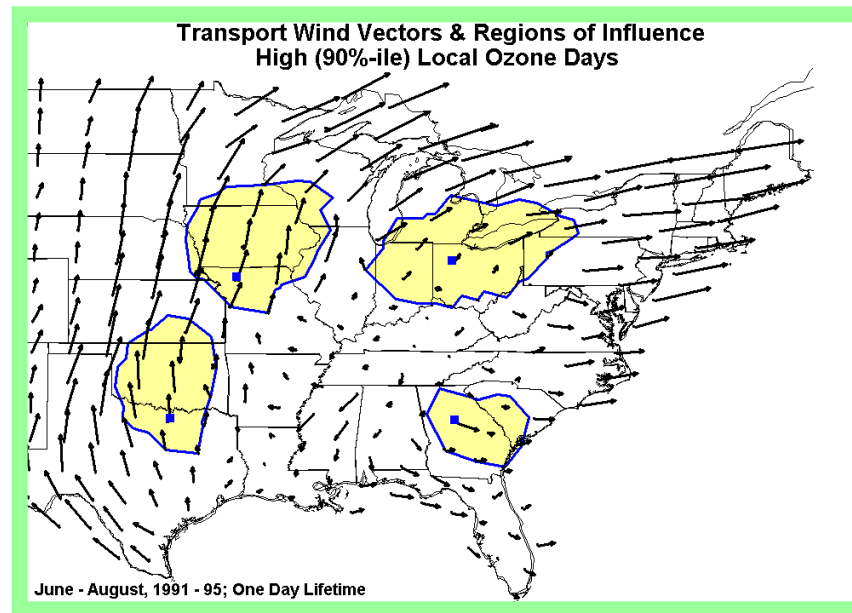


The Role For State and Local Agencies

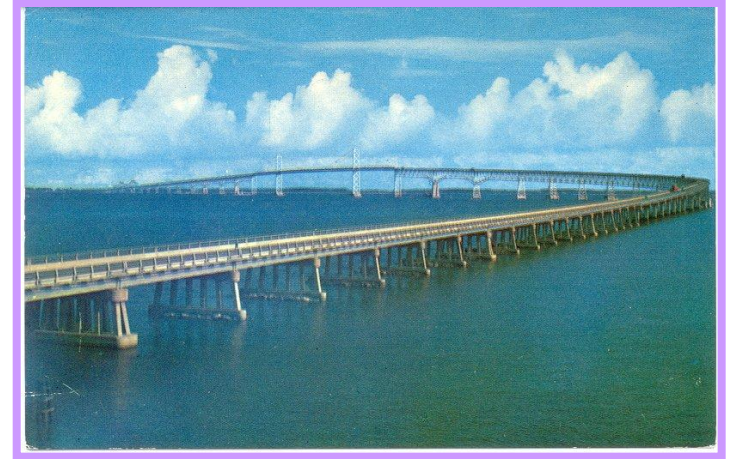
Next Steps on Transport



NACAA Meeting – May 7, 2013
Tad Aburn - Air Director, MDE

Keeping it Simple

- The basic steps
 1. EPA establishes “good neighbor” responsibilities
 2. State and local agencies evaluate and decide on solutions/remedies
 3. Update SIPs
 4. Measure clean air
- Get a new standard
 - Repeat all of above



Step 2 – Our Role

- Work together to find common sense – low cost – solutions to reduce transport
- Using ozone transport in the East as an example
 - Many of us have been working together on this issue for many years
 - Technical collaboration is easier than policy collaboration
 - Let's start with what we are good at – keep it technical
 - Very preliminary discussions have already been started



Getting the Technical Collaboration Started

- There have already been very good, preliminary discussions at the individual Air Director level on how to begin a dialogue
 - OTC, LADCO and SESARM have also begun talking
- Appear to be several major themes
 - It's more than power plants
 - Mobile source NO_x reductions are critical – Analyze Tier 3 benefits
 - Power plants are important but there are some interesting, positive trends
 - ICI Boilers are also experiencing positive change in emissions



Taking Baby Steps to Get Started

- Mobile Sources
 - Tremendous support for Tier 3 at the Air Director level
 - Analyzing potential Tier 3 benefits seems to be supported by all
- Power Plants
 - Broad support for getting the best possible picture of how the sector is changing between now and 2018
 - MATS and natural gas
 - Including analysis of these emission reduction trends also appears to be a common sense first step
- ICI Boilers
 - Some work indicates that there are major reductions in this category as the fleet changes because of natural gas and Boiler MACT
 - Broad support for getting the best possible picture of how the sector is changing between now and 2018
- What will the reductions in ozone transport look like with these three potential changes?
 - Will there need to be more reductions?



