

Clean Air Updates:

NAAQS and Other Implementation-Related Topics

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> NACAA Spring Membership Meeting May 7-9, 2012



Outline of Presentation

- ▶ SIPs: Anticipated Schedule
- NAAQS Implementation Updates
 - Ozone
 - ▶ PM
 - ▶ SO₂
 - NO₂
 - Other NAAQS
- Infrastructure, Transport, and Regional Haze SIPs
- Exceptional Events Rule Implementation Guidance
- Policy on Wildfires and Prescribed Burns
- Draft NSPS Proposal for New Residential Wood Heaters
- GHG Permitting
- SIP-Improvement: Current Initiatives
- Questions?

Current Schedule for Ongoing NAAQS Reviews (as of May 7, 2012)

MILESTONE	POLLUTANT						
	NO ₂ /SO ₂ Secondary	PM	Ozone	Lead	NO ₂ Primary	SO ₂ Primary	со
NPR	<u>Jul 12, 2011</u>	TBD	2013	Jan 2014	Aug 2015	Feb 2016	Jul 2016
NFR	<u>Mar 20, 2012</u>	Intended Aug 2013*	2014	Nov 2014	May 2016	Nov 2016	Apr 2017

NOTE:

<u>Underlined</u> dates indicate court-ordered or settlement agreement deadlines. *As part of a court filing on May 4, 2012, EPA requested that the court require EPA to sign a final action no sooner than August 15, 2013.

Anticipated NAAQS Implementation Milestones



Pollutant	Final NAAQS Date (or Projection)	Infrastructure SIP Due	Designations Effective	Attainment Demonstration Due	Attainment Date
PM2.5 (2006)	Oct 2006	Oct 2009	Dec 2009	Dec 2012	Dec 2014/2019
Pb	Oct 2008	Oct 2011	Dec 2010/2011	June 2012/2013	Dec 2015/2016
NO ₂ (primary)	Jan 2010	Jan 2013	Feb 2012	none	none
SO ₂ (primary)	June 2010	June 2013	TBD	TBD	TBD
Ozone (2008)	Mar 2008	Mar 2011	Mid 2012	2015	2015-2032
PM (current review)	Intended August 2013*	August 2016	2015	2018	2020/2025
Ozone (current review)	2014	2017	2016	2019	2019-2036

^{*}As part of a court filing on May 4, 2012, EPA requested that the court require EPA to sign a final action no sooner than August 15, 2013.

2008 Ozone NAAQS Designations and Implementation



- ▶ EPA is under litigation to designate areas for the 2008 ozone NAAQS by May 31, 2012 (consent decree deadline)
 - 45 areas designated nonattainment on April 30, 2012, including 2 separate tribal areas
 - Only 3 have never before been designated nonattainment for ozone
 - Chicago area (IL, IN, WI) expected to be designated by May 31, 2012.
 - Designations effective 60 days after FR publication.
- Two rules are being expedited in parallel with designations to implement 2008 ozone NAAQS
 - 2008 Ozone NAAQS Classifications Rule:
 - Established classification thresholds and end-of-year attainment dates
 - Reclassified 6 areas in California that had previously requested bump up for 1997 NAAQS.
 - Revokes the 1997 standard only for purposes of transportation conformity I year after 2008 NAAQS designations.
 - Signed April 30, 2012. Effective 60 days after FR publication.
 - 2008 Ozone NAAQS SIP Requirements Rule:
 - Addresses remaining implementation issues
 - Current schedule: proposal in mid-2012; final in winter 2013

Overview of 2008 Ozone SIP Requirements Rule



- Rule and guidance addressing SIP requirements under Subpart 2
- Current schedule: proposal in mid-2012; final in winter 2013
- What the proposed rule will cover:
 - Attainment Demonstration SIPs
 - Reasonable Further Progress (RFP)
 - Reasonably Available Control Technology (RACT)
 - Contingency measures
 - New Source Review (NSR)
 - Emissions Inventory
 - Rural Nonattainment Areas
 - Flexible Programs (e.g., Ozone Advance)
 - Anti-backsliding provisions
- We intend to set up a discussion with states to provide more details on this rulemaking
- Interstate transport of ozone will be addressed in separate guidance



Other Ozone-related Actions

- Widespread Use of Onboard Refueling Vapor Recovery and Stage II Waiver
 - Proposed rule issued July 2011 would waive the requirement for Stage II vapor recovery systems at gasoline refueling stations in Serious and above areas by June 2013. Does not waive independent "Stage II or comparable measures" requirement in Ozone Transport Region
 - Public comment period closed September 2011. Final rule expected by summer 2012. Based on comments we received and further technical analysis we expect widespread use data will be some time in 2012.
 - ▶ EPA also intends to issue separate guidance in summer 2012 to address I) technical aspects of removing existing Stage II programs from SIPs, and 2) satisfying the OTR "comparable measures" requirement
 - Numerous affected States and industry stakeholders have provided input for guidance, currently under development



Other Ozone-related Actions (cont.)

Revision to Monitoring Rules

- Proposed July 2009 to modify minimum monitoring requirements in urban areas, add new minimum monitoring requirements in non-urban areas, and extend the length of the required ozone monitoring season in some states
- Focus has shifted to revising ozone season requirements vs. expanding network size
- Status on final rule is TBD.

Emission Reduction Measures Information

- Menu of control measures provides state, local and tribal air agencies with the existing emission reduction measures as well as relevant information concerning the efficiency and cost effectiveness of the measures
- State, local and tribal agencies will be able to use this information in developing emission reduction strategies, plans and programs
- The menu of control measures can be found at: http://www.epa.gov/air/criteria.html



Other Ozone-related Actions (cont.)

- Revisions to implementation rules for 1997 8-hr ozone NAAQS
 - Classification of former subpart 1 areas under subpart 2 final rule
 - On April 27, 2012, EPA finalized revisions to the 2004 Phase Trule that State, tribal and local air pollution control agencies would follow to meet the 1997 8-hour ozone NAAQS. Effective 30 days after FR publication. Areas have 12 months from effective date to provide any outstanding SIP elements.
 - This action resulted in 16 ozone nonattainment areas, previously classified under Subpart 1, reclassified as Marginal or Moderate under Subpart 2 provisions of the CAA.

