

FACT SHEET

Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR): Project Emissions Accounting Proposed Rule

Action

- On August 1, 2019, the Environmental Protection Agency (EPA) proposed to clarify the process for evaluating whether the New Source Review (NSR) permitting program would apply to a proposed modified source of air emissions. This proposal would make it clear that both emissions increases and decreases from a major modification are to be considered during Step 1 of the two-step NSR applicability test. This process is known as project emissions accounting or previously as project netting.
- Under the NSR program, existing major sources planning modifications need to determine whether their proposed project must obtain an NSR permit following a two-step applicability test. The first step is to determine if there is a “significant emission increase” of a regulated NSR pollutant from the proposed modification. If there is, the second step is to determine if there is a “significant net emission increase” of that pollutant.
- Specifically, this rule would revise the NSR applicability regulations that apply to projects that include a combination of new and existing units clarifying that project emissions accounting is allowed as part of Step 1 of the two-step NSR major applicability test.
- EPA will accept comment on this proposal for 60 days after this notice is published in the *Federal Register*.

Background

- Congress established the New Source Review program as part of the 1977 Clean Air Act Amendments. NSR is a preconstruction permitting program that serves two important purposes:
 1. It ensures the maintenance of air quality standards when major stationary sources such as factories, industrial boilers and power plants are constructed.
 - In areas that meet the standards, including pristine areas like national parks, NSR’s Prevention of Significant Deterioration (PSD) program ensures that new emissions will not cause air quality to deteriorate significantly and will continue to attain air quality standards.
 - In areas that do not meet the national air quality standards, nonattainment NSR (NNSR) ensures that new emissions do not slow progress toward cleaner air.
 2. It ensures that state of the art control technology is installed at new plants or at existing plants while they undergo a major modification.
- In March 2018, the EPA Administrator issued a memorandum titled “Project Emissions Accounting Under the New Source Review Preconstruction Permitting Program.” In the memorandum, the Administrator explained that the agency interprets the current NSR

regulations to allow emissions decreases as well as increases to be considered at Step 1 of the NSR applicability process, provided they are part of a single project.

- This proposal would revise the NSR regulations to make it clear that for projects that involve multiple emissions units, emissions increases and emissions decreases that result from a given proposed project are to be considered at Step 1 of the NSR major modification applicability test.

Additional Information

- Interested parties can download today's proposed rule from the EPA's web site at: <https://www.epa.gov/nsr/nsr-regulatory-actions>.

How to Comment

- The EPA will accept comments for 60 days beginning when this proposal is published in the *Federal Register*. All comments should be identified by Docket ID No. EPA-HQ-OAR-2018-0048 and submitted to the Federal e-rulemaking portal (www.regulations.gov). Follow the online instructions for submitting comments.
- For additional information about other ways to submit comments, please visit <https://www.epa.gov/dockets/commenting-epa-dockets>.
- For general information about this proposed rule, contact Jessica Montanez at (919) 541-3407 and montanez.jessica@epa.gov, of the EPA's Office of Air Quality Planning and Standards.