NACAA
national association of clean air agencies

May 28, 2024

U.S. Environmental Protection Agency
Docket ID No. EPA- HQ-OAR-2024-0135

To Whom It May Concern:

The National Association of Clean Air Agencies (NACAA) offers the following comments on the U.S. Environmental Protection Agency's (EPA's) non-regulatory docket, "Reducing Greenhouse Gas Emissions from Existing Gas Turbines at Power Plants," (Docket No. EPA-HQ-OAR-2024-0135; March 26, 2024[1]). NACAA is the national, nonpartisan, non-profit association of 157 air pollution control agencies in 40 states, including 117 local air agencies, the District of Columbia and four territories. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the U.S. These comments are based upon that experience. The views expressed in these comments do not represent the positions of every state and local air pollution control agency in the country.

The docket seeks information and input about ways the Agency "can design a stronger, more durable approach to greenhouse gas regulation of the entire fleet of existing gas (GHG) combustion turbines in the power sector under Clean Air Act (CAA) Section 111(d)." The docket includes a number of framing questions, which NACAA responds to as the basis for our comments in this letter.

As a primary concern, NACAA calls on EPA to expeditiously set an emission limit that is as scientifically and legally defensible as possible. Our agencies have been waiting since 2014 for EPA to finalize emission limits on these sources. EPA should rely on proven regulatory mechanisms and select emissions calculation processes that assure that the GHG emission reductions resulting from this rule are predictable, legally defensible, protective of communities, and requisite to the scale and urgency of the climate crisis.

NACAA also reiterates our August 8, 2023 comments[2] on EPA's May 2024 Power Plant GHG Proposal, "New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule"[3]. In those comments NACAA called on EPA "to set realistic

[1] Available online at https://www.epa.gov/stationary-sources-air-pollution/nonregulatory-public-docket-reducing-greenhouse-gas-emissions

[2] Available online at https://www.4cleanair.org/wp-content/uploads/NACAA-Power-Plant-GHG-Rules-Comments-_-08032023.pdf

[3] Published May 9, 2024, 89 Fed. Reg. 39798, available online at https://www.federalregister.gov/documents/2024/05/09/2024-09233/new-source-performance-standards-for-greenhouse-gas-emissions-from-new-modified-and-reconstructed

rulemaking timetables and explicitly enumerate mechanisms to meet those timetables, provide flexibilities that will enable our clean air agencies to successfully implement the rule, clarify requirements that are incompletely described in the proposal, and offer technical support and resources to support the successful implementation of the Proposed Power Plant GHG Rules by state and local clean air agencies."

One area of overarching concern to NACAA agencies is the critical shortage of resources faced by our state and local agencies, who would be the primary implementers of any future rule undertaken under CAA Section 111. In particular, our state and local agencies will be responsible for developing and implementing state plans. Any future rule regulating GHG emissions from existing gas-fired electric generating units (EGUs) will almost certainly require agencies to increase their investments in personnel and technical capabilities, and to incur other costs reflecting a significant additional workload for our agencies. The federal grants that support state and local clean air agencies remain, for now, funded at effectively the same levels as they were in 2004, and were reduced in the last Fiscal Year. Under actions taken in the future that are informed by this non-regulatory docket, most agencies will need to undertake a large number of new permits, state plans, and other activities that should receive additional funding support from EPA. Moreover, all agencies already face inadequate resources to meet their existing and emerging Clean Air Act responsibilities, due to the stagnation in state and local air grants. For agencies that face a daunting number of new permits and an already-stretched workforce and funding, a new rule will create implementation challenges if EPA does not become a more effective partner at securing the funding to match the regulatory responsibilities assigned to these agencies. Underinvesting in human resources, training, and technical assistance will yield challenges for planning, permitting, community engagement and enforcement by state and local agencies. In order to assure successful implementation, NACAA urges EPA to ensure that new burdens are paired with federal support that can assure success.

