

Clean Air Act Advisory Committee (CAAAC)



Permits, New Source Review and Toxics Subcommittee

Greenhouse Gases (GHG) Permitting Update

September 19, 2012



Presentation Outline

- GHG Tailoring Rule
 - Actions Completed to Date
 - GHG Permitting Experience to Date
 - Streamlining Options Development
 - CAAAC GHG Permit Streamlining Workgroup
 - EPA Next Steps
- Future Tailoring Rule Related Actions
 - GHG 5-Year Study
 - Final Rulemaking to Phase-In GHG Permitting



GHG Tailoring Rule – Actions Completed to Date

- **Step 1**
 - Established GHG applicability criteria for “anyway sources”
 - “Any way sources” must address GHG emissions increases of 75,000 tons per year (tpy) CO₂e or more
 - Went into effect on January 2, 2011
- **Step 2**
 - Retains “any way sources” applicability criteria and established GHG applicability criteria for large air emissions sources
 - New facilities with GHG emissions of at least 100,000 tons per year (tpy) CO₂e and existing facilities with at least 100,000 tpy CO₂e making changes that would increase GHG emissions by at least 75,000 tpy CO₂e are required to obtain PSD permits
 - New and existing sources with GHG emissions above 100,000 tpy CO₂e must also obtain Title V permits
 - Went into effect on July 1, 2011
- **Steps 1 and 2 lawsuit dismissed due to lack of jurisdiction by the US Court of Appeals on June 26, 2012**



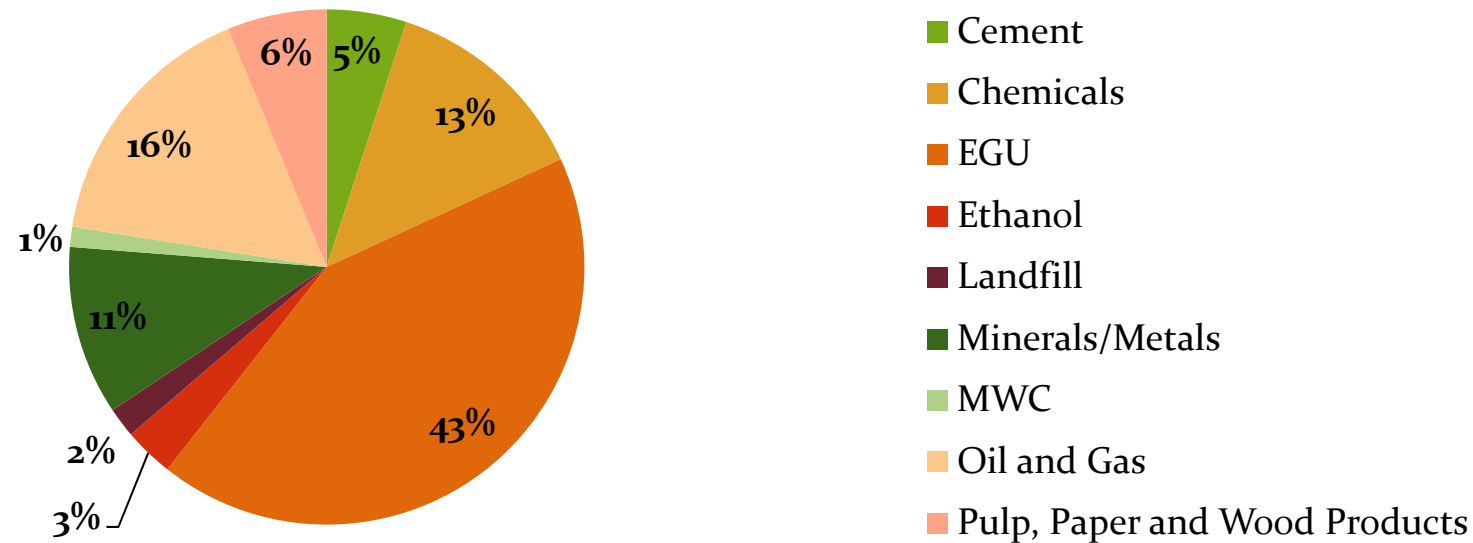
GHG Tailoring Rule – Actions Completed to Date (Continued)

