

AIR MANAGEMENT PROGRAM FACT SHEET



Natural Minor Source Exemption from Operation Permits

September 2022

What is the natural minor source exemption?

The Department of Natural Resources (DNR) created an exemption from air pollution control operation permit requirements for facilities that are considered natural minor sources. This exemption is ideal for facilities that have never needed any construction permits but were required to apply for a state operation permit. However, any facility that meets the Natural Minor Source definition may use this exemption, even those with existing operation and construction permits.

For larger facilities that do not qualify for this exemption from operation permits, the DNR has several other options that might be right for the facility. Learn more on registration operation permits, general permits, and the exemptions based on actual emissions on the [DNR's Air Permit Options website](#).

Exemption from the requirement to get a permit does not exempt a facility from other air pollution regulations. The DNR's Small Business Environmental Assistance Program (SBEAP) has [resources](#) to help facilities determine what rules apply and how to show compliance with them.

What are the benefits of the exemption?

- No annual reporting fee.
- No annual permit compliance certification and summary of monitoring report required.

Who qualifies for this exemption?

Facilities that have maximum theoretical emissions below the following levels may qualify for the exemption:

Eligibility Threshold	
Pollutant	Maximum Theoretical Emissions
Particulate matter less than 10 microns (PM ₁₀)	100 tons per year
Sulfur dioxide (SO ₂)	100 tons per year
Carbon monoxide (CO)	100 tons per year
Nitrogen oxides (NO _x)	100 tons per year
Volatile organic compounds (VOCs)	100 tons per year
Lead	100 tons per year
Any single federally regulated hazardous air pollutant (HAP)	10 tons per year
Total of all federally regulated HAPs combined	25 tons per year

NOTE: [List of federally regulated HAPs](#).

In addition to emitting below these thresholds, the facility cannot be one of the following:

- otherwise defined as a Part 70 Source
- a synthetic minor source for either an operation or construction permit issued under chs. NR 405, NR 407 or NR 408
- a major source under either ch. NR 405 or NR 408

Calculating maximum theoretical emissions can be complex for some facilities. There are resources available from the SBEAP to help with those calculations:

- Fact Sheet: [MTE Calculations for Air Permit Exemptions](#) (AM-548)
- MS Excel [Spreadsheet](#) for MTE Calculations.

Occasionally devices traditionally considered a control device may be used to collect process materials that can be reused as part of the process, and is then considered 'inherent to the process' for purposes of emissions calculations.

When evaluating whether this type of equipment is inherent to the process, the DNR considers the questions outlined in a [November 27, 1995 letter](#) from David Solomon, Integrated Implementation Group, U.S. EPA, to Mr. Timothy Mohin, Government Affairs, Intel Corporation. The letter addresses situations for which case-by-case judgments may be needed regarding whether control equipment should be considered as air pollution control equipment, or whether that equipment is an inherent part of the process. Provide detailed information to answer the following questions:

- Is the primary purpose of the equipment to control air pollution?
- Where the equipment is recovering product, how do the cost savings from the product recovery compare to the cost of the equipment?
- Would the equipment be installed if no air quality regulations are in place?

If the facility has such a device, they must provide sufficient details to elaborate the answers to these questions and include a quantitative cost savings analysis. The DNR will review the responses to these questions and make a case-by-case determination whether the equipment is inherent to the process.

If the DNR approves a control device as inherent process equipment, the MTE from the process takes into account the removal efficiency of the inherent process equipment. If the facility uses a collection efficiency for the inherent process equipment that is greater than the control efficiency for that type of equipment allowed in Registration Permits Section G when calculating emissions, the exemption application should include documentation supporting the collection efficiency used to determine emissions or documentation supporting the emission rate after the collection equipment. Examples of supporting documentation include equipment manufacturer control or emission guarantees, or stack test results that comply with the requirements in NR 439. For more details on stack test requirements, refer to [SB119](#) or contact the [Air Permit Exemption coordinator](#).

How does a facility apply for the natural minor source exemption?

Facilities wishing to use the Natural Minor Source Exemption will need to notify the DNR in writing of their intent to operate under the exemption. To notify the DNR, a facility should complete Facility Details and Permit Actions (Form 4530-100) and select the appropriate operation permit exemption option. In addition, the facility should submit any information to support eligibility for the exemption, including an estimate of the maximum theoretical air pollution emissions from the facility. A list of items that should be included in the submittal to allow the most efficient review by the DNR is included in the Operation Permit Exemption Checklist ([AM-597](#)).

