## **RRC STAFF OPINION**

Please Note: This communication is either 1) only the recommendation of an RRC staff attorney as to action that the attorney believes the Commission should take on the cited rule at its next meeting, or 2) an opinion of that attorney as to some matter concerning that rule. The agency and members of the public are invited to submit their own comments and recommendations (according to RRC rules) to the Commission.

AGENCY: Environmental Management Commission RULE CITATION: 15A NCAC 02B .0733 RECOMMENDATION DATE: June 20, 2025 RECOMMENDED ACTION:

Approve, but note staff's comment

- X Object, based on:
  - X Lack of statutory authority Unclear or ambiguous
  - X Unnecessary
  - X Failure to comply with the APA
  - Extend the period of review

## COMMENT:

This rule amendment adds existing individual facility permit limitations to the text of a rule. Because individual facility permit limitations are not of "general applicability", and in light of the language of G.S. 150B-2(8a) and a recent Court of Appeals opinion interpreting that language, I recommend objection for the reasons outlined below.

# Factual Background

This rule relates to a system of water quality regulation involving federal law, EPA action, state law, and state regulation. In short, pursuant to the federal Clean Water Act and EPA action, the State of North Carolina is under an obligation to improve specific elements of water quality in the Tar-Pamlico River basin (primarily around chlorophyll-a in this case). State law has created administrative processes to address that obligation. The EMC has rulemaking authority relevant to this issue and has determined what wastewater elements (phosphorous and nitrogen) to limit in order to address this obligation. The EMC and the Division of Water Resources (DEQ) are involved in the permitting process related to these limitations, with some oversight by the EPA.

Seth Ascher Commission Counsel Currently, there is an association permit that establishes discharge limits distributed between 15 wastewater treatment facilities. As a practical matter, EMC and DEQ take the values established in that permit into account when considering new or altered permits. In significant part, the amendment before the RRC codifies the limits established by that permit into the rule.

## Legal Background

G.S. 150B-19.1(a)(1) states, "An agency may adopt only **rules** that are expressly authorized by federal and State law and that are necessary to serve the public interest." **(Emphasis added)** Pursuant to G.S. 150B-2(8a) a "rule" is defined as:

"Any agency regulation, standard, or statement of **general applicability** that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency...(Emphasis added)

A recent Court of Appeals case has elaborated that "a 'regulation' must have 'general applicability' to be a 'rule'." NC DEQ v. N.C. Farm Bureau, 291 N.C. App. 188, 194 (2023). That case goes on to point out that the phrase "general applicability" is not defined and must be given its ordinary meaning, which the Court summarizes as "A rule is generally applicable if it applies to most situations." Id. at 195.<sup>1</sup> See also, Wal-Mart Stores East v. Hinton, 197 N.C. App. 30, 56 (2009) (noting that in a taxation context, "the Secretary's decision to combine plaintiff's financial results with its related corporations is not and could not have been a standard of 'general applicability' as described in the APA, and is therefore by definition not a 'Rule.'"

Here, an individual permit limit only applies to a specific facility. So, it does not apply to "most situations." So, while the processes outlined in this rule may be appropriate as generally applicable, I do not believe the individual facility values fall within the definition of a rule. These permit values are explicitly included in items 4 and 5 on page 2, but the entirety of the rule as written is interconnected with those items.

# Practical Consequences of Including Individual Permits in Rule

I do note, that although this Commission is not called upon to consider this issue and I have not thoroughly researched the question, I have no reason to believe that the agency has acted outside of its **permitting** authority in establishing these facility specific values. But that does not mean they have the authority to set these values by **rule**.<sup>2</sup>

<sup>1</sup> While this case is currently valid law, the case was appealed and is currently awaiting an opinion from the NC Supreme Court. I cannot speculate how and if that will alter the reasoning applied here.

<sup>2</sup> The agency has pointed out to me that similarly structured rules are already in the Code. However, this Commission must consider the legality of each rule on its own merits, not with reference to what is

While this may seem like a technical distinction, it has practical implications for the quality of the administrative code. Permitting and rulemaking have distinct procedural requirements, and modifications via one method do not automatically modify the other. By its own text, this rule contemplates that the agency would need to waive or modify the individual values codified in rule in circumstances where permitting decisions alter these numbers. The APA contemplates agencies waiving or modifying a rule when the "rule established specific guidelines that the agency must follow in determining whether to waive or modify the requirement." G.S. 150B-19(6). However, such a waiver or modification does not change the text of the administrative code. Meaning, if the agency went through their permitting process to change the values of an individual permit that was codified in this rule and waived the values to do so in this rule, the numbers in the rule would be rendered inaccurate and misleading to the public.