**Response to Framing Questions**

**1. What technologies should the EPA consider as part of the Best System of Emission Reduction (BSER) for reducing GHGs from existing combustion turbines? The following is a list of potential technologies that is not meant to be limiting, but, rather, is meant to suggest the expansive nature of the inquiry on which the EPA is seeking feedback. In addition to the control measures proposed in May, which included carbon capture and sequestration (CCS) and hydrogen co-firing, the EPA is interested in feedback and information on the technologies listed below as well as on other technologies that should be considered.**

**a. Combustion turbines integrated with battery storage**

**b. Combustion turbines integrated with solar**

**c. Improving efficiency of simple cycle turbines by upgrading to combined cycle plants.**

**d. Improving the efficiency of existing turbines, with retrofit options for both simple and combined cycle turbines.**

**e. Utility scale fuel cells integrated with combustion turbines**

Determining the BSER from existing gas-fired EGUs that would be regulated under actions informed by this non-regulatory docket poses numerous challenges, including those presented by the technologies EPA inquires about in its framing questions. Ideally, the BSER would be optimized, investment-worthy and predictable. However, EPA should acknowledge that all technologies best suited for reducing emissions and setting the standard may still have technical and economic risks that still need to be reduced. When considering integrated battery storage, onsite solar or other renewable energy resources, and fuel cells as the basis for BSER, power systems engineering experts (including EPA's) will be better positioned to articulate whether and how these technologies can be optimized to achieve the emission reduction goals envisioned by a future rule.

In its framing questions, EPA offers for consideration as a potential BSER option the conversion of simple cycle turbines to combined cycle operation. Simple cycle technology performance trades fast ramping and load-following characteristics for greater efficiency and improved emission characteristics, and the conversion of existing units may trade one set of performance benefits without yielding the others. Siting concerns for existing simple cycle units may also commonly include having the space and/or water access needed to convert to combined cycle operation. Finally, the conversion of a simple cycle turbine to a combined cycle unit would likely implicate a much higher capacity utilization to pair with its operational characteristics, in addition to concerns about recharacterizing the unit as needing additional regulatory review under New Source Review (NSR), New Source Performance Standards (NSPS), and other regulatory programs.

Regarding onsite deployment of zero carbon energy resources, storage, and/or fuel cells, NACAA does not oppose the use of any of these to reduce emissions at a site, although as a general approach from which to set the BSER, these approaches raise questions about why siting them on the facility site is any different than siting them in an offsite location that optimizes the energy resources available (particularly for those that are site-variable like renewable energy projects), connecting and/or interdependent infrastructure, and other factors.

If EPA moves forward with some combination of renewable energy, onsite storage, fuel cells, or other energy resource additions that are not integral to the operation or emissions from the regulated unit itself, EPA may wish to consider more than one technology being used at once for the BSER determination. EPA may wish to consider setting a standard based on a portfolio of several approaches combined. However, while a menu of technologies can be valuable in BSER as described, it can also be burdensome on states developing plans that include evaluations of all identified technologies. In any future action, EPA should work closely with NACAA agencies to balance that burden with the flexibility of a menu of options. Other approaches and resources that EPA has not inquired about in these framing questions (such as alternate drop-in fuels, other generation-supporting technologies, and other efficiency improvement approaches) may also be worth considering as part of an implementation portfolio as applied to a power plant.

In our previous comments, NACAA noted that BSER based on CCS and hydrogen co-firing may raise questions about the adequacy of their demonstration. In its May 2024 Final Rule for GHG Emissions from Power Plants, EPA relied on CCS as the technology used to set BSER. Both technologies offer uneven viability in areas where infrastructure for hydrogen may not be

easily deployed or where carbon storage may not be technically or economically feasible given available geology, in addition to the public acceptability, siting and other challenges that face many large scale infrastructure projects. While carbon capture has seen more use, concerns remain about developing, siting, and deploying carbon storage cost-effectively, and questions remain about the implications of these additional energy-intensive actions for criteria and other air pollutants. Moreover, although CCS has been shown to be technically feasible at a handful of projects in the United States, EPA acknowledged in its May 2024 Final Rule that hydrogen co-firing is in an earlier stage of the technology cycle; currently no active hydrogen co-firing projects are active in the United States and only two projects are under development.