RACT/RACM policies proposal

- Proposal to revise presumption that NOx SIP Call and CAIR satisfy nonattainment area RACT/RACM requirements for covered sources, per July 2009 court decision. Proposal would also revise economic feasibility guidance for RACT/RACM and RFP policy for the 1997 PM_{2.5} NAAQS.
- ▶ EPA intends to propose rule this summer 2012
- > RFP credit final rule for emissions reductions outside ozone nonattainment areas
 - Proposed December 2010 to limit RFP credit only to reductions "in the area," in response to court decision.
 - We are in the process of evaluating when we will take final action on the rule.



Ozone Advance Program

- Program to encourage progress to reduce ozone pollution in the near term.
 - It is designed to help attainment areas work proactively to stay in attainment of the 2008 ozone NAAQS or any future revised NAAQS.
- ▶ EPA launched the program on April 4, 2012.
- Advantages of participating in Ozone Advance include the ability to collaborate with EPA to get measures/programs in place expeditiously to
 - 1. Ensure continued protection of public health
 - Avoid nonattainment
 - 3. Use available resources to address ozone efficiently and effectively.
- Dzone Advance does not establish new requirements or defer/avoid any existing requirements; this is not an Early Action Compact program with deferred nonattainment designations.
- Guidance can be found at www.epa.gov/ozoneadvance.
- Questions and Sign-up letters can be sent to ADVANCE@epa.gov or by contacting Laura Bunte at bunte.laura@epa.gov.



1-Hour Ozone NAAQS Litigation

- ▶ EarthJustice, Sierra Club and other environmental groups have brought litigation to compel EPA to make determinations whether a number of Severe/Extreme 1-hour ozone nonattainment areas attained by attainment dates
 - In accordance with a settlement agreement with Sierra Club, EPA proposed determinations regarding 1-hour ozone attainment deadlines for NY-NJ-CT, Baltimore, Houston, W-Ma, E-MA and Greater CT. Sierra Club submitted adverse comments on several issues raised by EPA's proposed determination for NY-NJ-CT
 - Settlement agreement deadline for EPA to make final determinations is May 31, 2012.
- In response to other litigation, EPA has published final determinations of failure to attain the I-hour ozone standard for San Joaquin Valley, South Coast, and Southeastern Desert
 - Environmental groups recently filed a Petition for Review in the 9th Circuit challenging these determinations
 - Briefing has been delayed until Fall 2012.
- Section 185 Fee Program SIP Actions
 - Findings of failure to submit for 4 California areas triggered sanctions clocks for July 2012 (offsets) and January 2013 (highway funds). Failure to attain findings, when final, for NY, Baltimore, Houston trigger requirement to implement Section 185 program.
 - Section 185 "Termination Determinations" have been proposed for Sacramento and finalized for Baton Rouge. New York has also submitted request.
 - Adverse comments on Sacramento leading us to consider requiring additional support akin to maintenance plans and contingency measures
 - ▶ EPA proposed approval of alternative programs for San Joaquin Valley, South Coast, and SE Desert with stay of sanctions in August 2011.



1997 Ozone NAAQS Litigation

- Based on settlement agreements and consent decrees related to 1997 ozone NAAQS infrastructure SIPs, there are upcoming deadlines for EPA action (proposal or final) on one or more elements of 14 states' SIPs between now and June 2014
- Partial disapproval of Texas infrastructure SIP
 - Petition for review filed by Texas on partial disapproval for lack of PSD GHG regulation.
- ▶ EPA entered into a settlement agreement with Sierra Club to make determinations whether several areas attained by their attainment date for the 1997 8-hour ozone NAAQS. These areas are: NY-NJ-CT, St. Louis, Western-MA (W-MA) and Eastern-MA (E-MA)
 - Deadline for EPA to make final determinations for NY-NJ-CT is May 31, 2012.
 - Deadline for EPA to make final determinations for St. Louis, W-MA and E-MA is July 31,2012. St. Louis has already been finalized.



2008 Ozone NAAQS Litigation

- Petition for review filed by Earthjustice and others on failure to finish the reconsideration action on the 2008 ozone NAAQS
 - Case dismissed February 17, 2012 finding EPA took no final action
 - **EPA** intends to complete the reconsideration as part of the 2013/2014 review.
- Deadline suit filed by WildEarth Guardians in US District Court (AZ) for failure to promulgate area designations for the 2008 ozone NAAQS
 - Consent decree requiring action by May 31, 2012.
- Deadline suit for failure to issue PSD regulations (e.g., PSD increments) for 2008 ozone NAAQS under Section 166 of the Act
 - A has filed a partial motion to dismiss arguing no duty to issue a Section 166 rule for revised NAAQS and is awaiting a decision from the court.
 - Plaintiffs have filed motion for summary judgment, arguing that the court should require EPA to issue a proposed Section 166 rule within 8 months and a final rule within a year; briefing is ongoing.
- Deadline suit filed by WildEarth Guardians and Sierra Club to compel the Agency to make findings of failure to submit ozone infrastructure SIPs for 2008 NAAQS and to take final action on the SIPs for TN and KY
 - Currently responding to Plaintiffs' motion for summary judgment regarding a schedule for this action.



Other Ozone-related Litigation (cont.)

- ▶ Sierra Club suit to compel EPA to respond to prior petition to designate through regulation model(s) to use to determine if PSD major sources will cause or contribute to a violation of the ozone NAAQS and PM_{2.5} NAAQS and increments, and to compel EPA to specify with reasonable particularity such models
 - PA granted the petition to engage in rulemaking to evaluate whether updates to Appendix W are warranted for ozone and secondary PM2.5, and to incorporate new analytical techniques or models as appropriate (Jan. 4, 2012). The parties have filed a stipulation of dismissal of both claims in the case (Jan. 16, 2012).