Practically, the text of the APA as well as the overall scheme of rulemaking laid out by the General Assembly leads me to the conclusion that the General Assembly did not intend for individualized permit values to be rules under the APA. Instead, the rules should be confined to the processes and standards for the issuance of permits, while the substance of the permits themselves exist in separate agency material.

#### Conclusion

As discussed above, it is my opinion that the individualized permitting values that are core to this rule do not meet the definition of a rule under the Administrative Procedure Act. Therefore, 15A NCAC 02B .0733 is not a "Rule" and the agency lacks statutory authority to adopt it. Further, the adoption of 15A NCAC 02B .0733 was not in accordance with Article 2A of G.S.150B as only "Rules" can be adopted. Lasty, as 15A NCAC 02B .0733 is not a "Rule" it cannot be "reasonably necessary" pursuant to G.S. 150B-21.9(a)(3) as only "Rules" can be reasonably necessary. For those reasons, I am recommending that the RRC object to 15A NCAC 02B .0733.

already in the code. Additionally, it appears to me that at least some of these rules were reviewed by this Commission prior to at least one appellate case informing this opinion. If the RRC objects to this rule and the agency believes other rules would suffer from similar issues, my unsolicited advice would be for the agency to update those rules, either independently or through readoption.

Seth Ascher Commission Counsel

1	15A NCAC 02B	.0733 19	S AMENDED AS PUBLISHED IN 39:13 NCR 784 WITH CHANGES AS FOLLOWS:
2			
3	15A NCAC 02B	.0733	TAR-PAMLICO NUTRIENT STRATEGY: <u>WASTEWATER DISCHARGE</u>
4			REQUIREMENTS NEW AND EXPANDING WASTEWATER DISCHARGER
5			REQUIREMENTS
6	The following is	the <u>Nati</u>	onal Pollutant Discharge Elimination System (NPDES) wastewater discharge management
7	strategy for <del>new</del>	and expa	anding wastewater dischargers in the Tar-Pamlico River basin:
8	(1)	Purpose	e. The purpose of this Rule is to establish minimum nutrient control requirements for new
9		and exp	banding point source discharges in the Tar-Pamlico River Basin in order to maintain or restore
10		water q	uality in the Pamlico Estuary and protect its designated uses.
11	(2)	Applica	ability. This Rule applies to all discharges from wastewater treatment facilities in the Tar-
12		Pamlico	o River Basin that receive nitrogen- or phosphorus-bearing wastewater and are required to
13		obtain	individual NPDES permits. This Rule applies to Tar Pamlico Basin Association member
14		facilitie	es on or after June 1, 2025. This Rule applies to other facilities upon this Rule's effective date.
15	(3)	Definit	ions. The terms used in this Rule, in regard to point source dischargers, treatment facilities,
16		wastew	rater flows or discharges, or like matters, shall be as defined in Rule .0701 of this Section and
17		as [ <mark>folk</mark>	ows:] follows; except that if the terms conflict, the terms in this Rule shall control:
18		<u>(a)</u>	["Active Allocation"] "Tar-Pamlico Active Allocation" means that portion of an allocation
19			that has been applied toward and is expressed as a nutrient [limit] Tar-Pamlico limit in an
20			individual NPDES [permit.] permit for a discharger in the Tar-Pamlico River Basin;
21		<u>(b)</u>	"Association" means the Tar-Pamlico Basin Association, a not-for-profit corporation
22			consisting of NPDES-permitted dischargers in the Tar-Pamlico River Basin; established
23			voluntarily by its members to work cooperatively to meet the aggregate Total Nitrogen
24			[TN] (TN) and Total Phosphorus [TP] (TP) allocations originally established in the Tar-
25			Pamlico Nutrient TMDL and subsequently in the group permit.
26		<u>(c)</u>	"Commission" means the North Carolina Environmental Management Commission.
27		<del>(a)<u>(</u>d)</del>	"Existing" means that which obtained an NPDES permit on or before December 8, 1994.
28		<del>(b)<u>(e)</u></del>	"Expanding" means that which increases beyond its permitted flow as defined in Sub-Item
29			(4)(h) Item (4) of this Rule.
30		<u>(f)</u>	["Limit"] "Tar-Pamlico Limit" means the mass quantity of nitrogen or phosphorus that a
31			discharger or group of dischargers is authorized through an NPDES permit to release into
32			surface waters of the Tar-Pamlico River Basin.
33		<del>(c)(g)</del>	"New" means [that] a facility which had not obtained an NPDES permit on or before
34			December 8, 1994.
35	(4)	<u>(h)</u>	"Permitted flow" means the maximum monthly average flow authorized in a facility's
36			NPDES permit as of December 8, 1994.

