

Clean Air Act: Update on Stationary Source Regulations

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William L. Wehrum
Assistant Administrator
Office of Air and Radiation

Welcome New and Returning Members



Intro

A little about me...

Outline

- ▶ Air Quality Trends
- ▶ Clean Power Plan
- ▶ Greenhouse Gas Tailpipe Standards & Mid-Term Evaluation
- ▶ Oil and Gas New Source Performance Standards
- ▶ Mercury and Air Toxics Standards
- ▶ National Ambient Air Quality Standards (NAAQS) Implementation
 - ▶ Ozone
 - ▶ Sulfur Dioxide
- ▶ Cross State Air Pollution Rule
- ▶ Good Neighbor Transport State Implementation Plans – Ozone NAAQS
- ▶ Regional Haze
- ▶ Permitting

Air Quality Trends

▶ Emissions are down as economy grows:

- ▶ Between 1970 and 2016, as GDP grew 253%, combined emissions of the six common pollutants (PM2.5 & PM10, SO2, NOx, CO, and Pb) fell 73%
- ▶ Since 2000, number of days reaching “Unhealthy for Sensitive Groups” or higher on the Air Quality Index decreased 66% (based on ozone and PM 2.5 measurements in 35 major cities)
- ▶ Since 2010, no violations in NAAQS standards for CO and NO2
- ▶ Visibility in national parks and wilderness areas has improved over the majority of the 155 areas monitored by EPA and other agencies

▶ Areas for improvement:

- ▶ Levels of ground-level ozone and fine particle pollution have decreased over the years, but continue to pose air quality problems in many areas
- ▶ EPA is continuing to work with partners to ensure healthy air for all communities

GHG Regulations/Clean Power Plan (CPP)

- ▶ **Executive Order 13783 – Promoting Energy Independence and Economic Growth**
 - ▶ March 28, 2017: Directed the EPA to review the CPP and the Clean Air Act (CAA) section 111(b) GHG NSPS and, if appropriate, to initiate reconsideration proceedings to suspend, revise or rescind the rule(s)
- ▶ **Proposed CPP repeal**
 - ▶ On October 16, 2017, EPA proposed that the CPP exceeds the EPA's statutory authority and would be repealed
 - Public comment period open through January 16, 2018
 - November 28 – 29, 2017: Public hearing in Charleston, West Virginia.
 - Additional listening sessions will be held in San Francisco, CA; Gillette, WY; and Kansas City, MO.
- ▶ **Advance Notice of Proposed Rulemaking**
 - ▶ Coming soon -- currently under interagency review
 - ▶ Will solicit information on systems of emission reduction that are in accord with the legal interpretation in the proposed CPP repeal (i.e., those that are applicable at and to an individual source).
 - ▶ Will also solicit information on compliance measures and state planning requirements
- ▶ **New Sources**
 - ▶ EPA continues to review the 111(b) rule, as required under the Executive Order

GHG Tailpipe Standards & Mid-Term Evaluation (MTE)

- ▶ National program for GHGs and fuel economy standards for passenger cars and trucks jointly developed by EPA and the National Highway Traffic Safety Administration (NHTSA). Phase one was model years 2012-2016. Phase two is model years 2017-2025.
- ▶ Agency commitment to complete a **Mid-Term Evaluation (MTE)** by April 1, 2018 to assess whether the 2022-2025 standards remain appropriate.
 - ▶ On March 15, 2017, Administrator Pruitt and DOT Secretary Elaine Chao announced their intention to reopen and coordinate the Final Determination of the Midterm Evaluation for the 2022-2025 Light-Duty GHG standards and DOT/NHTSA's Corporate Average Fuel Economy (CAFÉ) standards for the same model years.
 - ▶ On August 10th, joint Federal Register notice opened. EPA also announced it was taking comment on appropriateness of MY 2021 standards.
 - ▶ EPA held a public hearing on September 6, 2017 here in DC. The 45-day comment period closed on October 5, 2017.
 - ▶ EPA received more than **276,000 comments** on this issue. (About 120 from organizations with others from private citizens and mass mailers).

Oil and Gas New Source Performance Standards

- ▶ **Intent to reconsider 2016 NSPS**– in April, the Administrator announced that EPA intends to reconsider certain aspects of the 2016 NSPS
- ▶ **Stays during reconsideration process** –
 - ▶ In June, EPA proposed a three-month stay and a two-year stay of the requirements while the agency works through the process to reconsider them.
 - ▶ EPA received more than 44,000 comments
- ▶ **Notices of Data Availability (NODAs)** - On Nov. 1, EPA issued 2 NODAs related to the stays, seeking comment on legal authority, implementation challenges, and updated cost/benefit analysis
 - ▶ Comments were due Dec. 8
- ▶ **Reconsideration** – EPA will issue a separate proposal addressing the reconsideration of the rule for public review and comment at a later date.