PM NAAQS – Current Review

- ▶ Current review includes EPA's response to 2009 remand of primary annual $PM_{2.5}$ standard and secondary $PM_{2.5}$ standards as set in 2006
- Policy Assessment (April 2011) presents EPA staff conclusions on the broadest range of policy options supported by the latest science; includes summary of Clean Air Scientific Advisory Committee (CASAC) advice
- ▶ EPA has repeatedly said that it has no plans to tighten the PM₁₀ standards
- As part of court filings in January 2012 and May 2012, EPA identified a schedule for completing its review
 - Proposed rule Summer 2012
 - Final rule August 2013 (On May 4, 2012, EPA requested that the court require EPA to sign a final action no sooner than August 15, 2013).
- If current review results in new/revised standards, revisions to implementation guidance/rule likely to be proposed around time of the final NAAQS, in advance of designations
 - ▶ EPA intends to work with NACAA in advance of any such proposals.



PM_{2.5} NAAQS Implementation

- SIP timeline for 2006 standards
 - Designations effective in December 2009
 - Attainment demonstration SIPs due December 2012
- ▶ Infrastructure litigation and SIP obligations for 2006 PM_{2.5} NAAQS
 - ▶ Based on a consent decree related to 1997 PM_{2.5} NAAQS infrastructure SIPs, there are upcoming deadlines for EPA action (proposal or final) on one or more elements of 20 states' SIPs (including interstate transport SIPs) between now and June 2014



PM_{2.5} NAAQS Implementation (cont.)

Guidance for 2006 standards signed March 2, 2012

- Clarified several issues, including RFP milestone years, seasonal emission inventory issues, policy for contingency measures
- Also clarified that framework of existing implementation rule 40 CFR 51 Subpart Z (§51.1000) is appropriate for attainment planning for 2006 PM_{2.5} standards

Permitting

- PSD and Nonattainment NSR Program SIP revisions were due May 16, 2011. 1997 PM₁₀ Surrogate Policy can no longer be used to satisfy PSD or NNSR requirements for PM_{2.5}
- Recent revision to 2008 Interpollutant Offset Substitution policy confirms ability to allow substitution but withdraws presumptively approvable ratios, which were never codified. States need to provide adequate technical justification for any offset ratios they may develop and submit for EPA approval.
- As with ozone, Sierra Club suit filed August 31, 2011 to compel EPA to respond to their petition requesting EPA to specify an official model to determine if major sources of PM_{2.5} precursors violate the NAAQS
 - ▶ EPA granted the petition to engage in rulemaking to evaluate whether updates to Appendix W are warranted for ozone and secondary PM_{2.5}, and to incorporate new analytical techniques or models as appropriate (Jan. 4, 2012). The parties have filed a stipulation of dismissal of both claims in the case (Jan. 16, 2012).



PM_{2.5} SILs & SMC Litigation

- Sierra Club has challenged EPA's legal authority to promulgate Significant Impact Levels (SILs) and Significant Monitoring Concentrations (SMC), as well as the specific SIL and SMC values for PM_{2.5} that we promulgated on October 20, 2010.
 - We submitted a Respondent's Brief to the Court (Brief) on April 6, 2012.
 - Brief defends our authority under section 165(a)(3) to allow the use of SILs to demonstrate compliance with NAAQS and increments
 - Brief also acknowledges need to revise regulatory text at paragraph (k)(2) of both PSD regulations (51.166 and 52.21), which provides that source impacts (alone) less than the PM_{2.5} SIL would be deemed to satisfy the demonstration of compliance with the NAAQS and increments. We asked the Court to remand and vacate paragraph (k)(2) while EPA undertakes rulemaking to revise the regulatory text to provide discretion to not rely only on the de-minimis source impacts where they would cause a new violation.
- We are in the process of developing guidance to assist EPA Regional Offices and States in the appropriate use of PM_{2.5} SILs during interim period until PSD regulations are revised.
- We will work with stakeholders to address specific permit issues, including any challenges to permits that relied on our 2010 SIL values.

Progress on Ozone and $PM_{2.5}$ Attainment (as of April 2012)



	1997 8-hr Ozone 2004 designations	1997 PM _{2.5} 2005 designations	2006 PM _{2.5} 2009 designations
Initial Nonattainment Areas	113	39	32
Redesignations Approved Areas	70	4	0
Current Nonattainment Areas	43	35	32
Clean Data Determinations	27	38	6
Pending Proposed Redesignation Requests	4	3	I



SO₂ NAAQS Implementation

- ▶ New primary SO₂ I-hr standard promulgated June 2010
- We announced to states on April 12th that we are:
 - Continuing the process to "designate" areas as quickly as possible, focusing on areas with sufficient ambient air quality data
 - Organizing a series of stakeholder meetings to get focused input to help us refine our approach for establishing whether areas are meeting the SO₂ standard
- Since we may change our proposed approach for determining attainment, we don't expect states to submit a "modeling demonstration" showing future attainment for areas that get designated "unclassifiable" – most likely those areas without SO₂ monitors - as part of their June 2013 infrastructure SIPs
- We intend to issue further guidance and/or rulemaking addressing SO_2 SIPs following the stakeholder discussions.



NO₂ NAAQS Implementation

- ▶ I-hr 100 ppb standard promulgated January 2010
- ▶ Guidance on NO₂ PSD permit modeling issued June 2010 and March 2011. See http://www.epa.gov/NSR/guidance.html
- Designations of "unclassifiable/attainment" for all areas became effective in February 2012
- New monitoring network: 52 near-road sites in cities with population > I million
 - ▶ EPA has committed to do a rulemaking to extend the implementation deadlines for the NO₂ near-road monitoring network
 - Current deadline is January 1, 2013
- ▶ Infrastructure SIPs due January 2013; guidance planned.

