

A large, faint watermark of the United States Environmental Protection Agency (EPA) logo is centered in the background. The logo features a stylized flower with three leaves and a circular top, surrounded by the text "UNITED STATES" at the top and "ENVIRONMENTAL PROTECTION AGENCY" at the bottom.

Revised CSAPR Update: Overview briefing on final rule

Timeline of the Rule

- The proposed Revised CSAPR Update rule was signed on October 15, 2020 and published in the Federal Register on October 30, 2020.
- The public comment period closed on December 14, 2020.
- The final rulemaking was signed by EPA Administrator Regan on March 15, 2021.

The Four-Step Good Neighbor Framework



EPA evaluates SIPs and/or prepares FIPs using the four-step good neighbor framework to quantify necessary emission reductions to address interstate ozone pollution

- 1 Identify downwind receptors expected to have problems attaining or maintaining the NAAQS.
- 2 Determine which upwind states are “linked” to these downwind air quality problems and thereby warrant further analysis to determine whether their emissions violate the good neighbor provision.
- 3 For states linked to downwind air quality problems, identify upwind emissions on a statewide basis that significantly contribute to nonattainment or interfere with maintenance of a standard in any area, considering cost- and air-quality-based factors.
- 4 For upwind states that are found to have emissions that significantly contribute to nonattainment or interfere with maintenance of the NAAQS downwind, implement the necessary emissions reductions within the state.

Key Findings: Steps 1 and 2



- **Step 1:** Attainment and maintenance issues under the 2008 ozone NAAQS were identified at four receptors in 2021 (one in Houston, Texas (TX) and three in Connecticut (CT))
- **Step 2:** The rule found that 9 of the 21 states with remanded CSAPR Update FIPs (Alabama, Arkansas, Iowa, Kansas, Mississippi, Missouri, Oklahoma, Texas, and Wisconsin) are not linked to downwind nonattainment or maintenance problems.
 - Therefore, the CSAPR Update fully addresses these 9 states' ozone transport obligations with respect to the 2008 ozone NAAQS. These 9 states remain in the existing CSAPR Update trading program (i.e., the Group 2 trading program).
 - The 12 remaining states (Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Pennsylvania, Virginia, and West Virginia) are linked to downwind nonattainment or maintenance problems and therefore require further analysis under step 3.

Key Findings: Step 3 (EGUs)



- **Identified control stringency (EGUs):** EPA identified required emission reductions based on optimization of existing SCRs and SNCRs, and upgrades to state-of-the-art combustion controls
- For the 12 linked states, EPA amended their CSAPR Update FIPs to implement the required emission reductions from EGUs via a new NO_x Ozone Season Trading Program (i.e., the new Group 3 trading program).
 - Implementation of emissions budgets are aligned with relevant attainment deadlines and control installation times.
 - 2021: Optimization of existing SCR and SNCR controls
 - 2022 – 2024: Continued optimization of existing SCR and SNCR controls, plus upgrades to state-of-the-art combustion controls

Key Findings: Step 3 (Non-EGUs)