- Step 3
 - Did not lower the applicability thresholds under Steps 1 and 2; these thresholds still apply
 - Establishes GHG PALs for GHG-only sources on a CO₂e basis in addition to the already available mass-basis
 - Finalized in July 2012
 - Petition for review submitted to the DC Circuit by various industry groups on September 10, 2012
 - American Petroleum Institute (API), American Fuel and Petrochemical Manufacturers (AFPM), National Association of Manufacturers (NAM), National Oilseed Processors Association (NOPA)
 - As of the week of September 10, a description of the issues that will be raised has not been submitted to the court



GHG Permitting Experience to Date (September 10)

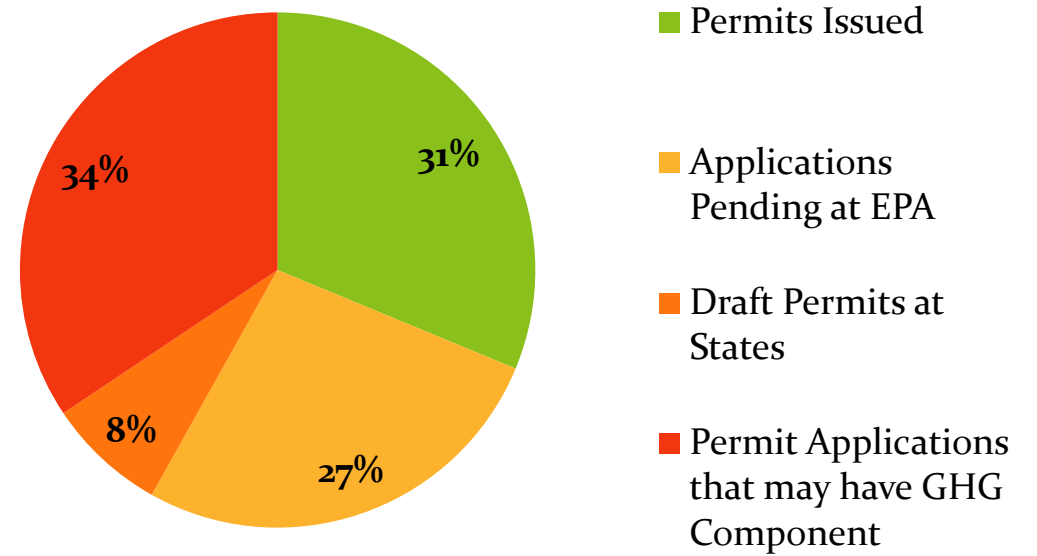
- Approximately **160** PSD permit applications have been submitted to states and EPA that either address GHGs or may have to address GHG's in the following nine source categories:





GHG Permitting Experience to Date (Continued)