Implementation Updates for Other NAAQS



NO₂/SO₂ Secondary NAAQS

- On March 20, 2012, EPA announced it is retaining the current NO₂ and SO₂ secondary standards to address the direct effects on vegetation of exposure to gaseous oxides of nitrogen and sulfur.
 - We did not add new standards to address effects associated with the deposition of oxides of nitrogen and sulfur on sensitive aquatic and terrestrial ecosystems.
- Thus there are <u>no</u> upcoming implementation milestones associated with the retained standard.
- Longer term
 - Planning a 5-year field pilot program to collect and analyze data to inform next NAAQS review
 - 3-5 locations in acid-sensitive ecoregions (starting 2013)

Pb NAAQS

- Round 2 of initial designations was completed in November 2011.
 - Attainment SIPs are due in June 2013; attainment deadline is December 2016.
 - http://www.epa.gov/leaddesignations/2008standards/
- Updated implementation website that provides a Pb SIP toolkit http://epa.gov/air/lead/implement.html.
- RACT/RACM guidance issued March 2012
- Infrastructure SIP deadline October 2011. As of April 2012, 18 of 53 states have submitted SIPs



Infrastructure SIP Obligations

NAAQS	Due date under CAA	Notes
1997 Ozone	July 2000	July 2010 Consent Decree: i-SIP obligations remain for 1 state (MT) Fall 2011: Settlement agreement includes i-SIP obligations for 16 states; obligations remain for 12 states; deadlines all in 2012
2008 Ozone	March 2011	Draft infrastructure SIP guidance anticipated summer 2012
1997 PM _{2.5}	July 2000	NOI received, but no further actions taken by litigants
2006 PM _{2.5}	Sept 2009	September 2011: Made findings of failure to submit for 8 states, starting FIP clock Oct 2011: Entered Consent Decree for 20 states; EPA final action due in 2012 (AR, NM in 2013) March 2012: Complaint filed for 8 states; CD deadlines likely
2008 Lead	October 2011	Infrastructure SIP guidance issued in October 2011
2010 NO ₂	January 2013	Draft infrastructure SIP guidance anticipated summer 2012
2010 SO ₂	June 2013	Infrastructure SIP guidance proposed in September 2011; revised draft guidance anticipated summer 2012



Infrastructure SIP Issues

- Infrastructure SIP guidance for 2008 ozone NAAQS is under development
 - We are considering the best approach for getting state input on draft guidance
 - We intend to issue the guidance this summer
 - Current plan is for this 2008 ozone guidance to additionally serve as guidance for the 2010 NO₂ NAAQS and SO₂ NAAQS
- Latest EPA guidance for infrastructure SIP submissions is tending toward more specificity than in the past, driven by increased litigation, consent decrees, and adverse comments
 - For example, past comments have led to state action on NO_x as a precursor for ozone in PSD; inclusion of state boards/conflict of interest provisions/CAA section 128
- ▶ EPA approval of a new SIP submittal must not be misinterpreted as re-approval of already SIP-approved provisions involving:
 - Excess emissions of a facility at times of startup, shutdown, or malfunction ("SSM")
 - Director's discretion
 - Minor source NSR program
 - NSR Reform amendments
- Sierra Club Start up-Shut down Malfunction (SSM) petition (June 2011)
 - Identifies 39 states across all 10 Regions
 - EPA will begin rulemaking
 - Action to grant or deny required by settlement agreement due by August 2012 (may involve SIP calls)



Interstate Transport Requirements

- Section I I0(a)(2)(D)(i) of the CAA requires submittal of substantive interstate transport SIPs in the same timeframe as infrastructure SIP submittals
- SIPs must contain provisions prohibiting emissions that contribute significantly to downwind nonattainment with (or interfere with maintenance of) a NAAQS by any other state
 - Section I I0(a)(2)(D)(i)(II) also contains provisions prohibiting downwind interference with PSD or visibility requirements
- Transport Rule (i.e., CSAPR) quantified certain states' obligations pursuant to section I I0(a)(2)(D)(i)(I) with respect to 1997 ozone and PM_{2.5} and 2006 PM_{2.5} NAAQS.
- Interstate transport requirements apply for all NAAQS in all states.
 - In the western US, for 1997 ozone and PM_{2.5} NAAQS, interstate transport SIPs are generally done, though a handful of issues remain with visibility prong (linkage to RH SIPs)

2006 PM_{2.5} and 2008 Ozone NAAQS Interstate Transport SIP Litigation



For the 2006 PM_{2.5} NAAQS:

- In September 2009, SIPs were due and EPA issued guidance
- EPA made findings of failure to submit for 29 states in June 2010 and for TN in July 2011 for section 110(a)(2)(D)(i)(I); FIP deadline for several states approaching in July 2012 because of June findings
- Based on a consent decree for infrastructure SIPs, there are upcoming deadlines for EPA action on 20 states' SIPs between now and October 2013
- All states have a statutory obligation to submit interstate transport SIPs.
- For states included in CSAPR modeling domain:
 - If state was found to have emissions that significantly contribute to air quality problems in another state, EPA promulgated FIPs in the CSAPR to address such emissions. These FIPs were stayed by the D.C. Circuit in December 2012.
 - If state was found not to "significantly contribute" or "interfere" the Transport Rule's technical analysis can be used to supplement SIP approval actions
- For states not included in CSAPR modeling domain (West):
 - States must develop transport SIPs, and we encourage them to work with their EPA Regional Office regarding analyses to support these SIP actions
- Recent complaint amended by Sierra Club (4/24/12) for failure to take final action on 9 states' SIPs and to make finding of failure to submit for 2 states SIPs

For the 2008 ozone NAAQS:

- Transport SIPs for 2008 ozone NAAQS were due March 2011
- Deadline suit filed by WildEarth Guardians and Sierra Club to compel the Agency to make findings of failure to submit ozone infrastructure SIPs for 2008 NAAQS and to take final action on the SIPs for TN and KY
 - Currently responding to Plaintiffs' motion for summary judgment regarding a schedule for this action.