1	<u>(i)</u>	[ <mark>"Reserve Allocation"] "Tar-Pamlico Reserve Allocation"</mark> means allocation that is held by
2		a permittee or other person but that has not been applied toward and is not expressed as a
3		nutrient [ <mark>limit</mark> ] <u>Tar-Pamlico limits</u> in an individual NPDES [ <del>permit.</del> ] <u>permit of a discharger</u>
4		in the Tar-Pamlico River Basin:
5	<u>(4)</u> Thi	is Item specifies the total combined end of pipe nitrogen and phosphorus discharge allocation for
6	exi	sting Association point source dischargers.
7	<u>(a)</u>	Unless revised as provided for in Items (7) through (9) of this Rule, in accordance with the
8		Nitrogen and Phosphorus TMDL for the Tar-Pamlico River Estuary, approved in 1995 by
9		the US Environmental Protection Agency (EPA), the total [active] Tar-Pamlico active
10		allocations for nitrogen and phosphorus discharge [allocations] for Association point
11		source dischargers shall not exceed 891,271 in pounds of nitrogen and 161,070 pounds of
12		phosphorus per calendar year. The nutrient loads discharged annually by these point
13		sources shall not exceed these nitrogen and phosphorus discharge allocations plus any
14		nutrient offset credits obtained in accordance with G.S. 143-214.26 and Rule .0703 of this
15		Section. In the event the Association's allocations are revised as provided for in Items (7)
16		through (9) of this Rule, the NPDES group permit shall be modified to reflect those changes
17		to the [active] Tar-Pamlico active allocations for nitrogen and phosphorus discharge mass
18		allocations and [limits] Tar-Pamlico limits set forth in this Rule.
19	<u>(b)</u>	The Commission shall [order future revisions in] revise the Nitrogen and Phosphorus
20		TMDL and nitrogen and phosphorus discharge allocations whenever necessary to ensure
21		that water quality in the estuary meets all applicable standards in 15A NCAC 02B .0200
22		or to conform with applicable State or federal requirements.
23	<u>(5)</u> Thi	is Item specifies the individual nitrogen and phosphorus discharge allocations for existing
24	Ass	sociation point source dischargers in accordance with the 1995 TMDL.
25	<u>(a)</u>	Unless revised through permit modifications as provided for in Items (7) through (9) of
26		this Rule, the following individual discharge mass allocations for total nitrogen and total
		phosphorus shall apply in conformance with the values in Item (4) of this Rule:
27		phosphorus shall apply in comormance with the values in term (4) of this Rule.

		Mass Allocati	ons (pounds/year)
Facility Name	NPDES No.	Total Nitrogen	Total Phosphorus
Belhaven Wastewater Treatment Plant (WWTP)	NC0026492	14,261	2,577
Bunn WWTP	NC0042269	4,278	773
Enfield WWTP	<u>NC0025402</u>	14,261	2,577
Franklin County WWTP	NC0069311	42,784	7,732
[Greenville] Greenville Utilities Commission WWTP	NC0023931	249,576	45,103
Louisburg WWTP	NC0020231	19,538	3,531
Oxford WWTP	<u>NC0025054</u>	49,915	9,021