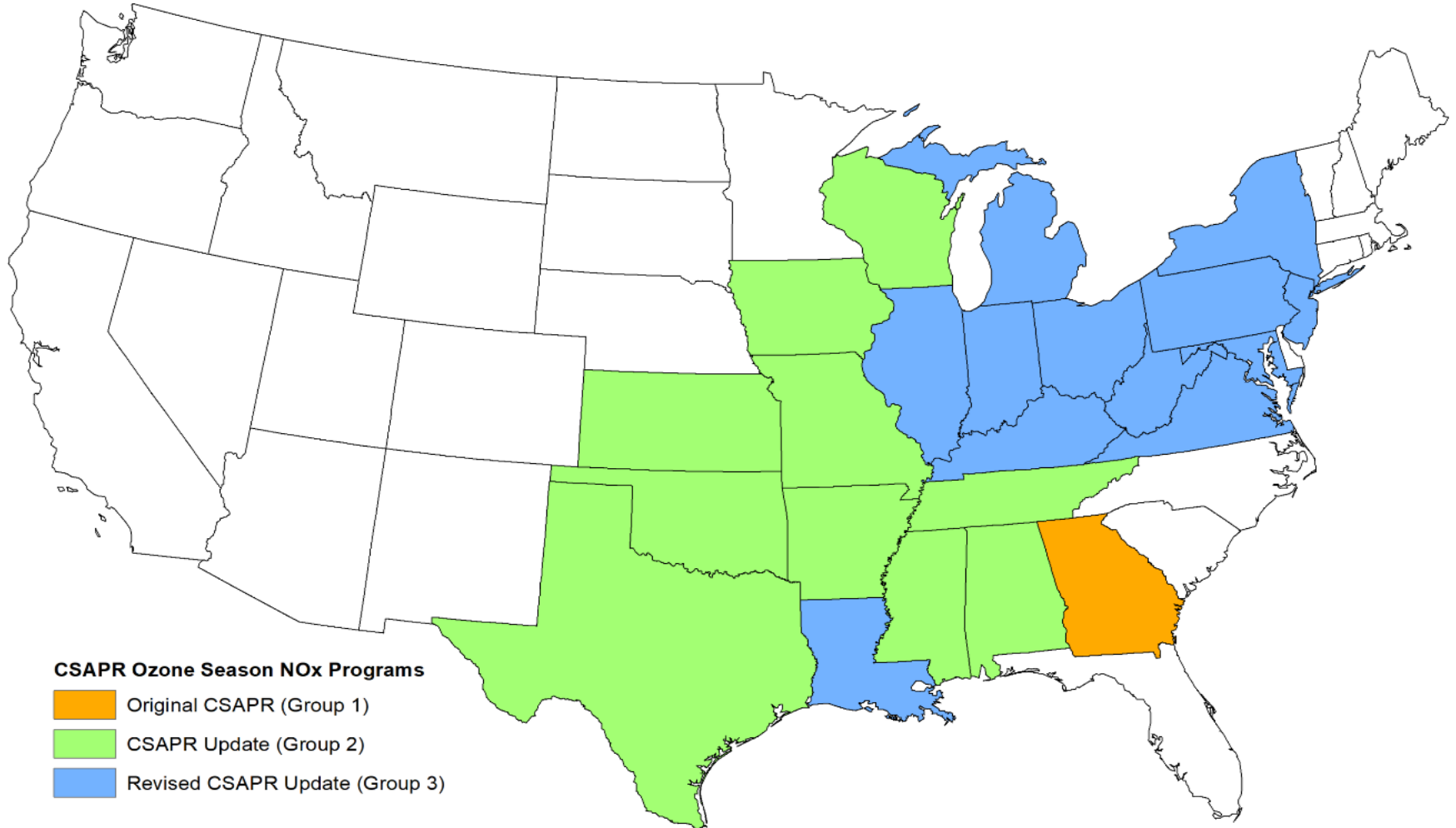
- EPA evaluated whether emissions from non-EGU sources warrant control to eliminate the 12 linked upwind states' significant contribution.
- Based on EPA's analysis, the Agency concluded that there are relatively fewer emission reductions available from non-EGUs at a cost threshold comparable to the cost threshold selected for EGUs. In addition, such reductions are estimated to have a much smaller effect on any downwind receptor in the year by which EPA finds such controls could be installed.
- Therefore, EPA found that limits on ozone season NO_x emissions from non-EGU sources are not required to eliminate significant contribution or interference with maintenance under the 2008 ozone NAAQS .

Key Findings: Step 4



- To implement the required emissions reductions, EPA established a “Group 3” trading program with new budgets for ozone season emissions of NO_x from EGUs in the 12 linked states.
 - EGUs in the remaining 10 states covered by the CSAPR Update would continue to comply with the Group 2 trading program.
- Allowance bank: Creation of a starting bank of Group 3 allowances equal to the sum of the 12 covered states’ “variability limits” for one ozone season.
 - Fixed conversion ratio of eight Group 2 allowances to one Group 3 allowance
- Safety valve: Allows sources to create additional Group 3 allowances through voluntary conversion of 2017-2020 Group 2 allowances at an 18:1 conversion ratio as a "safety valve" for the 2021 control period.

CSAPR Regions





Q&A Session

Materials (including pre-publication version of the rule) posted at:

<https://www.epa.gov/csapr/revised-cross-state-air-pollution-rule-update>