Interstate Transport Litigation

- CSAPR: awaiting decision by DC Circuit
 - Oral arguments April 13
 - Decision anticipated this summer
 - Currently continuing to implement CAIR.
 - ▶ On January 10, EPA restored 2012 CAIR allowances to accounts.
 - EPA has also allocated 2012 allowances for states that submitted allocation files after January 10
- Additional CSAPR notices
 - ▶ Dec. 15, 2011: final supplemental notice for 5 ozone states
 - Feb. 21, 2012: final notice with technical adjustments to allocations, new source set-aside, and allocations for a number of states
 - Feb. 21, 2012: direct final/parallel proposal for additional revisions. [note: EPA intends to withdraw direct final because adverse comments were submitted]



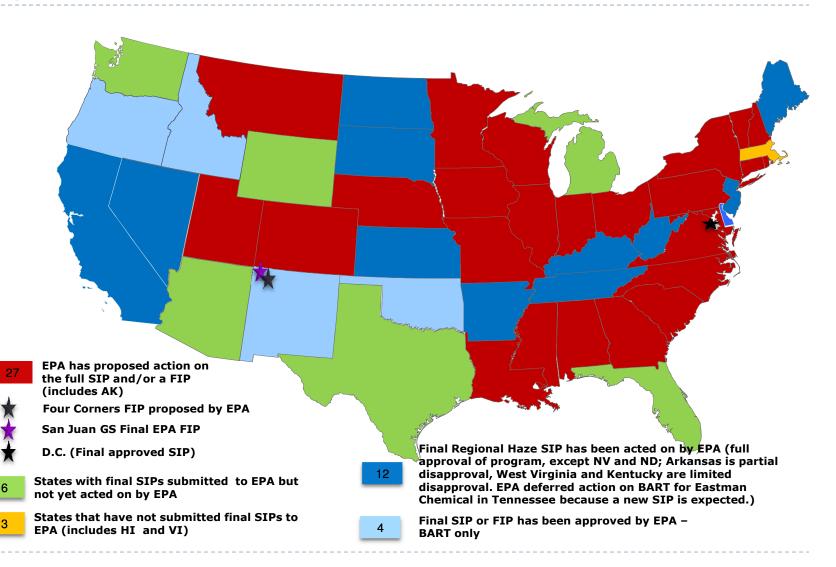
Consent Decrees for Regional Haze

- EPA has entered into consent decrees which have established schedules for taking action on all regional haze SIPs except Florida
 - Consent decrees are with WildEarth Guardians (WEG), National Parks Conservation Association (NPCA) et al., Sierra Club, and Kentucky Environmental Foundation
- The consent decrees resulted from the litigants filing complaints for EPA's:
 - Failure to take action on submitted SIPs for states that did not receive a "finding of failure to submit" notice in January 2009, and
 - Failure to promulgate FIPs for states that did receive a 'findings' notice
- ▶ The largest consent decree with NPCA et al. involves 48 separate actions
 - ▶ Some states involve more than one action e.g. in Tennessee, there is one action for the entire state SIP and a second for a SIP revision for a specific facility (Eastman)
- To date, we have completed 18 final actions with either approved SIPs or partial FIPs (see map)
- A separate schedule is being negotiated for Florida.
- Informal agreement has been reached to extend action on Arizona to a later date, TBD

Regional Haze SIP/FIP Status



(through April 30, 2012)



Other EPA Actions on Regional Haze SIPs



Transport Rule Better-Than-BART determination

- Proposal was published in the Federal Register on December 30, 2011.
- Comment period was extended to February 28, 2012.
- Final rule is expected in May 2012.

FIPs:

- Three FIPs have been finalized: I power plant in NM, 3 power plants in OK, and 2 power plants in ND.
- Three proposed FIPs: NV, NY and MT
- There may also be FIPs for many states to substitute CSAPR for CAIR as the alternative to source-specific BART for EGUs.

Regional Haze SIPs – Periodic Review and 2018 Revision



- Periodic report describing progress toward reasonable progress goals [§51.308(g)] and [§51.309(d)(10)]
 - Report is due 5 years from submittal of the initial SIP under 308, and in 2013 under 309
 - Must be in the form of a SIP revision
 - Evaluate adequacy of existing plan and act accordingly [§51.308(h)]
 - ▶ EPA is working with the states to clarify expectations and will provide any guidance, as appropriate
- ▶ 2018 SIP revision must fully satisfy RH rule requirements [§51.308(f)]
 - Comprehensive SIP revision due July 31, 2018, with revised reasonable progress goals, if necessary
 - ▶ EPA intends to hold future meeting with RPOs to discuss the requirements and develop a strategy to meet the requirements

Exceptional Events Rule Implementation Guidance



- ▶ EPA is developing guidance and other tools to improve implementation of the Exceptional Events Rule.
- ▶ EPA released draft guidance documents to state, local, and tribal stakeholders for comment in 2011 and is almost done revising the draft guidance documents.
- ▶ EPA intends to publish very shortly a Notice of Availability in the Federal Register announcing the availability of the revised draft guidance documents and a detailed Response to Comments document for public comment.



Policy on Wildfires and Prescribed Burns

- Draft policy to address managing air quality impacts from wildfires and prescribed burns was submitted for OMB review in February 2010
- Because of concerns identified by other federal agencies, we withdrew it to address their issues
- An intent of the policy is to address agriculture burning
- Have been working internally with EPA Regions on appropriate issues to address in the guidance
- Also have had several meetings with federal agencies to understand their specific concerns and still have issues to work with and resolve with them
 - After we finish with the Federal agencies, we will schedule meetings with interested states and local agencies and Federal agencies to discuss the results of our discussions and get their input.
- EPA will then draft revised policy and put it out for comment in late 2012

Draft NSPS <u>Draft Proposal</u> for New Residential Wood Heaters



- Tightens PM emission limits and expands scope to include additional appliances
- Retains flexibility to issue final rules from a wide range of options and considerations

Wood Stoves:

- Proposes matching tightest state levels, i.e., State of Washington
- Describes options for even tighter standards
- Eliminates exemptions for single-burn-rate stoves and pellet stoves

Outdoor Wood Boilers Co-proposal:

- (a) PM limit of 0.32 lb/MMBTU (~90% reduction) in 2014 and 0.15 lb/MMBTU (~95% reduction) in 2017
- (b) 0.15 lb/MMBTU immediately
- Asks for specific comments and data without stating a preference
- Discusses concerns about short-term emissions, proposes a maximum emission rate per test run (7.5 grams per hour), and asks for data for development of future options

Not regulating fireplaces

Preamble expresses concern about cost-effectiveness of a potential nationwide regulation (\$22,000 per ton) but also states that some areas may need additional measures

Draft NSPS <u>Draft Proposal</u> for New Residential Wood Heaters: Status



- Draft proposal in Office of Policy since February 10
- Still waiting for OMB to accept receipt of rule
 - OMB has full plate of court-ordered rules
 - This rule is not court-ordered
- If OMB were to receive draft rule now, the anticipated schedule would be:
 - August 2012 Proposed rule signed and published
 - September 2012 -- Public hearing
 - November 2012 -- 90-day public comment period ends
 - Summer 2013 Final rule signed and published
- Questions? Contact Gil Wood at wood.gil@epa.gov or 919-541-5272.