If during the rulemaking process EPA considers narrowing the BSER pathways to exclude either hydrogen co-firing or CCS, it should in a Final Rule explicitly allow state and local clean air agencies to include all of these technologies as presumptively approvable for unit-by-unit compliance in state plans, if the state plan can demonstrate the technology and compliance pathway achieves emission reductions commensurate with the stringency of the EPA's Proposed Power Plant GHG Rules and does not result in a net increase in air pollutants.

As the EPA works to determine the timeframe of implementation in its modeling and regulatory analysis, it should consider whether the introduction of CCS, hydrogen co-firing, or other technologies could trigger New Source Review as a "major modification." Moreover, the Agency should articulate clearly at what level investments in the affected units would constitute "reconstruction," thereby triggering New Source Performance Standards, as articulated in the May 2024 final rule[4].

**2. Should the EPA include market mechanisms like mass-based trading or emissions averaging in its proposal?**

**a. Should market-based mechanisms be limited to implementation and compliance, or do they have a role in establishing the emissions guidelines?**

**b. Many stakeholders have advocated for mass-based trading. Are there mechanisms (either mass- or rate-based) that can be designed in such a way as to maintain protectiveness while addressing local impacts and the significant uncertainties about future utilization levels for turbines?**

State and local agencies are world leaders in using market mechanisms to reduce emissions in a way that improves public health and cost-effectively manages compliance risk for the regulated rector. NACAA has long supported the use of market-based mechanisms including averaging, allowance auctions and emissions trading programs as elements of state plans that may be presumptively approvable in a Final Rule. NACAA reiterates that EPA should take care to ensure that any rule builds upon and does not undo existing state and local programs (including existing cap-and-trade programs), and that it does not preclude the development of future programs or broader adoption of existing programs by state and local agencies. Any future proposal should be clear about any additional steps or information EPA would need to approve these programs as compliance pathways, and describe the baseline requirements for meaningful engagement with

[4] Available online at https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power

communities near facilities that may participate in trading. EPA should ensure that any state plan provisions allowing emissions averaging and trading would result in a level of emission performance equivalent to that of each source individually meeting the standards of performance. NACAA also restates its longstanding support for affirmatively providing flexibility to state and local clean air agencies to employ rate-based and mass-based approaches in state plans for existing sources.

Concerns about co-pollutant impacts disproportionately affecting nearby communities are valid and NACAA shares this priority as a core aspect of the mission of our associated agencies; however, these concerns are not themselves an argument against using market-based mechanisms to advance climate policies. Rather, they are an argument for explicitly building community-protective clean-air objectives into policy design. Some stakeholders have argued that market-based compliance mechanisms are inherently incompatible with community equity. In fact, with proper regulatory design, market mechanisms that reduce emissions should advance the interests of nearby communities by reducing their exposure to pollution and, over time, helping to mitigate the effects of climate change.

This is supported by the linked progress in emission reductions and in advancing community protections that has been shown by state leaders using market-based mechanisms, such as California, Washington State, Regional Greenhouse Gas Initiative (RGGI) states, and others. These leaders have explicitly incorporated clean-air objectives that protect nearby communities into climate policy design; EPA can do so as well by supporting plans with sufficiently protective caps and coverage, and by avoiding loopholes allowing emissions of GHGs and non-GHG pollutants from units that harmfully affect communities. In addition to allowance auctions and trading, interunit averaging with multiunit target-driven compliance can also meet these criteria.