Mercury and Air Toxics Standards (MATS)

- ▶ **Final MATS Rule:** in place for affected coal and oil-fired power plants
- ▶ **Section 202(c) orders:** EPA works with DOE to address any grid reliability concerns
- ▶ **Legal Challenges in abeyance**
 - ▶ Outstanding challenges to final rule include *ARRIPA v. EPA* (related to waste coal provisions) and *Murray Energy v. EPA* (related to supplemental Appropriate & Necessary finding).

Ozone NAAQS Implementation

▶ 2008 Ozone NAAQS Implementation

- ▶ EPA continues to review required SIPs submitted by states and to determine whether nonattainment areas are attaining the 2008 standard by their respective attainment dates

▶ 2015 Ozone NAAQS Implementation

- ▶ On October 1, 2015, EPA revised the 8-hour primary and secondary NAAQS for ozone by lowering the level from 75 parts per billion (ppb) to 70 ppb.
- ▶ On November 6, 2017, EPA issued final designations of “attainment/unclassifiable” for 85% of the counties in the U.S.
- ▶ EPA is continuing to work with states on the remaining areas and intends to address these areas in a separate future action.

Sulfur Dioxide (SO₂) NAAQS Implementation

- ▶ **Round 3 Proposed Designations** sent to states and tribes in August of 2017
- ▶ **Round 3 Final designations** to be completed by December 31, 2017
 - ▶ Will designate all areas of the country, except those areas where states have sited new monitors consistent with the SO₂ Data Requirements Rule
- ▶ **Fourth round** to be completed by December 31, 2020
 - ▶ Will designate all remaining areas (approx. 50 areas)

Ongoing NAAQS Implementation

- ▶ **NAAQS** – Consent Decree to finalize review of primary NAAQS for nitrogen dioxide (NO₂) and sulfur dioxide (SO₂)
 - ▶ **NO₂** – On July 14, 2017, EPA issued the proposed rule to retain, without revision, the health based or primary NAAQS for NO₂; final action required April 6, 2018
 - ▶ **SO₂** – In August, EPA issued the 1st draft Policy Assessment; required to issue final Integrated Science Assessment (ISA) in December 2017, proposal May 25, 2018, and final January 28, 2019
 - ▶ **PM and Secondary NO_x/SO_x** – Reviews are ongoing. Final actions are projected for 2022.

Cross-State Air Pollution Rule (CSAPR)

- ▶ **CSAPR** (finalized July 2011) addresses interstate transport obligations for the 1997 ozone NAAQS (and the 1997 and 2006 PM_{2.5} NAAQS)
- ▶ **CSAPR Update** (finalized September 7, 2016) updates CSAPR ozone season program by addressing summertime transport of ozone for the 2008 ozone NAAQS in the eastern US
 - Covers 22 eastern states and sets power sector ozone season NO_x emission budgets for each covered state starting with the 2017 ozone season (May 1, 2017)
 - Establishes a new ozone season NO_x allowance trading program for CSAPR Update states
 - Facilitates a smooth transition by creating a starting bank of allowances, converted from 2015-2016 allowances banked under the original CSAPR ozone season NO_x trading program

CSAPR Update (*cont.*)

▶ **Emissions impact:**

- ▶ Preliminary data indicate that the 2017 ozone season NO_x emissions were 21 percent (78,000 tons) below 2016 levels
- ▶ Collectively, total emissions across the region were 7 percent (23,000 tons) below 2017 CSAPR update budgets.