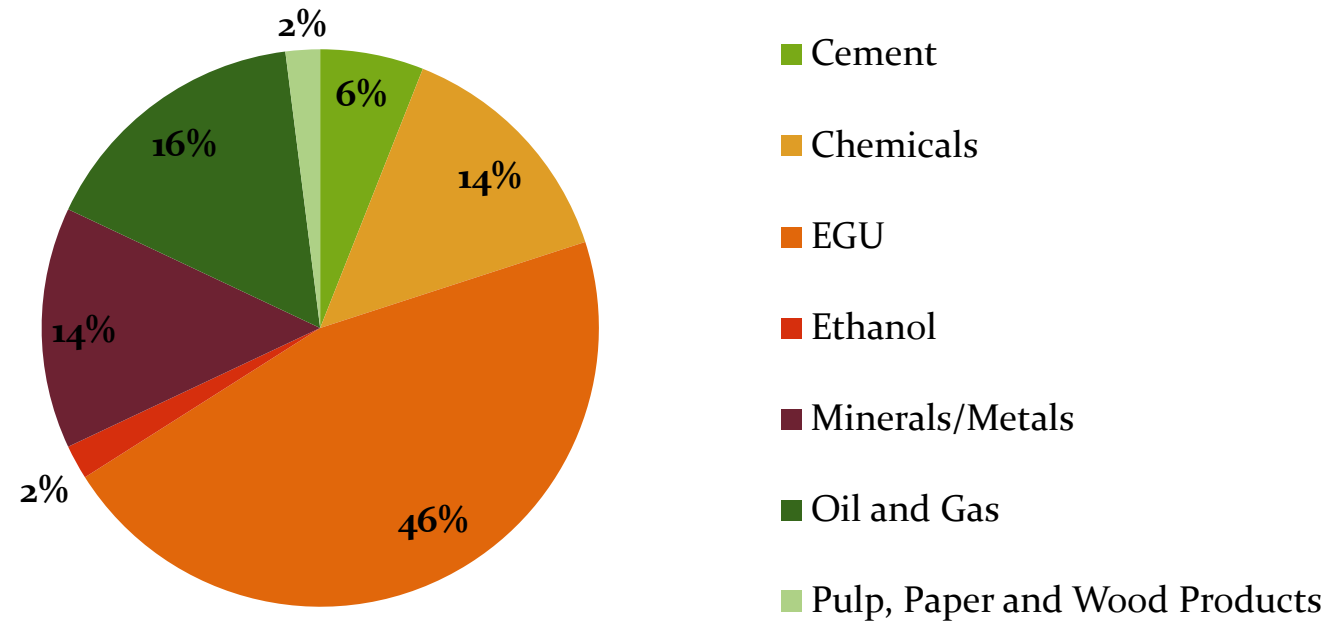
- Of those 160 PSD permit applications:
 - 50 permits with GHG limits have been issued
 - 43 issued by states
 - 7 issued by EPA
 - Comment letters for the actions for which EPA submitted comments can be found at:
<http://www.epa.gov/nsr/ghgcomment.html>
 - 43 permit applications are pending at EPA
 - 3 are GHG-only permits where EPA issues only the GHG portion of the PSD permit
 - 9 are full PSD permits where EPA is the permitting authority
 - 12 pending permits are draft permits issued by states
 - 55 permit applications do not address GHG at this time since application is on-hold, there is on-going litigation, etc.





GHG Permitting Experience to Date (Continued)

- The 50 PSD permits with GHG limits were issued in the following seven source categories:





GHG Permitting Experience to Date (Continued)

- GHG Permitting has resulted in energy efficiencies with only a few projects utilizing add-on controls (e.g. Non-Selective Catalytic Reduction for N₂O control)
- As of July 1, 2012, non-anyway GHG-only sources are required to submit their title V permit applications.
 - Data on these title V actions is not yet available.



Streamlining Options Development

- In the Tailoring rule, EPA mentioned that one of the criteria that the Agency will consider in deciding whether to lower the GHG thresholds is if the EPA and the states have been able to develop streamlining measures.
- In the Tailoring Rule, EPA identified and sought comment on potential streamlining options including:
 1. Defining Potential to Emit (PTE)
 2. Establishing emissions limits for presumptive Best Available Control Technology (BACT) for various source categories
 3. Using general permits or permits-by-rule
 4. Using electronic permitting
 5. Efficient permitting of GHG sources, best known as “lean techniques”



Streamlining Options Development - GHG Permit Streamlining Workgroup

- Tasked with developing and recommending to EPA potential streamlining approaches for GHG permitting
- Comprised of representatives from states and local agencies, tribes, industry, one environmental group, and EPA
- Co-Chaired by:
 - Juan Santiago, EPA
 - Andy Ginsburg, Oregon Department of Environmental Quality
 - Mohsen Nazemi, South Coast Air Quality Management District
- Started in April 2012 and is expected to complete its work by October 2012



Streamlining Options Development – EPA Next Steps

- Review CAAAC GHG Permit Streamlining Workgroup observations
- Review possible streamlining approaches as identified in the Tailoring rule and further analyze the comments received for these and other streamlining approaches
- Take action on viable streamlining options after the opportunity of public notice and comment