To help achieve these multiple goals, EPA should consider explicit language supporting, as implementation approaches, mechanisms that include:

- State implementation programs based on a firm, enforceable, declining cap, based on an emissions target rather than primarily on historical data; along with other best practices for program design such as initial auction rather than allocation;
- Implementing measures that reduce co-pollutant emissions at a pace consistent with the overall GHG emissions reduction requirements;
- Resourcing and empowering state and local agencies to take corrective measures whenever impacts are found;
- Using mapping and screening tools - including those already employed by state and local agencies - to identify neighborhoods facing pollution risks and to evaluate project impacts in these areas; and
- Engaging in robust meaningful engagement with communities by cultivating new and strengthening existing relationships with environmental justice communities, including community-led processes designed with and for these communities.

NACAA's state and local agencies are leaders in conducting meaningful engagement that considers the particular needs of environmental justice communities and disadvantaged communities. If necessary, meeting these needs can include producing information in languages other than English, understanding cultural trust and communication customs, transportation and

mobility limitations or opportunities, and effective mechanisms to provide notice of engagement and participation opportunities. Some agencies successfully conducting meaningful engagement have also considered and taken steps to address the imbalance that exists between stakeholders who are paid by their organization to participate in regulatory input processes, and community members who must volunteer their time and energy to participate. Some agencies have also prioritized the inclusion and hiring of culturally-competent community champions from the communities themselves – they are best positioned to reach and engage effectively with the intended audience. EPA should leverage and build upon our expertise as it advances its own regulatory and engagement efforts.

EPA does not need to include auctions, averaging, or trading in the determination of BSER, but affirmatively providing support for their inclusion and acceptability within compliance plans developed in response to a rule will provide indispensable flexibility that may make or break the success of a future rule.

**3. How could EPA most effectively subcategorize the diverse existing combustion turbine fleet to maximize the application of affordable advanced technologies through BSER?**

NACAA defers to the expertise of power systems engineers and load balancing authorities about the benefits of unit subcategorization; we reiterate, however, that the power sector has changed and continues to evolve rapidly as dispatchable resources play a less important energy resource role and a more important capacity role, relating the expanding reliance of the power sector on intermittent resources like wind and solar (among others) that offer energy resource characteristics that work well with dispatchable capacity-favoring resources like natural gas. NACAA's June 3, 2023 comments[5] on EPA's April 2022 white paper, "Available and Emerging Technologies for Reducing Greenhouse Gas Emissions from Combustion Turbine Electric Generating Units"[6]calls for a differentiation of units that would consider capacity-strong dispatchable units complementary to energy-strong intermittent generators, and within those considered dispatchable, whether they have flexibility characteristics that that are valuable in the context of the operation of today's grid. NACAA suggests that as EPA considers subcategorizing units, flexibility characteristics could be considered in addition to historic dispatch characteristics.

**4. What other compliance flexibilities should EPA provide for state implementation guidelines?**

The Clean Air Act and Section 111 in particular are built on a model of cooperation that requires EPA to work in partnership with states, cities and counties, among others, and by affording states additional – and essential – flexibility to chart compliance pathways. Once EPA sets the BSER, the responsibility for implementation falls largely on our agencies through the state planning process. States have often been called the "laboratories of democracy," and offering flexibility will not only accommodate regional needs and innovations but will allow for course

[5] Available online at https://www.4cleanair.org/wp-content/uploads/NACAA-Combustion_Turbine_GHG_Control_WP-Comment-Letter-06032022.pdf

[6] Available online at https://www.epa.gov/stationary-sources-air-pollution/white-paper-available-and-emerging-technologies-reducing

corrections as technologies mature. Flexibility also enables approaches that provide analogous – or improved – emission benefits in a shorter time or at a lower cost to emerge as conditions evolve.

In particular, NACAA reiterates that whatever new flexibilities EPA offers our agencies, the variable that is in far too short a supply is funding. As NACAA has consistently warned EPA, the Administration, and Congress, no matter what flexibilities EPA offers, any final rule will create implementation challenges if EPA does not match the regulatory responsibilities assigned to these agencies with the resources to carry them out.[7] Underinvesting in people, training, and technical assistance will yield challenges for planning, permitting, community engagement and enforcement by state and local agencies. NACAA urges EPA to ensure that new regulatory responsibilities given to state and local agencies are paired with appropriate levels of federal support that can assure success of the Proposed Power Plant GHG Rules.

