

**NACAA Member Questions for EPA Regarding CSAPR  
for July 13, 2011 NACAA-EPA Conference Call**

New Jersey

- 1) How did EPA allocate emission caps to states?
  - a. Did EPA allocate based on a set rate (i.e., X lb/million btu or Y lb/MWhr) times historical annual and seasonal fuel use?
  - b. If so, were the rates fuel neutral or different based on fuel?
  - c. Was IPM used in making allocations based on projected future use of units? (IPM is a highly questionable allocation tool.)
- 2) What is EPA's response to the concern being expressed by some that allocations are unfairly low for states that have previously adopted rules to reduce emissions?
- 3) Some utility stakeholders had expressed similar concerns with the allocations to specific units in their comments on the proposal. How did EPA address these concerns in the final rule?

South Carolina

- 1) EPA says it will work with states to address the NO<sub>x</sub> SIP Call obligations of the non-EGUs that were subject to CAIR (pp. 493 and 505). EPA lists possible options, including NO<sub>x</sub> emission rate limits in permits and intrastate cap-and-trade programs. Will EPA produce guidance on this or will states just need to rely on their regional contacts for informal advice? What is EPA's timeline for providing this critical guidance/information?
- 2) What are the sanctions or disadvantages to states not adopting the CSAPR into SIPs, in effect allowing the FIP to remain in place?
- 3) EPA "intends" to issue permitting guidance for CSAPR (p. 414). Will EPA finalize this guidance before the CSAPR programs go into effect?

Nebraska

- 1) One of our listed utilities has the incorrect existing control technology identified. The list shows SCR, however, they currently have low NO<sub>x</sub> burners. The question is two-fold, do the allocations for the units take into consideration the existing controls? Is there a way (or any benefit) to correcting errors if we identify them?
- 2) What if a unit is permitted by the state to have only X tons of emissions, but the CSAPR rule has allocated them 2X tons of emissions? Will they still get the double amount of emissions?
- 3) Is it EPA's expectation that the states will develop a SIP to incorporate the CSAPR rule in some fashion?
- 4) What happens to the new unit set asides for tribal units if there are none in the "state"?

- 5) EPA's statement of the number of states affected by the CSAPR differs from document to document. For instance, in some parts of the RIA EPA says the rule will reduce emissions in 28 eastern states. In sec. 2.2.3 (p. 25) of the RIA it says 27 states but then lists only 26, while on p. 28 (table 2.1) 27 states are listed for ozone, including Nebraska, which is not supposed to be. In the fact sheet and the rule, the agency says it's 27 states. What is the correct number and on what number is EPA's final analysis based?

#### Pennsylvania

- 1) Can EPA please walk us through the differences between what an abbreviated SIP and a full SIP revision would look like, and what the implications of each are? Is it an accurate understanding of the rule that an abbreviated SIP would NOT be fully integrated into the EPA program?
- 2) Does EPA have an idea of how many or which states will have the authority to submit their own allocations for 2013 without a SIP'd regulation change? (If not, we can ask this question of the state participants on the call.)

#### Connecticut

- 1) While EPA changed the name of the rule to Cross-State Air Pollution Rule, EPA retains the use of the name Transport Rule throughout the rule text, even labeling the new currency "TR allowances." Will EPA change the internal references to match the name? Why did EPA change the name from proposal to promulgation?

#### NACAA staff

- 1) Can EPA please describe the process by which CSAPR applicable requirements will be incorporated into Title V permits?
- 2) In the preamble to the CSAPR, EPA notes its intention to issue guidance for permitting authorities on incorporating applicable requirements into Title V permits.
  - a. What is the expected timetable for issuing this guidance?
  - b. Will a draft of the guidance be made available for comment?
  - c. When will the permit content template be available for use by permitting authorities?

#### Alabama

In light of the non-EGU NOx Budget Units not having been included (or allowed to be included) in the Cross State Air Pollution Rule, how should we proceed to prevent backsliding? Our state sunset our NOx SIP rules with the promulgation of CAIR rules, and rolled our NOx Budget units into CAIR.

#### Mississippi

We would like to know how EPA developed the 2012 base case. For Mississippi, the base case, which ends up being our allocation, is 10,160 for Ozone season NOx and our 2010 actual emissions are 16,089. That is a gap of 6,000 tons. We don't see emissions going down in 2011 or 2012 without controls and the facilities don't have time to put them on unless they are already underway. Our proposed state budget under the Transport rule was 16,530 tons so we are being hit with significant reductions from the proposed budgets and the

interstate trading limitations will prevent the affected facilities from getting them out of state. There are other states with similar issues. As more of a comment, from the data released with the rule, it looks like there is about a 150,000-ton difference between the 2010 ozone season emissions and the 2012 allocation for all states. I think it will be more than a challenge to make the reductions in the given time frame.