

NSPS Rulemakings for Greenhouse Gas Emissions

*NACAA
Joint Permitting and Enforcement Workshop*

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Background

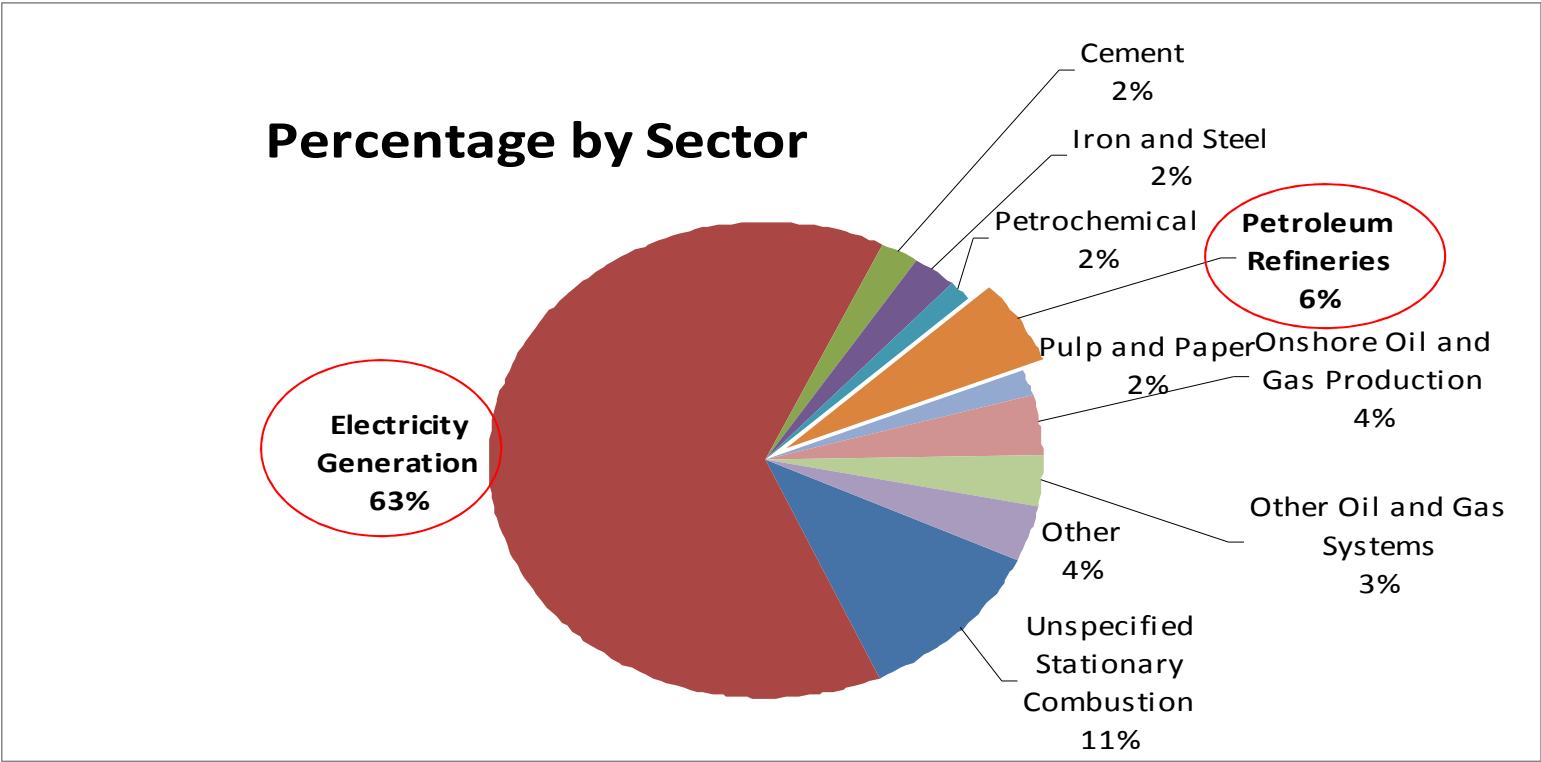
- ▶ On December 15, 2009, EPA published the Endangerment Finding.

- ▶ On December 23, 2010, EPA announced a proposed settlement agreement to issue rules that will address GHG emissions from certain fossil fuel-fired EGUs and Refineries, as well as air toxic emissions from Refineries.