Additionally, NACAA recommends EPA consider the following flexibilities (labeled *a.* through *h.* below) in its future actions regarding GHG emissions from existing gas-fired EGUs:

*a. Market mechanisms*

As noted above, NACAA members have been leaders in the domain of using averaging, trading, auctions, and other market mechanisms to drive emission reductions effectively and cost-effectively, and these remain critical flexibilities that EPA should communicate clearly are approvable and acceptable in state plans. Emission trading has been used in the power sector at the federal, regional, and state levels for nearly three decades. State agencies, their federal counterparts, other government officials, stakeholders in the power sector and actors elsewhere in the private sector have deep and extensive familiarity with these mechanisms. Where states have already created effective programs to use these tools to achieve reductions, EPA should affirmatively signal that states can use existing approaches in compliance plans to meet requirements under a new rule. State programs may well align with, or even exceed, the emission reductions called for in EPA's future regulations. Accommodating these state programs will offer both critical flexibility in state plans while also building on the lessons learned from successful programs where emissions reductions are already occurring.

However, EPA should also be careful in program design to assure that existing programs and new programs are not duplicative or in conflict. In future EPA actions aiming to regulate GHG emissions from existing gas-fired EGUs, the Agency should clearly address how market mechanisms and emissions trading would work across rules governing existing and new units in separate state plans for coal and natural gas power plants. EPA should also align the timing for state plans and requirements for coal and existing gas power plants to minimize the burden on our agencies.

*b. Unit requirements in state plans*

Numerous uncertainties also arise from the low levels of experience that the power sector has in deploying these technologies, and EPA's regulatory design should accommodate a

[7] Most recently, in May 2024 testimony before the U.S. Senate Appropriations Committee on Fiscal Year 2025 needs, available online at https://www.4cleanair.org/wp-content/uploads/Senate-Testimony-FY-2025-NACAA.pdf

"multipathway" approach to the greatest extent possible. EPA should allow agencies to reclassify units without a full plan revision as conditions warrant. In addition, agencies should have clear opportunities to revise plans after initial submittal; this flexibility should enable more effective and nimble action in the face of uncertainty and existing utility planning processes. EPA should also consider whether agencies can reclassify the compliance pathway for units without a full plan revision as conditions warrant and identify the types of regulatory mechanisms agencies can create to accommodate dynamic changes in operating conditions at affected units.

*c. Fuel Alternatives*

Future actions informed by this rulemaking should offer state and local clean air agencies mechanisms to exercise flexibility to employ nonhydrogen fuel alternatives (such as green ammonia) as compliance pathways if they emerge as attractive low carbon or zero-carbon substitutes and do not result in a net increase in air pollutants.

*d. Stringency Baseline*

EPA should work in close partnership with clean air regulators in states, cities and counties to provide flexibility to develop compliance pathways for affected existing sources, which can include emission limitations that are at least as stringent as the federal guidelines. Rules informed by this non-regulatory docket should explicitly state that their emission reduction requirements are a baseline for all agencies, but that state and local regulatory agencies can use their own approaches if their needs are more effectively met with different paths that are overall at least as stringent and health-protective.

*e. Model State Plans*

NACAA supported the development of an example state plan and model rule language that can be incorporated directly or by reference to meet the April 2024 Power Plant GHG Rules; we reiterate that support here for future existing gas EGU GHG emission regulations. While there are some state programs that are already being implemented or well developed in the proposal stage, many agencies will benefit from a model rule. The opportunity to adopt preapproved rule language, in addition to the option to develop a unique state plan, is consistent with the Clean Air Act's cooperative approach and will expand state compliance options while conserving state resources. EPA should consider developing as part of its technical assistance not only guidance and/or model language for plans, but a workbook to compute emissions baselines and reductions, which states can use to develop their plans consistently. EPA should also consider offering a well-developed list of examples that agencies can use as templates for making baseline determinations. As EPA rolls out any future rules, the Agency should also consider the development and deployment of technical assistance "tiger teams" at a regional level to work with individual agencies.