GHG Permitting: Steps under the Tailoring Rule



• Step 1: Sources already subject to PSD "anyway" and GHG emissions = or > than (tpy CO_2e):

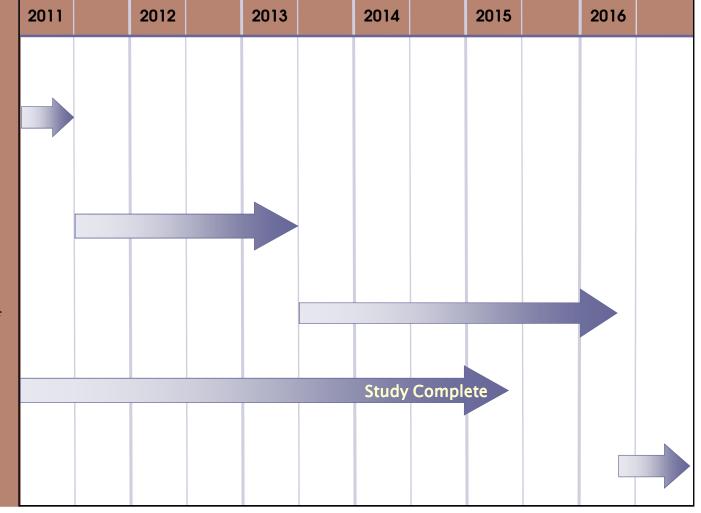
New source: NA

PSD Modification: 75,000

• Step 2: Step 1 plus sources with GHG emissions = or > than (tpy CO2e):

New source: 100,000 PSD Modification: 75,000

- **Step 3**: Implementation of potential additional phasein and streamlining options
- **5-year study**: To examine GHG permitting for smaller sources
- Implementation of rule based on 5-year study





GHG Permit Status

- As of April 13, 2012, we are aware of 31 companies/plants that have been issued GHG permits (since January 2, 2011)
 - EPA has issued 5 of these permits (Palmdale Hybrid Energy Center, CA; Eni Holy Cross Drilling Project, OCS Eastern GOM; Lower Colorado River Authority, TX; and Port Dolphin Energy LNG Port, OCS Eastern GOM; Pioneer Valley Energy Center, MA)
 - > SIP-approved state/local permitting authorities issued the other 26
- ▶ EPA is continuing to provide comments on draft GHG permits to be issued by state agencies
- ▶ EPA is currently reviewing approximately 27 GHG permit applications for which EPA will issue the permits
- In addition to these issued and pending permits, EPA is tracking roughly 80 additional PSD permit applications that likely include a GHG component have been submitted and include source categories such as:
 - Biofuel Production
 - Cement Plants
 - Electric Generating Units
 - Lime Production Facilities
 - Outer Continental Shelf Exploration
 - Pulp and Paper Mills
 - Refineries
- <u>Bottom line</u>: documentation of GHG control considerations and BACT limits is important for a robust permit record



Biomass and GHG Permitting

Biomass Deferral

- In July 2011, EPA issued a rule to defer completely the application of preconstruction permitting requirements to biomass-fired CO_2 and other biogenic CO_2 emissions for a <u>period of three years</u>.
 - Final Rule, Fact Sheet, and Response to Comments at: http://www.epa.gov/nsr/actions.html;
 - Deferral applies to CO₂ emissions only.
- EPA sent a biomass study to SAB for review in September 2011
- Next steps:
 - SAB to issue letter on biomass study (anticipated Spring 2012)
 - ▶ EPA to address SAB comments as appropriate
 - If necessary, EPA would propose rule on how to treat biomass in permitting



Other GHG Permitting Activities

- ▶ Tailoring Rule Step 3 rulemaking underway
 - Proposal comment period ended on April 20, 2012
 - Final rule to be completed this summer
- GHG Permit Streamlining Workgroup under CAAAC
- ▶ 2015 Completion of GHG PSD study
- ▶ 2016 Step 4 final rule



GHG Permit Streamlining

Integral part of the phase-in approach to GHG permitting requirements

Has the potential to:

- Obviate the applicability of PSD and title V requirements for some GHGemitting sources
- Promote more efficient treatment of GHG-emitting sources that will already be subject to these programs
- Allow the expansion of PSD and title V applicability to more GHGemitting sources while protecting sources and permitting authorities from undue resource burdens



GHG Permit Streamlining (cont.)

- ▶ EPA has proposed two streamlining measures as part of the recent Step 3 proposal:
 - Increasing the flexibility and improving the usefulness of plantwide applicability limitations (PALs) for GHGs
 - Creating the regulatory authority for EPA to issue synthetic minor permits for GHGs in those areas where EPA is the PSD permitting authority
- EPA has also identified other potential streamlining measures in the Step 3 proposal:
 - Defining Potential to Emit (PTE) for various source categories
 - Establishing emissions limits for various source categories that constitute presumptive Best Available Control Technologies
 - Establishing procedures for use of general permits and permits-by-rule for source categories such as boilers and emergency engines
 - Establishing procedures for electronic permitting and "lean" techniques for permit process improvements
 - Excluding "empty permits" from the title V permitting program



GHG Permit Streamlining Workgroup

- Purpose: To develop and recommend to EPA potential streamlining approaches for GHG permitting.
- Permit streamlining techniques and approaches are a key component of GHG permitting under the CAA.
- A key factor in EPA's phased-in approach to GHG permitting under the CAA is the ability of permitting authorities to issue timely permits and for sources subject to permitting to obtain and comply with those permits.
- Streamlining approaches that could help expedite permitting and make more efficient use of resources need to be developed to allow expansion of the permitting programs to smaller sources of GHG emissions.