Pinetops WWTP	NC0020435	4,278	773
Robersonville WWTP	NC0026042	25,671	4,639
[Rocky Mount] Tar River Regional WWTP	NC0030317	299,491	54,124
Scotland Neck WWTP	NC0023337	9,626	1,740
Spring Hope WWTP	NC0020061	5,705	1,031
<u>Tarboro</u> WWTP	<u>NC0020605</u>	71,307	12,887
Warrenton WWTP	NC0020834	28,523	5,155
Washington WWTP	NC0020648	52,054	9,407
Association Total WWTP			
[Active Allocation] Tar-Pamlico Active Allocation		<u>891,271</u>	161,070
[Allocation in Reserve] Tar-Pamlico Reserve Allocation		<u>59,798</u>	<u>3,898</u>

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2		<u>(b)</u>	In the event that the nitrogen and phosphorus TMDL and their discharge allocations for
3			point sources are revised, as provided in [Item (4)] Sub-Item (4)(b) of this Rule, the
4			Commission shall apportion the revised load among the existing facilities and shall revise
5			discharge allocations. [allocations as needed.] The Commission [may] shall consider [such
6			factors as:] factors, including:
7			(i) fate and transport of nitrogen and phosphorus in the river basin;
8			(ii) technical feasibility and economic reasonableness of source reduction and
9			treatment methods;
10			(iii) economies of scale;
11			(iv) nitrogen and phosphorus control measures already implemented;
12			(v) probable need for growth and expansion; and
13			(vi) incentives for nutrient management planning, utilities management, resource
14			protection, and cooperative efforts among dischargers.
15	<del>(5)<u>(6)</u></del>	This Ite	em specifies nutrient controls for new facilities.
16		(a)	Proposed new wastewater dischargers New facilities proposing to discharge wastewater
17			shall evaluate all practical alternatives to surface water discharge pursuant to 15A NCAC
18			02H .0105(c)(2) prior to submitting an application to discharge.
19		<u>(b)</u>	New facilities shall document in their permit application that they have acquired some
20			combination of the following allocations and offsets sufficient to meet the annual [limits]
21			Tar-Pamlico limits required elsewhere in this Item for the proposed discharge:
22			(i) nitrogen and phosphorus allocations from existing dischargers;
23			(ii) [reserve allocation] Tar-Pamlico reserve allocation pursuant to Sub-Item (c) of
24			this Item; and
25			(iii) nitrogen and phosphorus offset credits pursuant to Rule .0703 of this Section.

1		Allocation and offset credits shall be sufficient for no less than 10 subsequent years of
2		discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).
3	(c)	New facilities proposing to use any portion of the [reserve allocation] Tar-Pamlico reserve
4	<u>(</u> , , , , , , , , , , , , , , , , , , ,	allocation described in Sub-Item (5)(a) of this Rule shall submit a written request to the
5		Division for approval of the proposed use. The request shall include concurrence for its use
6		by the Association.
7	<del>(b)<u>(</u>d)</del>	<u>New facilities shall meet The</u> technology-based nitrogen and phosphorus discharge [limits]
8	$() \rightarrow$	Tar-Pamlico limits that shall not exceed the following: for a new facility shall not exceed:
9		(i) For facilities treating municipal or domestic wastewater, the mass load equivalent
10		to a concentration of 3.5 mg/L TN and 0.5 mg/L TP at the monthly average flow
11		limit in the facility's NPDES permit; and
12		(ii) For facilities treating industrial wastewater, the mass load equivalent to the best
13		available technology economically achievable, calculated at the monthly average
14		flow limit in the facility's NPDES permit.
15	<del>(c)</del>	Proposed new dischargers submitting an application shall acquire nutrient allocation from
16		existing dischargers or nutrient offset credits pursuant to Rule .0703 of this Section for the
17		mass load dictated by this Item. The allocation and offset credits shall be sufficient for any
18		partial calendar year in which the permit becomes effective plus 10 subsequent years of
19		discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).
20	<del>(d)</del>	The Director shall not issue a permit authorizing discharge from a new facility unless the
21		applicant has satisfied the requirements of Sub Items (a), (c), and (e) of this Item. If a
22		facility's permit contains tiered flow limits for expansion, the Director shall not authorize
23		an increased discharge unless the applicant has satisfied the requirements of Sub-Items (a),
24		(c), and (e) of this Item.
25	(e)	Subsequent applications for permit renewal or, where an existing permit will contain tiered
26		[limits,] Tar-Pamlico limits requests to discharge at an increased flow, shall demonstrate
27		that the facility has sufficient nitrogen and phosphorus allocation or offset credits to meet
28		its effluent nutrient [limitations] Tar-Pamlico limitations for any partial calendar year in
29		which the permit becomes effective plus 10 subsequent years of discharge at the proposed
30		an increased design flow rate in accordance with 15A NCAC 02H .0112(c).
31	<u>(f)</u>	The Director shall not issue a permit authorizing discharge from a new facility unless the
32		applicant has satisfied the requirements of Sub-Items (a) through (d) of this Item. If a
33		facility's permit contains tiered flow [limits] Tar-Pamlico limits for expansion, the Director
34		shall not authorize an increased discharge unless the applicant has satisfied the same
35		requirements of this Item.