*f. RULOF*

NACAA supports provisions for the issuance of variances for Remaining Useful Life and Other Factors (RULOF), a flexibility mechanism that will be critical to the success of any future regulation of these sources in the face of uncertainty. EPA should offer a clear and straightforward signal about how RULOF determinations should be made that provides flexibility to states. Excessively narrow readings of acceptable RULOF determinations will create headwinds for states

seeking to preserve reliability and avoid wasteful investments in existing units that may retire shortly and that can complement new resources during the energy transition. NACAA encourages EPA to communicate with and implement the feedback of state clean air agencies as it develops RULOF provisions in future actions.

*g. Timing*

EPA should align the timing for state plans and requirements for coal and existing gas power plants to minimize the burden on states. A wholly separate state plan development and implementation timeline for each rulemaking would significantly increase the workload for states, including meaningful engagement processes, permitting and state rulemakings.

A key factor for success is providing states with sufficient time to develop a plan that reflects conditions on the ground; in our August 2023 comments on EPA's April 2024 Power Plant GHG Rule, NACAA suggested 24 to 36 months for state plan development. The development of state plans includes requirements for legislative or regulatory interactions, public hearings, supporting analysis, and other requirements. NACAA remains concerned that the timeline in the April 2024 Power Plant GHG Rule may not be reasonably achievable by many states needing to align with administrative and legislative processes that are outside of their control. Moreover, EPA's proposed timeframe will curtail state agency opportunities to develop plans in a way driven by meaningful engagement with affected stakeholders that will deliver public health and environmental benefits, a priority we share with EPA. A 36-month plan development timeline may have advantages for coordinating multiple rules, such as the 3-year timeframe under the NESHAPs actions EPA is considering, as well as providing sufficient plan development time for our agencies. Should EPA use 24 months consistent with other rules, NACAA recommends that EPA consider a process for automatically issuing reasonable extensions, akin to the process used in EPA's Mercury and Air Toxics (MATS) rule. An automatic extension process would allow an agency to submit a plan in line with their procedural requirements and accommodating meaningful engagement with vulnerable communities.

*h. Meaningful Engagement*

EPA should be specific about what will be approvable as a baseline for meaningful community engagement and commit to providing guidance to our agencies that identifies the objectives and outlines processes and methods of engagement. Given the tremendous variety of affected communities, their needs, and their capacities, EPA should set expectations realistically and allow for the flexibility to truly meet the unique needs of these communities, as well as to reflect the economics and demographics of individual states. EPA can help implementing agencies meet clearly articulated federal requirements by providing resources, guidance, training, and other support. Where agencies have completed their own analyses and developed tools and programs in consultation with their local communities and advisory groups, EPA should allow these existing resources to serve compliance needs, rather than simply mandating national adoption of federal tools.

Consistent with our February 27, 2023 CAA Section 111 Implementing Regulations comments,[8] NACAA supports many of the provisions and flexibilities offered by that proposed rule, including those governing regulatory mechanisms for full and conditional plan approval or disapproval; provisions for improving meaningful stakeholder involvement; permissible compliance options; and modernized plan submission provisions. EPA should be consistent with those provisions in future actions informed by this non-regulatory docket.

**5. What steps can the EPA take in defining BSER or via compliance flexibility mechanisms or through other mechanisms to allow states to address a wide range of concerns, including, but not limited to:**