GHG Permit Streamlining Work Group Charge



- 1. Review the EPA identified streamlining methods and source categories. Confirm, expand or narrow both the scope of streamlining methods EPA should explore further, and the source categories that may be well-suited either individually, or collectively for each streamlining approach.
- 2. Identify the regulatory and policy barriers associated with further development of permit streamlining methods for each of the source categories, and recommend approaches to address those barriers.
- 3. Prioritize the source categories and streamlining methods for further development by EPA and recommend an implementation approach for each method.

GHG Streamlining Work Group Deliverables and Deadlines



- Work Group started in April 2012 and is to complete its work by October 2012
- Deliverables and Deadlines:
 - Draft Interim Written Report August 15, 2012
 - Draft Final Written Report September 15, 2012
 - To be delivered and deliberated upon by the CAAAC for submission to EPA.
 - The final report may also address the issues and potential barriers associated with further development of permit streamlining methods and recommend implementation strategies.



- What state/local concerns and how are we addressing them?
- What are we ultimately trying to achieve?
- Where do we go from here?

What are state/local concerns and how are we addressing them?



- ▶ EPA has been engaging with states through different means over many months to better understand state concerns associated with SIP guidance, development, and processing.
 - For example, the ECOS/NACAA SIP Reform Work Group started with a list of the 13 highest-priority potential SIP process reforms
- Through these various modes, we have come to identify two broad categories of issues:
 - Consistent, timely, and efficient SIP processing
 - Timely completion of EPA guidance documents, including state involvement in guidance development process

Consistent, timely, and efficient SIP processing



Consistency

- Consistency memo: addresses state submittal requirements, clarifies clean data vs. redesignation requests, and the use of letter notices (issued April 6, 2011)
 - Addressed 4 of 13 issues identified by ECOS/NACAA SIP Reform Work Group
- Elevation memo: describes the process for EPA regional and HQ offices to raise issues related to broad categories of SIPs (e.g., infrastructure SIPs) in order to ensure they are addressed appropriately across the regions (issued March 30, 2012)

Timeliness

- ▶ EPA SIP Backlog Work Group
 - Commitment to address over 200 backlogged SIPs by end of FY 2012 as part of Key Performance Indicator (KPI)
 - Menu of options to assist in processing SIP backlogs

Efficiency

- SIP Kaizen process (e.g., ozone TSD, ozone cross-walk, and menu of control options)
- National SIP tracking database
- SIP dashboard
 - Initially identified 20 SIP-related policy issues requiring resolution; only a handful remain

Timely completion of EPA guidance documents, including state involvement



- We launched a full lifecycle analysis and action plan (LCAP) for implementation of the 2013 PM NAAQS
- ▶ Comprehensive, full cycle critical analysis
 - A real program, rather than a "pilot" effort, that can be transferable and become core part of how we do business in the future
 - Time horizon is from inception of new or revised NAAQS through attainment and beyond (SIP approvals, attainment findings, redesignations)
- ▶ EPA working with ECOS/NACAA SIP Reform Work Group to complete this analysis and associated work plan in CY2012
- Will also serve as the response to a request by ECOS for EPA to conduct an implementation project



What are we trying to achieve?

LCAP will serve as an important learning tool

- It represents an holistic, integrated attempt to bring together all of our previous efforts and lessons-learned with respect to SIP guidance, planning and processing
- State involvement every step of the way in LCAP

Ultimate goal for LCAP

 Develop a roadmap to use as a tool for planning and carrying out implementation of future NAAQS

Steps to get started -- Visualizing successful implementation of the 2013 PM NAAQS



- Make a Big List of all the "things" necessary for success, such as:
 - CAA interpretations or EPA policies.
 - ▶ Technical information, tools, and technical results.
 - Work processes and decision making processes.
 - Tools to speed administrative work.
 - Goals and tracking systems.
 - Communication practices.
- Answer questions for each item on the Big List, such as:
 - Timing.
 - Will existing guidance do the job?
 - How do we get it into the right hands so it can be used?
 - Lessons from the past?
 - Already underway vs. need to start a new effort?
 - How to achieve quality with respect to the needs of the users?
 - Competing priorities.

Steps to get started -- Visualizing successful implementation of the 2013 PM NAAQS (Cont.)



- Develop a plan of attack and a schedule for each item on the Big List, such as:
 - Accountable leaders.
 - ▶ SIP Reform Work Group role.
 - Involve eventual users.
 - Use the expertise of staff in HQ offices, the Regions, and the state and local agencies.
 - Tracking and progress reporting.



Where do we go from here?

- Initiate and complete work on the "Big List" for PM LCAP in summer 2012
 - Work with ECOS/NACAA SIP Reform Work Group and non-NACAA states for input
- Create work plan to address items on Big List, initiate certain actions and complete work by December 2012
 - Leverage tools and guidance already completed
- <u>Bottom line</u>: Use LCAP exercise to help develop roadmap for implementing future NAAQS



Questions or comments?



Appendix



SIPs where we have taken *final* action

Litigant ¹	State	Date of Action	Final Action taken	Next Steps
WEG	California	June 14, 2011	Full approval	5 yr. progress report due March 17, 2014
WEG	Oregon (all BART elements)	June 21, 2011	BART approval	Proposal for remaining SIP elements due May 15, 2012
WEG	Idaho (all BART elements)	June 21, 2011	BART approval	Proposal for remaining SIP elements due May 15, 2012
WEG	New Mexico- San Juan Generating Station	August 22, 2011	FIP for BART for NOx	Proposal for remaining SIP elements due May 16, 2012
NPCA, et al.	Delaware	July 19, 2011	Full approval	5 yr. progress report due September 25, 2013
NPCA, et al.	Nevada - (except for Reid Gardner BART)	June 22, 2011	Approval	Final action for BART for Reid Gardner due on July 13, 2012
WEG	Oklahoma (all BART elements)	December 28, 2011	Partial approval; FIP for BART for SO2 at 6 EGUs at 3 facilities	Proposal for remaining SIP elements due May 15, 2012
NPCA, et al.	Kansas	December 27, 2011	Full approval	5 yr. progress report due November 4, 2014
NPCA, et al.	New Jersey	August 11, 2011	Full approval	5 yr. progress report due July 28, 2014
NPCA, et al.	District of Columbia	February 2, 2012	Full approval	5 yr. progress report due September 21, 2015
¹ Note: WEG=WildEarth Guardians, NPCA= National Parks Conservation Association				