1		<del>(f)(g)</del>	The Director shall establish more stringent [Himits] Tar-Pamlico limits for nitrogen or
2		(-) <u>,5/</u>	phosphorus upon finding that such [limits] Tar-Pamlico limits are necessary to protect
3			water quality standards in localized [areas,] areas, in accordance with G.S. 143-215.1.
4	<del>(6)<u>(7)</u></del>	This It	em specifies nutrient controls for expanding facilities.
5	(-)	(a)	Expanding facilities shall evaluate all practical alternatives to surface water discharge
6		()	pursuant to 15A NCAC 02H .0105(c)(2) prior to submitting an application to discharge.
° 7		<u>(b)</u>	The nitrogen and phosphorus discharge [limits] Tar-Pamlico limits for expanding non-
8		<u></u>	Association facilities shall be assigned in accordance with the following:
9			(i) Expanding non-Association municipal or domestic wastewater facilities
10			requesting permitted flows greater or equal to 0.1 MGD shall be assigned the mass
11			equivalent to a concentration of 3.5 mg/L TN and 0.5 mg/L TP at the monthly
12			average flow limit in the facility's NPDES permit; and
13			(ii) Expanding non-Association facilities treating industrial wastewater shall be
14			assigned the mass load equivalent to the best available technology economically
15			achievable, calculated at the monthly average flow limit in the facility's NPDES
16			permit.
17		<u>(c)</u>	An expanding facility that is a member of the Association, as defined in Sub-Item (3)(b)
18			of this Rule, shall not exceed the nitrogen and phosphorus loads equivalent to its [active
19			allocations] Tar-Pamlico active allocations unless they receive Division approval for an
20			increase in their discharge as described in this Item.
21		<u>(d)</u>	Facilities submitting application for increased discharge or, where an existing permit will
22			contain tiered [limits.] Tar-Pamlico limits for authorization to discharge at an increased
23			flow, may acquire nitrogen and phosphorus allocations from existing dischargers or
24			nitrogen and phosphorus offset credits pursuant to Rule .0703 of this Section, or may
25			acquire [reserve allocation] Tar-Pamlico reserve allocation in compliance with Sub-Item
26			(e) of this Item for the proposed discharge. The acquired allocations and offset credits,
27			combined with any preexisting allocations, shall be sufficient to meet its effluent nutrient
28			[ <mark>limits</mark> ] Tar-Pamlico limits as established in this item for any partial calendar year in which
29			the permit becomes effective plus 10 subsequent years of discharge at an increased design
30			flow rate in accordance with 15A NCAC 02H .0112(c).
31		( <u>e)</u>	A facility that submits an application to increase its discharge may request approval from
32			the Division to use a portion of the [reserve allocation] Tar-Pamlico reserve allocation
33			described in Sub-Item (5)(a) of this Rule. Approval shall be based on the following criteria:
34			(i) The expanding facility demonstrates that upon expansion their nitrogen and
35			phosphorus discharge would not exceed the mass load equivalent to a
36			concentration of 3.5 mg/L TN and 0.5 mg/L TP, calculated at the monthly average
37			flow limit in the facility's NPDES permit;

