 Design Value (ppb)	Preliminary 2025 Critical Values (ppb)
Appleton	72	61	65	80
Bad River	63	53	57	97
Bayside	76	73	74	64
Beloit	84	63	70	66
Chiwaukee	84	80	78	49
Columbus	82	62	68	69
Devils Lake	76	59	65	78
Eau Claire	74	58	63	81
Elkhorn	82	66	72	65
Fond Du Lac	71	61	65	81
Grafton	77	73	74	63
Green Bay-UW	74	62	67	77
Harrington Beach	77	75	74	61
Horicon	78	63	68	72
Jefferson	79	66	69	68
Kenosha-WT	80	73	74	60
Kewaunee	75	67	71	71
La Crosse	76	59	63	78
Lake Dubay	75	59	63	79
Madison East	81	63	68	69
Manitowoc	69	71	73	73
Milwaukee-16th	68	60	64	85
Milwaukee-UPark	76	66	70	71
Newport	73	67	71	73
Potawatomi	72	57	62	84
Racine	76	78	74	59
Sheboygan-Haven	74	67	70	72
Sheboygan-KA	82	76	78	55
Trout Lake	73	56	62	84
Waukesha	80	66	71	67

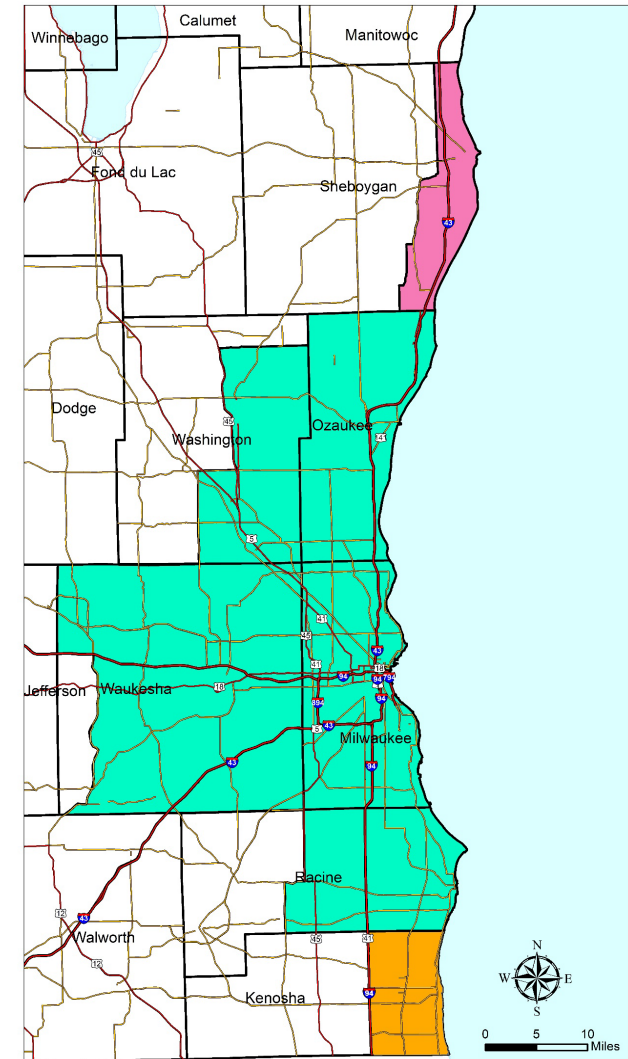
Non-Attainment for 2015 NAAQS
Exceeded 2015 Standard (70ppb)

Note: 2024 data have yet to be certified and are subject to change.

2015 Ozone Standard: Reclassification from Moderate to Serious

Reclassification of Wisconsin's 2015 ozone NAAQS nonattainment areas to Serious

- None of Wisconsin's nonattainment areas (Milwaukee, Sheboygan, Kenosha) attained the NAAQS by their Aug. 3, 2024 Moderate area attainment date
- The EPA finalized the reclassification to Serious nonattainment on December 16, 2024, and it was effective in the state on January 16, 2025.
- This has permitting and planning implications
- New attainment date will be Aug. 3, 2027



Serious Reclassification- Impacts on Permitting

- Nonattainment permitting requirements become more stringent for ozone precursors: NO_x and VOCs
 - For both operation and construction permits, major source threshold decreases (from 100 to 50 tons per year)
- Additional requirements for new major sources or major modifications
 - Emission offset requirements increase (from 1.15:1 to 1.2:1)
- Sources located in the nonattainment areas must assess how the new major source thresholds may affect permitting requirements
 - Operation permits: New permits or revisions to existing permits may be needed
 - Construction permits: Applicability of major construction permitting may need evaluation