- ▶ Under the agreement, EPA commits to issuing:
 - ▶ for EGUs, proposed regulations by July 26, 2011 and final regulations by May 26, 2012, and
 - ▶ for Refineries, proposed regulations by December 10, 2011 and final regulations by November 10, 2012.

- ▶ Agreement addresses (1) EPA's September 2007 remand of its February 2006 final decision not to set GHG standards for boilers, and (2) petitions for reconsideration of the Refinery NSPS.

GHG Emissions from the Industrial Sector



Source: Regulatory Impact Analysis for the Mandatory Reporting of Greenhouse Gas Emissions Final Rule (September 2009)



EPA GHG NSPS Listening Sessions

- ▶ EPA held five listening sessions on the GHG NSPS for EGUs and Refineries
 - ▶ Session 1: Electric Power Industry Representatives
 - ▶ February 4, Washington, DC
 - ▶ Session 2: Environmental and Environmental Justice Organization Representatives
 - ▶ February 15, Atlanta, GA
 - ▶ Session 3: State and Tribal Representatives
 - ▶ February 17, Chicago, IL
 - ▶ Session 4: Coalition Group Representatives
 - ▶ February 23, Washington, DC
 - ▶ Session 5: Petroleum Refinery Industry Representatives
 - ▶ March 4, Washington, DC

Summary of EGU Listening Sessions



- ▶ **Electric Power Industry**
 - ▶ Allow for fleet wide averaging
 - ▶ Give credit for replacement of older, less efficient generation
- ▶ **Coalition Groups**
 - ▶ Allow for State programs to be deemed equivalent
 - ▶ Provide market-based flexibility
 - ▶ Recognize early action
- ▶ **State and Tribal Representatives**
 - ▶ Allow for State programs to be deemed equivalent
 - ▶ Reward the very best possible systems available
 - ▶ Take a multi-pollutant approach
- ▶ **Environmental and Environmental Justice**
 - ▶ Allow for State programs to be deemed equivalent
 - ▶ Recognize environmental benefit of non-emitting technologies
 - ▶ Allow no special considerations for biomass
 - ▶ Taking an aggressive GHG approach will reduce other pollutants as well

Summary of Refinery Listening Sessions



- ▶ Industry
 - ▶ Finish NSPS for petroleum refinery flares and process heaters first
 - ▶ Do not consider the feedstock in standards
 - ▶ Take into account the other EPA regulations that are in play (e.g., reformulated fuel standards and low sulfur fuel standards)
 - ▶ Recognize that:
 - ▶ requirements could push refining out of U.S. and produce no net reduction in global CO₂
 - ▶ refiners are already doing energy efficiency projects
 - ▶ scope outlined in settlements is too ambitious

Summary of Refinery Listening Sessions



- ▶ State and Tribal Representatives
 - ▶ Allow State programs to be deemed equivalent
 - ▶ Credit for early actions by industry that result in GHG reductions
 - ▶ Take a multi-pollutant approach
- ▶ Environmental / Environmental Justice Organizations
 - ▶ Recognize that the NSPS can provide more than limited benefits
 - ▶ Provide the flexibility needed to accommodate markets
 - ▶ Allow States to define and regulate sources
 - ▶ Consider standards that are:
 - ▶ technology-based
 - ▶ output-based
 - ▶ fuel-neutral
 - ▶ Consider co-pollutant impacts

Key Questions for the EGU GHG NSPS

- ▶ What should emission limits for new sources be based on?
- ▶ What should emission limits for modified sources be based on?
- ▶ What should emission limits for existing sources be based on?
- ▶ What regulatory mechanisms should be used to get reductions?
- ▶ How should State equivalency with guidelines be addressed?

Key Issues for the Refinery GHG NSPS



- ▶ Accurate emission data
- ▶ Scope of rulemakings
- ▶ Options for GHG rules
- ▶ Addressing environmental justice concerns and children's health
- ▶ Approach for addressing malfunctions

Additional Information

- ▶ Information on the GHG settlement agreement and other regulations affecting EGUs and Refineries is posted at:
<http://epa.gov/airquality/ghgsettlement.html>
- ▶ More information on the GHG listening sessions, including video recordings of the sessions, is posted at: <http://epa.gov/airquality/listen.html>