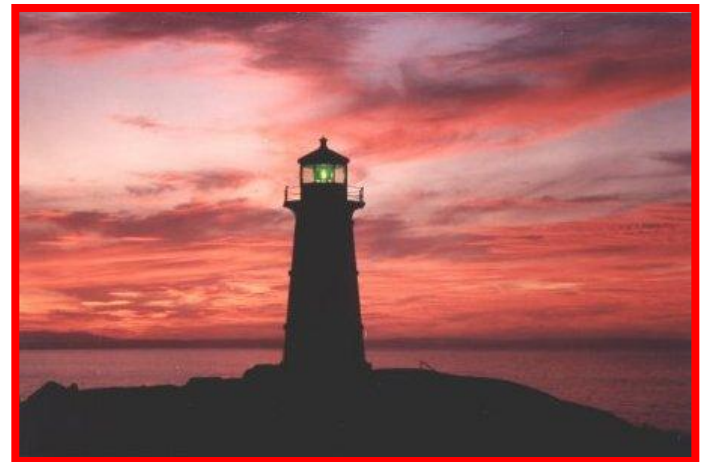
A Couple of Issues

- It appears that a solution coming from a group of states could be used in lieu of the EPA assigned “good neighbor” responsibility
 - This is very important
 - Maybe we can find the solution before EPA completes their challenging process
- Timing
 - How fast
 - Attainment deadlines drive very fast
 - Reality argues for a slightly slower pace
- Ozone in the East has been studied for years
 - Western issues and other pollutants may be much more challenging
 - Maybe not?
- Commissioner level discussions on transport have already been started
 - A critical component for moving forward



Discussion Items

- A Transport Plan from the State/Local Agencies?
- Moving ahead with a technical collaboration for ozone in the East?
- Are transport issues in the West similar to those in the East?
 - How do they differ?
- A role for EPA in helping with a solution?
 - If asked by the S/Ls, could EPA be a partner?



- From EPA's discussion on transport, it is clear that the EPA process will result in the agency assigning emission-reduction (or ppb-reduction) responsibilities to the states and it will then be left to the states to identify which control programs to implement and include in SIPs to meet those responsibilities.
 - If a group of states works out a plan on its own to provide for attainment in a region, is it possible for EPA to allow that "state-driven" plan to substitute for the EPA-assigned responsibilities?
 - Would such an approach be of interest to states?
- As part of the preliminary state discussions on how to reduce ozone transport in the East, three common-sense concepts have emerged as a starting point for regional discussions: 1) capture the benefits from EPA's Tier 3 Motor Vehicle and Fuel Sulfur Standards, 2) look at emission reductions expected to occur from EGUs between now and 2018 as a result of MATs, natural gas and other drivers and 3) look at emission reductions expected to occur from ICI boilers between now and 2018 as a result of B-MACT, natural gas and other drivers.
 - Are there other common sense control concepts that should be discussed as part of an initial dialogue on potential solutions for ozone transport in the East?
- As we engage in discussions of transport, it's important to understand the differences and similarities between challenges in East and those in the West.
 - What transport challenges does the West face?
 - What common-sense control concepts would help address these challenges?
 - Are there opportunities in the West for states to work together to identify common-sense control options to address transport?
- If a group of states identifies a common-sense solution, but the most effective and low-cost option for implementing that solution involves working with EPA and developing a regional rule,
 - How does this fit into the current EPA process, under which EPA will establish responsibilities and then the states will adopt the control programs into SIPs?
 - Do states see value in a state-EPA partnership that would allow for such regional rules and, if so, how would this contribute to a more effective outcome?