SIPs where we have taken *final* action

Litigant ¹	State	Date of Action	Final Action taken	Next Steps
Sierra Club	Arkansas	March 12, 2012	Partial Approval/Partial Disapproval	Two-year FIP clock for EPA to correct deficiencies
WEG	North Dakota	April 6, 2012	Partial Approval/Partial Disapproval	Two-year FIP clock for EPA to correct deficiencies
Kentucky Env. Foundation	Kentucky	March 30, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Two-year FIP clock for EPA to correct deficiencies of reliance on CAIR
NPCA, et al.	Maine	April 24, 2012	Full approval	5 yr. progress report due December 9, 2015
NPCA, et al.	West Virginia	March 23, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR by May 30, 2012
NPCA, et al.	South Dakota	March 29, 2012	Full approval	5 yr. progress report due February 2, 2016
NPCA, et al.	Tennessee (all SIP elements except BART for Eastman Chemical)	April 24, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR by May 30, 2012

¹ Note: WEG=WildEarth Guardians, NPCA= National Parks Conservation Association



SIPs where we have taken **proposed** action

Litigant ^I	State	Date of Action	Proposed Action taken	Next Steps
NPCA, et al.	Illinois	January 26, 2012	Proposed full approval	Final action due May 30, 2012
NPCA, et al.	Indiana	January 26, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR – final action due May 30, 2012
NPCA, et al.	Minnesota (all SIP elements except BART for 6 taconite facilities)	January 25, 2012	Proposed approval	BART for taconite – proposal due July 13, 2012
NPCA, et al.	Ohio	January 25, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR – final action due May 30, 2012
NPCA, et al.	Pennsylvania	January 25, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR – final action due May 30, 2012
NPCA, et al.	Virginia	January 25, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	FIP to replace reliance on CAIR with reliance on CSAPR – final action due May 30, 2012
NPCA, et al.	Alabama	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Alaska	February 24, 2012	Proposed Full Approval	Final Action due June 15, 2012 for BART; November 15, 2012 for remaining elements



SIPs where we have taken **proposed** action

Litigant ^I	State	Date of Action	Proposed Action taken	Next Steps
NPCA, et al.	Georgia	February 27, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Iowa	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Louisiana	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements for NOx; disapproved BART for SO ₂ for EGUs	Final Action due by June 15, 2012
NPCA, et al.	Maryland	February 28, 2012	Proposed full approval	Final Action due by June 15, 2012
NPCA, et al.	Mississippi	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements for NOx; disapproved BART for SO ₂ for EGUs	Final Action due by June 15, 2012
NPCA, et al.	Missouri	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Nebraska	March 2, 2012	Partial Approval/Partial disapproval of BART for SO ₂ for one EGU; proposed FIP to rely on CSAPR better than BART for the disapproved BART determination	Final Action due by June 15, 2012

SIPs where we have taken *proposed* action

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Litigant ¹	State	Date of Action	Proposed Action taken	Next Steps
NPCA, et al.	New Hampshire	February 28, 2012	Full Approval	Final Action due by July 13, 2012
NPCA, et al.	North Carolina	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Rhode Island	February 28, 2012	Full Approval	Final Action due by June 15, 2012
NPCA, et al.	South Carolina	February 28, 2012	Limited Approval/limited disapproval of CAIR-dependent elements	Final Action due by June 15, 2012
NPCA, et al.	Vermont	February 28, 2012	Full Approval	June 15, 2012
NPCA, et al.	Wisconsin	February 28, 2012	Full Approval	June 15, 2012
NPCA, et al.	Connecticut	March 26, 2012	Full Approval	Final Action due by June 15, 2012
NPCA, et al.	Nevada – Reid Gardner BART	April 12, 2012	FIP	Final action due by July 13, 2012
NPCA, et al.	NM – Albuquerque/Bernalilio County	April 13, 2012	Full Approval	Final Action due by July 13, 2012
WEG	Montana	April 20, 2012	FIP	Final Action due August 15, 2012
NPCA, et al.	New York	April 25, 2012	FIP	Final Action due August 16, 2012
WEG	Colorado	March 26, 2012	Full Approval	September 6, 2012
WEG	Utah	April 30, 2012	Partial Approval/Partial disapproval of BART for NOx at 2 power plants	Final action due October 31, 2012

¹ Note: WEG=WildEarth Guardians, NPCA= National Parks Conservation Association



SIPs where we have yet to take action

Litigant ¹	State	Date of Action	Proposed Action taken	Next Steps
NPCA, et al.	New Mexico (remaining SIP elements)	Proposal due May 16, 2012		Final action due August 15, 2012
NPCA, et al.	Massachusetts	Proposal due May 15, 2012		Final action due September 14, 2012
NPCA, et al.	Hawaii	Proposal due May 14, 2012	FIP expected	Final action due September 14, 2012
NPCA, et al.	Virgin Islands	Proposal due May 14, 2012	FIP expected	Final action due September 14, 2012
NPCA, et al.	Wyoming	Proposal due May 15, 2012		Final action due October 15, 2012
NPCA, et al.	Arizona	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Idaho (remaining SIP elements)	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Oklahoma (remaining SIP elements)	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Oregon (remaining SIP elements)	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Tennessee (Eastman Chemical BART)	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Texas	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Washington	Proposal due May 15, 2012		Final action due November 15, 2012
NPCA, et al.	Michigan	Proposal due July 13, 2012		Final action due November 15, 2012
NPCA, et al.	Minnesota – taconite BART	Proposal due July 13, 2012		Final action due November 15, 2012

¹ Note: WEG=WildEarth Guardians, NPCA= National Parks Conservation Association