Good Neighbor Transport SIPS – Ozone NAAQS

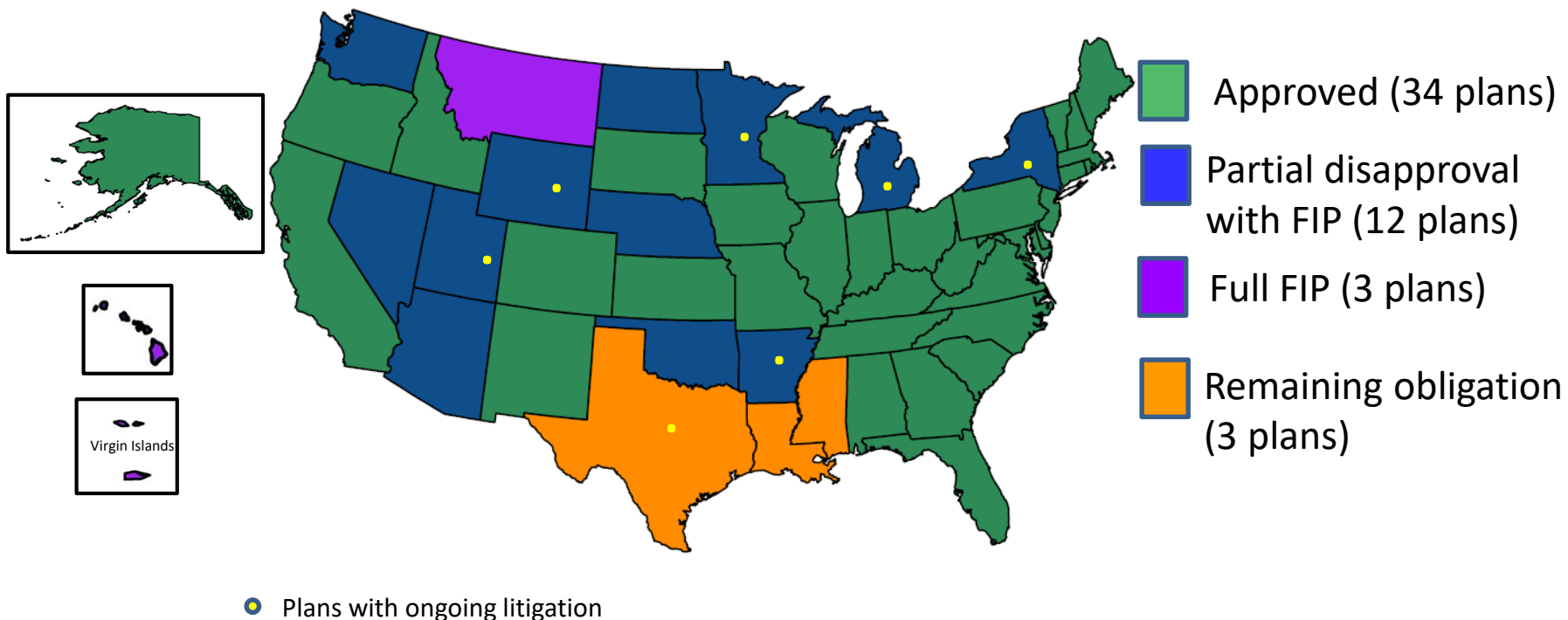
- ▶ **“Good Neighbor” Provision:** Section 110(a)(2)(D)(i)(I) requires upwind states to implement a share of the emission reductions needed for downwind areas to attain and maintain the NAAQS
- ▶ **Outstanding good neighbor obligations** for the 2008 ozone NAAQS
 - ▶ CSAPR Update was a partial remedy for 21 eastern states (full remedy for TN)
 - ▶ CSAPR Update Rule did not address 2008 transport obligations for western states
 - ▶ To help states develop, supplement or resubmit their good neighbor SIPs for the 2008 standards, EPA signed the **“Supplemental Transport Memo”** on October 27, 2017

Regional Haze

▶ **Background:**

- ▶ The **Regional Haze Rule** calls for state and federal agencies to work together to improve visibility in 156 national parks and wilderness areas
- ▶ The first State plans for regional haze were due in December 2007. States, tribes, and five multi-jurisdictional regional planning organizations worked together to develop the technical basis for these plans.
- ▶ Comprehensive periodic revisions to these initial plans are currently due in 2021, 2028, and every 10 years thereafter.

Status of Regional Haze SIP and FIP Actions (First Implementation Period, November 2017)



Permit Streamlining Actions for New Source Review (NSR) and Title V Operating Permits

- ▶ Presidential memorandum signed January 24, 2017, titled **“Streamlining Permitting and Reducing Regulatory Burdens for Domestic Manufacturing”**
 - ▶ Department of Commerce was in the lead and provided an opportunity for public comment on ways to achieve the goals of the memorandum.
 - The final report was issued on October 6, 2017, and action plans are due December 31, 2017. Included 11 recommendations involving NSR and Title V permitting.
- ▶ **“Final Report on Review of Agency Actions that Potentially Burden the Safe, Efficient Development of Domestic Energy Resources Under Executive Order 13783,”** issued on October 25, 2017
 - ▶ Identifies four key initiatives:
 - Comprehensive NSR reform
 - NAAQS reform
 - Robust evaluations of the employment effects of EPA regulations
 - A sector-based outreach program

Permitting Actions Underway

- ▶ Finalize **“Guidance on Significant Impact Levels (SILs) for Ozone and PM_{2.5} in the Prevention of Significant Deterioration (PSD) Permitting Program”**
 - ▶ Compliance demonstration tool to help determine whether a proposed PSD source causes or contributes to a violation of the NAAQS or PSD increment (draft issued in August 2016 for comment; comments being considered)

- ▶ Finalize **“Revisions to the Petition Provisions of the Title V Permitting Program”**
 - ▶ Increase transparency and stakeholder understanding of the petition process, as well as ensure the Agency is able to efficiently address related programmatic and air quality issues (proposed August 2016; comments being considered)

Closing

Q&A