

# NSPS Rulemakings for Greenhouse Gas Emissions

*NACAA Spring Membership Meeting*

May 24, 2011



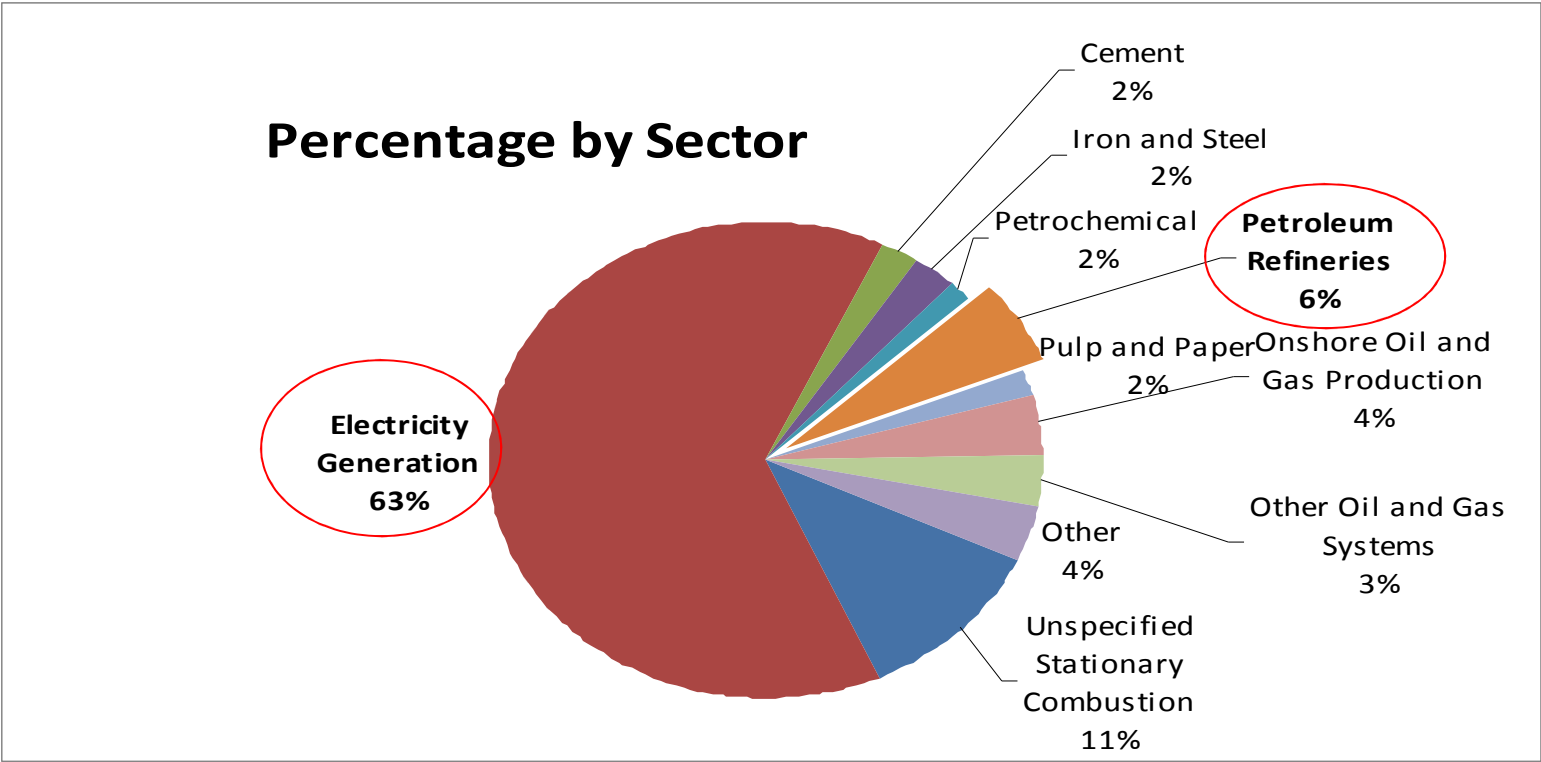
# Background

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- ▶ 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

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- ▶ 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

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- ▶ 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 CO<sub>2</sub>
    - ▶ 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

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- ▶ 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

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

# Additional Information

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- ▶ 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>