**a. Reliability of the power system,**

**b. Air quality and other health and environmental impacts for people living near stationary combustion turbines,**

**c. Concerns related to potential construction of new pipelines for hydrogen or CO2,**

**d. Concerns related to the long-term storage of CO2 (*i.e.*, carbon sequestration), and**

**e. Opportunities for workforce retention and re-training at existing fossil fueled power plants.**

The April 2024 Power Plant GHG Rule included extensive provisions that reflected concerns about reliability. These provisions could be included because the institutional infrastructure existed through EPA rulemaking, Federal Energy Regulatory Commission technical conferences, and other venues for experts to raise their concerns and for EPA to take action to address them. The issues that EPA raises in these framing questions are populated with unknowns that will be difficult to accommodate during the setting of BSER. EPA should establish and fund, in coordination with FERC, the U.S. Department of Energy, and other relevant stakeholders a framework process to enable issues in the energy transition to be worked through and identified in a cooperative manner. This would enable future reliability questions, air quality and health impacts, environmental justice concerns, siting and infrastructure questions, and workforce and fossil dependent community issues to be adequately raised and addressed. NACAA stands ready to work with EPA to articulate this vision more fully, along with other critical stakeholders who have deep expertise in the issues identified in this framing question.

**6. How should EPA consider interactions between the existing source and new source standards for GHGs from combustion turbines?**

The existing unit standards should not be more stringent than the recently adopted final rule setting standards for new gas-fired EGUs.

Concerns exist that regulatory inefficiencies and uncertainties will result from the overlapping of other provisions of the Clean Air Act. Examples of these concerns include: at what point technological changes can trigger New Source Review; and at what scale of emission reduction investments may categorize emission reduction projects as reconstruction projects, triggering the New Source Performance Standards. EPA should be mindful of these uncertainties

[8] Available online at https://www.4cleanair.org/wp-content/uploads/NACAA_111d_Implementing_Regs_Comments-_-02272023.pdf

and communicate clearly in any final rule the thresholds for these events to maximize regulatory clarity.

Where a final rule allows for emissions trading to be used as a state compliance strategy, EPA should also affirmatively note that these programs should allow for trading between EGUs regulated under new rules for existing units and units regulated under EPA's May 2024 Final Rule for GHG Emissions from Fossil Fueled EGUs. A final rule should affirmatively allow for reductions additional to those described for compliance with the May 2024 final rule to be available to market mechanisms within the new plan; essentially, letting programs average across and/or trade based on those reductions. EPA should engage with NACAA agencies to design processes that maximize emission reductions and market effectiveness, and minimize duplication and regulatory burdens borne by NACAA agencies.

**7. Along with developing proposed emission guidelines for existing stationary combustion turbine EGUs, the EPA is also, on a similar timeline, developing proposals to review the criteria pollutant NSPS (40 CFR 60 KKKK) for stationary combustion turbines and to review and update the NESHAP (40 CRF 63 YYYY) for stationary combustion turbines. Are there interactions between these three rulemakings that the EPA should be aware of and take into consideration?**

EPA's expressed intention to couple action under CAA Section 111 with actions addressing criteria and hazardous air pollutants warrants a consideration of the timing requirements. EPA should align timing requirements across all three actions to send clear signals to states and to the private sector alike. For example, the three-year timeline for the risk and technology review under the NESHAP should align with timing allowed for state plan development under CAA Section 111. EPA should also consider how other market trading rules might interact with those implemented under CAA Section 111 such as the Cross State Air Pollution Rule and the Good Neighbor Rule.

Finally, these actions should be coordinated to maximize pollution reduction benefits. While some compliance approaches will result in $NO_x$ reductions, there are also scenarios that could result in $NO_x$ increases (for example, in some cases using hydrogen co-firing). State, local, and federal clean air agencies have extensive experience with implementing technologies and strategies reducing $NO_x$ emissions, and EPA should leverage this experience as it takes steps to ensure that compliance pathways selected do not result in unintended increases in criteria air pollutants. NACAA would welcome engagement with EPA at our committee meetings or through our NACAA annual convenings of our member agencies, to which EPA has a standing invitation.

Thank you for the opportunity to offer these comments and recommendations as part of EPA's non-regulatory docket on potential future actions to address GHG emissions from existing gas turbines. If you have any questions about these comments, please do not hesitate to contact either of us or Miles Keogh, Executive Director of NACAA.

Sincerely,

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