Future Actions – GHG 5-Year Study

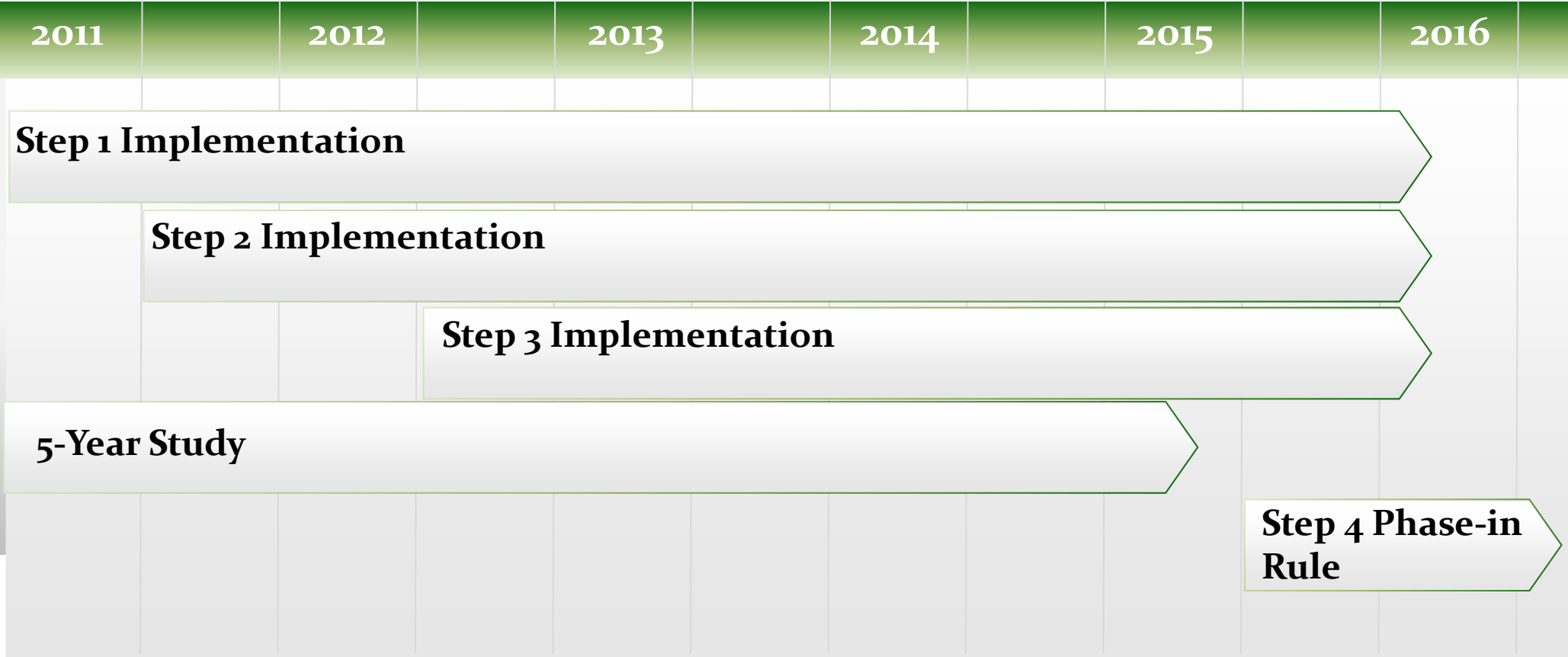
- Purpose is to collect data on GHG permitting activity and burden for both the PSD and Title V programs
- EPA committed to conduct this study as part of the Tailoring rule and reiterated its need under the recently promulgated Tailoring rule Step 3
- Will be used to support future threshold decisions
- Final study is due by April 30, 2015



Future Actions – Tailoring Rule – Step 4

- Information from 5-Year study will be used to support a “Step 4” rule that might phase-in GHG permitting for smaller sources
- Determination of whether to lower the thresholds in this rulemaking will take into consideration the same criteria discussed in the Tailoring rule:
 1. The time that permitting authorities need [or needed] to ramp up their resources, including developing permitting infrastructure as well as hiring and training staff
 2. Sources’ abilities to meet the requirements of the PSD program and permitting authorities’ abilities to issue timely permits, including gaining experience with GHG permitting
 3. Whether the EPA and the states could develop [or developed] streamlining measures
- Rule is due on April 30, 2016

GHG Tailoring Rule Implementation Timeline



Questions or comments?