1		(ii) The expanding facility requesting use of [reserve allocation] Tar-Pamlico reserve
2		allocation has received written approval from the Association.
3		(iii) Should the facility cease to discharge, the portion of the [reserve allocation] Tar-
4		Pamlico reserve allocation that was activated shall revert back to [reserve
5		allocation Tar-Pamlico reserve allocation; and
6	(f)	The Director shall not issue an NPDES permit authorizing increased discharge from an
7		existing facility unless the applicant has satisfied the requirements of Sub-Items (a) through
8		(e) of this Item. If a facility's permit contains tiered flow limits for expansion, the Director
9		shall not authorize discharge at an increased flow unless the applicant has satisfied the
10		same requirements of this Item.
11	<del>(f)(g)</del>	The Director shall modify an expanding facility's permit to establish more stringent [limits]
12		Tar-Pamlico limits for nitrogen or phosphorus upon finding that such [limits] Tar-Pamlico
13		limits are necessary to protect water quality standards in localized areas.
14	<del>(b)</del>	The nitrogen and phosphorus discharge limits for an expanding facility shall not exceed
15		the greater of loads equivalent to its active allocation and offset credit, or the following
16		technology based mass limits:
17		(i) For facilities treating municipal or domestic wastewater, the mass equivalent to a
18		concentration of 3.5 mg/L TN and 0.5 mg/L TP at the monthly average flow limit
19		in the NDDES normality and
1)		in the NPDES permit; and
20		(ii) For facilities treating industrial wastewater, the mass load equivalent to the best
20		(ii) For facilities treating industrial wastewater, the mass load equivalent to the best
20 21	<del>(c)</del>	(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average
20 21 22	<del>(c)</del>	(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.
20 21 22 23	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit</li> </ul>
20 21 22 23 24	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire</li> </ul>
20 21 22 23 24 25	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the</li> </ul>
20 21 22 23 24 25 26	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation from existing dischargers or nutrient offset credits</li> </ul>
20 21 22 23 24 25 26 27	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation for the proposed discharge above 0.5 million gallons</li> </ul>
20 21 22 23 24 25 26 27 28	<del>(c)</del>	<ul> <li>(ii) — For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent</li> </ul>
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20 21 22 23 24 25 26 27 28 29 30	<del>(c)</del>	<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent nutrient limitations for any partial calendar year in which the permit becomes effective plus 10 subsequent years of discharge at the proposed design flow rate in accordance with 15A</li> </ul>
20 21 22 23 24 25 26 27 28 29 30 31		<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation from existing dischargers or nutrient offset credits pursuant to Rule .0703 of this Section for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent nutrient limitations for any partial calendar year in which the permit becomes effective plus 10 subsequent years of discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).</li> </ul>
20 21 22 23 24 25 26 27 28 29 30 31 32		<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation from existing dischargers or nutrient offset credits pursuant to Rule .0703 of this Section for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent nutrient limitations for any partial calendar year in which the permit becomes effective plus 10 subsequent years of discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).</li> <li>The Director shall not issue a permit authorizing increased discharge from an existing</li> </ul>
20 21 22 23 24 25 26 27 28 29 30 31 32 33		<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation from existing dischargers or nutrient offset credits pursuant to Rule .0703 of this Section for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent nutrient limitations for any partial calendar year in which the permit becomes effective plus 10 subsequent years of discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).</li> <li>The Director shall not issue a permit authorizing increased discharge from an existing facility unless the applicant has satisfied the requirements of Sub Items (a), (c), and (e) of</li> </ul>
20 21 22 23 24 25 26 27 28 29 30 31 32 33 34		<ul> <li>(ii) For facilities treating industrial wastewater, the mass load equivalent to the best available technology economically achievable, calculated at the monthly average flow limit in the facility's NPDES permit.</li> <li>Facilities submitting application for increased discharge or, where an existing permit contains tiered flow limits, for authorization to discharge at an increased flow, shall acquire or demonstrate contractual agreement to acquire, prior to authorization to discharge at the increased flow, nutrient allocation from existing dischargers or nutrient offset credits pursuant to Rule .0703 of this Section for the proposed discharge above 0.5 million gallons per day (MGD). The allocation and offset credits shall be sufficient to meet its effluent nutrient limitations for any partial calendar year in which the permit becomes effective plus 10 subsequent years of discharge at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).</li> <li>The Director shall not issue a permit authorizing increased discharge from an existing facility unless the applicant has satisfied the requirements of Sub Items (a), (c), and (e) of this Item. If a facility's permit contains tiered flow limits for expansion, the Director shall</li> </ul>