Operation permits for existing sources

- Existing Title V Sources are largely unaffected by reclassification
 - Review whether reclassification will change construction permit requirements (e.g., become major NSR sources for NO_x or VOC)
- Existing Synthetic Minor Sources or Natural Minor Sources
 - Apply for Title V operation permit
 - Apply for an operation permit revision to lower facility-wide PTE of NO_x and VOC below major source thresholds
 - Apply for a different type of Registration Operation Permit (ROP)
- Application Timeline
 - Facilities needing a new or revised operation permit should apply for a revision as soon as possible and no later than 12 months after the effective date of reclassification (January 2026)

Construction permits- Major NSR applicability

- New source or existing minor source
 - Nonattainment New Source Review (NNSR) applicability based on potential to emit (PTE) of project
 - NNSR applies to any project with a NO_x or VOC PTE that exceeds 50 TPY
- Existing major source
 - NNSR applicability based on a netting analysis that includes the project
 - A net increase equals the increase from the project aggregated with all creditable increases and decreases in emission from the stationary source over any period of 5 consecutive years
 - NNSR applies to any project that results in a net emissions increase from the stationary source of NO_x or VOC that exceeds 25 TPY

Emissions reduction credits (ERCs)

- ERCs can be used to satisfy offset requirements for new major sources or major modifications.
- ERCs can be generated by a source that makes emissions reductions that are surplus, quantifiable, permanent, and federally enforceable.
- DNR has maintained a publicly available [ERC registry](#) since November 2021. The registry lists both available and potential ERCs.
- Fact sheet on registry website has details about ERC generation and use.

Available ERCs

Permit Number	ERC Holder	County of Origin	Nonattainment Area	Pollutant	Quantity (tpy)	Facility Contact	Comment
599001000-E01	Wisconsin Electric Power Company D/B/A/ WE Energies	Kenosha	Chicago, IL-IN-WI 2015 ozone NAAQS NAA	VOC	135.3	Mike Kolb 414-221-2181 Mike.kolb@wecenergygroup.com	Shutdown of Pleasant Prairie Power Plant. Generated 9/7/2018
599001000-E01	Wisconsin Electric Power Company D/B/A/ WE Energies	Kenosha	Chicago, IL-IN-WI 2015 ozone NAAQS NAA	NOx	2,634.3	Mike Kolb 414-221-2181 Mike.kolb@wecenergygroup.com	Shutdown of Pleasant Prairie Power Plant. Generated 9/7/2018

Potential ERCs

Facility Making Emission Reduction	County of Origin	Nonattainment Area	Pollutant	Quantity of Reduction (tpy)	Facility Contact	Comment
We Energies – Oak Creek Power Plant	Milwaukee	Chicago, IL-IN-WI 2015 ozone NAAQS NAA	NO _x	483.5	Mike Kolb 414-221-2181 Mike.kolb@wecenergygroup.com	Shutdown of Boilers B25 and B26, anticipated ~ May 2024.

Ozone Litigation

- Ensure EPA fulfills its responsibility to fully resolve interstate transport for the 2015 ozone standard.
 - In 2023, EPA finalized a rule called the Good Neighbor Plan (GNP) that resulted in little to no air quality improvement in Wisconsin.
 - WI DOJ is involved in litigation on this rule in two ways:
 1. Supporting EPA's authority to promulgate the rule;
 2. Challenging the rule as being insufficient, as it doesn't do enough to address emissions impacting WI.
 - The GNP is currently stayed by the U.S. Supreme Court/EPA pending the outcome of this litigation.
- Ensure Wisconsin businesses do not bear an undue burden for nonattainment while transported emissions remain unaddressed.
 - On February 14, 2025, WI DOJ filed a petition for review of the action reclassifying WI nonattainment areas to Serious.
 - While this action will not resolve the nonattainment issue on its own, it does recognize that WI sources have very little control over the issue and are bearing a significant regulatory burden.

AMAG Administrative Update

Gail Good, Air Management Program Director

Co-Chair

- Please submit letter of interest to Gail Good by March 31

2025 Priority Topics

Emerging federal regulation

- Emerging contaminants (PFAS)
- Federal permit actions
- PM2.5 NAAQS
- Long term planning at the federal level
- Greenhouse gas emissions
- EPA EJ Actions

Ongoing efforts

- 2015 ozone NAAQS implementation
- Ozone transport
- SIP submittals and redesignation requests
- Regional haze
- Rulemaking

Opportunities

- Funding
- Transparency in information
- Goals and vision of DNR
- Working with other states and organizations

2025 Meeting Dates

- Thursday, June 5
- Thursday, Sept. 11
- Thursday, Dec. 4

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Next Meeting

June 5, 2025



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OFF THE RECORD"