

**NACAA Members' Questions on EPA's Final CSAPR Update Rule for  
December 14, 2016  
NACAA-EPA Conference Call  
4:00-5:00 PM Eastern Time  
(866) 365-4406, 2682624#**

EMILY WILBUR – MISSOURI

- 1) When will the conversion of NOx Ozone Season Group 1 allowances to NOx Ozone Season Group 2 allowances occur?
- 2) Can EPA explain the process that will be followed for the conversion of NOx Ozone Season Group 1 allowances to NOx Ozone Season Group 2 allowances (i.e., Will there be a NODA, will account holders be notified that their accounts will be frozen and if so how much lead time will they be given, how long will the process take, etc.?)?
- 3) What happens to fractions of allowances after the conversion process (are allowance fractions truncated or rounded?)
- 4) Will the reconciliation period for the NOx ozone season program always align with reconciliation periods of the annual NOx and SO2 programs in the future (March 1<sup>st</sup> each year)?

ANDY BODNARIK – OTC

My two areas of interest are:

- 5) Finding additional information on how the air quality modeling was performed (e.g. NOx emissions inventories used for that modeling and
- 6) Finding more information on how the control costs were calculated (e.g., Were unit specific control costs calculated? How were controls assigned? Unit specific? By fuel type? By unit type [e.g., boiler type, turbine type])?

BILL O'SULLIVAN – NJ

- 7) What is the schedule for updating CSAPR to address the 70-ppb ozone NAAQS?
- 8) Does this 75-ppb ozone CSAPR rule still allow power plants to turn off or reduce the operation of SCRs and SNCRs, unless a state has separate rules to require such operation? History indicates this happens even on high ozone days. How does EPA intend address this problem? How should states address this problem? RACT rules? Good neighbor SIPs?
- 9) Provide one or more examples to illustrate the calculation of allowance needs to implement the 3.4 ratio that is required of pre-2017 banked allowances if used in 2017 or later.

OKLAHOMA

- 10) EPA will apply a "conversion factor" to banked 2015 and 2016 allowances to devalue them. They don't know what the factor is yet but do they have a range they expect it to fall in?

- 11) Will 2017 and 2018 allocations be distributed or only 2017 allocations and, if so, how certain are the 2018 allocations?
- 12) What are all of the factors that EPA used to transform the CSAPR Proposal state budgets to the CSAPR Final budgets?
- 13) For some of our facilities (or units in a facility) 2015 was the first year to submit emissions data to CAMD, so their historical emissions consideration was based on one year, instead of the eight years of consideration given to all of the other units. Understanding that year-to-year emissions can vary widely due to planned and unplanned outages, is there any plan to make an adjustment for these facilities in the future?
- 14) Does EPA plan to use the year 2011 as a base year for the transport rule for the 2015 ozone standard?
- 15) The net change in the ozone-season NO<sub>x</sub> allowance budget from Proposal to Final was an increase of 5.47%. Only seven states' budgets decreased, and of those seven, Oklahoma's budget is the only one that decreased more than 20%. What factors were instrumental in this substantial reduction in the ozone-season allowance budget for Oklahoma?
- 16) The preamble to the Final Rule indicates that EPA finalized ozone-season NO<sub>x</sub> emission budgets using a uniform cost threshold of \$1,400 per ton (see 81 FR 74508). In Appendix E to the Ozone Transport Policy Analysis Final Rule TSD (obtained from the rule docket), the 2018 NO<sub>x</sub> emissions budget for Oklahoma at a \$1,400/ton cost threshold is 14,286 tons. At a \$5,000/ton cost threshold, the 2018 NO<sub>x</sub> emissions budget is 11,643 tons, which is very close to the 11,641 ton budget established in the Final Rule. It appears that EPA is using a higher cost threshold for Oklahoma than for other states or the Final Rule TSD has not been updated. Please clarify.
- 17) In the ODEQ comments to the CSAPR Update proposal submitted January 29, 2016, section V. ODEQ Offers Conditional Support for the Proposed 2017 Ozone-Season Budget, in the second paragraph which reads "In addition, ODEQ requests that, in the event that EPA wishes to consider reducing the ozone-season EGU NO<sub>x</sub> emissions budget even more for the final rule, EPA re-propose this CSAPR Update rather than move directly to publication of a final rule." Is there a reason that EPA did not respond to this comment in the Cross State Air Pollution Update Rule - Response to Comment?