1	(e) Subsequent applications for permit renewal shall demonstrate that the facility has sufficient
2	nitrogen allocation or offset credits to meet its effluent nutrient limitations for any partial
3	calendar year in which the permit becomes effective plus 10 subsequent years of discharge
4	at the proposed design flow rate in accordance with 15A NCAC 02H .0112(c).
5	(g) Existing wastewater dischargers expanding to greater than 0.5 MGD design capacity may
6	petition the Director for an exemption from Sub Items (a) through (c) and (e) (a), (b), (d),
7	<u>and (e) of this Item upon meeting and maintaining all of the following conditions:</u>
8	
9	its annual average 1991 TN and TP loading. Industrial facilities may alternatively
10	demonstrate that nitrogen and phosphorus are not part of the waste stream above
11	background levels.
12	(ii) The expansion does not result in annual average TN or TP loading greater than 70
13	percent of the 1991 annual average TN or TP load. Permit limits shall be
14	established to ensure that the 70 percent load is not exceeded.
15	(8) This Item describes the option for dischargers to form a group compliance association or join an
16	existing group compliance association, to collectively meet nitrogen and phosphorus load [limits-]
17	Tar-Pamlico limits.
18	(a) Any or all facilities within the basin may form a group compliance association or join an
19	existing group compliance association, to meet nitrogen and phosphorus [limits] Tar-
20	Pamlico limits collectively. Any new association formed shall apply for and shall be
21	subject to an NPDES group permit that establishes the effective total nitrogen and
22	phosphorus [limits] Tar-Pamlico limits for the association and for its members. More than
23	one group compliance association may be established. No facility may be a co-permittee
24	member of more than one association formed pursuant to this Rule at any given time.
25	(b) An association may modify its membership at any time upon notification to the Division.
26	The Division shall adjust the nitrogen and phosphorus allocations and [limits] Tar-Pamlico
27	limits in the NPDES group permit to reflect the change in membership.
28	(c) No later than 180 days prior to coverage under a new NPDES group permit, or expiration
29	of an existing group permit, the association and its members shall submit an application
30	for an NPDES permit for the discharge of total nitrogen and total phosphorus to the surface
31	waters of the Tar-Pamlico River Basin. The NPDES group permit shall be issued to the
32	association and its members as co-permittees.
33	(d) An association's [limit] Tar-Pamlico limit of total nitrogen and total phosphorus shall be
34	the sum of its members' individual allocations and nutrient offset credits plus any other
35	allocation and offset credits obtained by the association or its members pursuant to this
36	Rule.
50	

1		(e) An association and its members may reapportion their individual allocations and nutrient
2		offset credits on an annual basis. The NPDES group permit shall be modified to reflect the
3		revised individual allocations and [limits-] Tar-Pamlico limits.
4		(f) If an association does not meet its [limits] Tar-Pamlico limits in any year, it shall obtain or
5		use existing nutrient offset credits in accordance with G.S. 143-214.26 and Rule .0703 of
6		this Section to offset its mass exceedance no later than July 1 of the following year.
7		(g) An association's members shall be deemed compliant with the permit [limits] Tar-Pamlico
8		limits for total nitrogen and total phosphorus contained in their individually issued NPDES
9		permits while they are members in an association. An association's members shall be
10		deemed compliant with their individual [limits] Tar-Pamlico limits in the NPDES group
11		permit in any year in which the association is in compliance with its [ <del>limits</del> ] Tar-Pamlico
12		limits. If the association exceeds its group [limit,] Tar-Pamlico limit, the association and
13		any members that exceed their individual [limits] Tar-Pamlico limits in the NPDES group
14		permit shall be deemed to be out of compliance with the group permit.
15		(h) Upon the termination of a group compliance association, members of the association shall
16		be subject to the [limits] Tar-Pamlico limits and other nutrient requirements of their
17		individual NPDES permits.
18	(9)	If an NPDES-permitted discharger or association of dischargers accepts wastewater from another
19		NPDES-permitted treatment facility in the Tar-Pamlico River Basin and that acceptance results in
20		the elimination of the discharge from that other treatment facility, the eliminated facility's total
21		nitrogen and phosphorus allocations shall be transferred into the receiving facility's NPDES permit
22		and added to its allocations.
23		
24	History Note:	Authority G.S. 143-214.1; 143-215.1; 143-215.3(a)(1); 143-215.8B; 143B-282;
25		Eff. April 1, 1997;
26		Recodified from 15A NCAC 02B .0229 Eff. April 1, 2020;
27		Readopted April 1, 2020.
28		Amended Eff. July 1, 2025.