Does a facility still need to report annual emissions under ch. NR 438?

Facilities that emit air pollution above the reporting thresholds of Table 1 in s. NR 438.03, Wis. Adm. Code, must submit annual emissions reports using the online reporting system. If a facility emits more than five tons per year of PM, SO₂, CO or NO_x, or if a facility emits more than three tons per year of VOCs, the facility will need to report. Emissions of any hazardous air pollutant above its Table 1 value will also trigger reporting requirements. More details are provided in [Table 1 in ch. NR 438](#).

What happens after the DNR receives a notification?

A notification of intent to operate under the natural minor source exemption puts into motion several actions at DNR.

Revocation: The notification serves as a request to revoke any existing operation permits issued to the facility. Before sending confirmation of the exemption, the DNR will send the facility a letter notifying it of the intent to revoke the existing permits. By law, the DNR must then wait 21 days before formal revocation takes place. If construction permits have been issued to a facility, they will not be revoked and will remain effective. All compliance demonstration, recordkeeping, and monitoring requirements contained in existing construction permits continue to apply. Once an operation permit revocation is confirmed, the facility should mark the operation permits “revoked” but keep them in their files. These revoked permits can be valuable resources for understanding and demonstrating compliance with state and federal air pollution regulations.

Withdrawal: If a facility is covered under a registration or general permit, the notification serves as a request to withdraw the facility from coverage under those permits. (This is similar to revocation, but “withdrawal” is the term used for the general and registration permits.) Similarly, if the facility submitted an application for an air pollution control permit, the DNR will consider the notification a request to withdraw the application. No notification or waiting period is required for the application withdrawal process.

Approval: After the DNR receives written notification of intent to operate under this exemption, the DNR will confirm the exemption from operation permits under s. NR 407.03(1s), Wis. Adm. Code. If appropriate, confirmation will also serve as a formal notification of withdrawal from registration or general permit coverage, and any pending permit applications. If there were existing operation permits issued to the facility, the DNR will send a letter formally revoking them. These letters and email notifications should be retained on file at the facility.

What does a facility need to do after the exemption is approved?

In order to maintain an exemption, the facility must do the following:

- Maintain records needed to demonstrate the facility meets all criteria for this exemption.
- Report actual annual emissions if required under ch. NR 438.
- Comply with all existing construction permits and any other state and federal air pollution rules that may apply and maintain supporting compliance records.
- Apply for construction permits when needed, for new projects that are not eligible for exemptions in ch. NR 406.

Is there a downside to the natural minor source exemption?

Yes. When this exemption is used, the facility does not have a permit document to list what air pollution rules specifically apply to the facility. If there are concerns about understanding what applies to a facility, review the compliance and monitoring summary checklist. See Form 4530-179 under the Compliance tab on the [Air Permit and Compliance Forms](#) page provided for facilities covered under the Registration Permit to learn what regulations might apply.

In addition, some operation permits established limits to keep a facility or an emission unit from having to meet certain standards or control requirements. If the operation permit is revoked, then the facility may now have to comply with the requirements. In other cases, operation permits contain case-by-case determinations necessary to comply with state hazardous air pollutant requirements such as best available control technology (BACT) or lowest achievable emission rate (LAER). Another common case-by-case determination is latest available control techniques (LACT) which facilities can request in lieu of having to meet 85% control for process lines emitting organic compounds. Construction permitting may be required to permanently hold these limits before a facility can have an existing operation permit revoked in order to use the natural minor exemption.

Another consideration in operating under the natural minor source exemption is that the facility must continue to obtain and follow all requirements in construction permits that have been issued to the facility. Facilities with low emissions that have construction permits or are planning construction projects may want to consider applying for a registration operation permit, even if the facility qualifies for the natural minor source exemption. Once a facility is covered under a registration permit, its old construction and operation permits are revoked, and the facility is exempt from needing to obtain construction permits going forward. To learn more about the registration permit program visit the [Air Registration Permits](#) webpage.

The SBEAP also has [materials](#) that can help facilities determine what the applicable requirements are and learn how to comply.

For more information:

For more information on the Natural Minor Source Exemption:

- Visit the [DNR Exemptions webpage](#) and click on the Natural Minor tab.
- Contact the SBEAP at DNRsmallbusiness@wisconsin.gov or call toll-free at 1-855-889-3021.
- Contact the [permit exemption coordinator](#).

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