The EPA Administrator, Andrew R. Wheeler, signed the following notice on 10/30/2019, and EPA is submitting it for publication in the *Federal Register* (FR). While we have taken steps to ensure the accuracy of this Internet version of the rule, it is not the official version of the rule for purposes of compliance. Please refer to the official version in a forthcoming FR publication, which will appear on the Government Printing Office's govinfo website (<u>https://www.govinfo.gov/app/collection/fr</u>) and on Regulations.gov (<u>https://www.regulations.gov</u>) in Docket No. EPA-HQ-OAR-2018-0851. Once the official version of this document is published in the FR, this version will be removed from the Internet and replaced with a link to the official version.

6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 60

[EPA-HQ-OAR-2018-0851; FRL-]

RIN 2060-AU27

Standards of Performance for Stationary Compression Ignition Internal Combustion

Engines

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule; amendments.

SUMMARY: The U.S. Environmental Protection Agency (EPA) is finalizing amendments to the Standards of Performance for Stationary Compression Ignition Internal Combustion Engines. This final action revises the emission standards for particulate matter (PM) for new stationary compression ignition (CI) engines located in remote areas of Alaska.

DATES: The final rule is effective on [INSERT DATE OF PUBLICATION IN THE

FEDERAL REGISTER].

ADDRESSES: The EPA has established a docket for this rulemaking under Docket ID No. EPA-HQ-OAR-2018-0851. All documents in the docket are listed in on the

https://www.regulations.gov/ website. Although listed, some information is not publicly available, *e.g.*, Confidential Business Information or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in *https://www.regulations.gov/* or in hard copy at the EPA Docket Center, Room 3334, WJC West Building, 1301 Constitution Avenue, NW,

Washington, DC 20004. The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday

through Friday, excluding legal holidays. The telephone number for the Public Reading Room is

(202) 566-1744, and the telephone number for the EPA Docket Center is (202) 566-1742.

FOR FURTHER INFORMATION CONTACT: For questions about this action, contact

Melanie King, Sector Policies and Programs Division (D243-01), Office of Air Quality Planning

and Standards, U.S. Environmental Protection Agency, Research Triangle Park, North Carolina

27711; telephone number: (919) 541-2469; fax number: (919) 541-4991; and email address:

king.melanie@epa.gov.

SUPPLEMENTARY INFORMATION:

Organization of this document. The information in this preamble is organized as follows:

- I. General Information
- A. Does this action apply to me?
- B. Where can I get a copy of this document and other related information?
- C. Judicial Review and Administrative Reconsideration
- II. Background and Final Amendments
- III. Public Comments and Responses
- IV. Impacts of the Final Rule
- V. Statutory and Executive Order Reviews
- A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563:
- Improving Regulation and Regulatory Review
- B. Executive Order 13771: Reducing Regulation and Controlling Regulatory Costs
- C. Paperwork Reduction Act (PRA)
- D. Regulatory Flexibility Act (RFA)
- E. Unfunded Mandates Reform Act (UMRA)
- F. Executive Order 13132: Federalism
- G. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

H. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

J. National Technology Transfer and Advancement Act (NTTAA)

K. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations

L. Congressional Review Act (CRA)

I. General Information

A. Does this action apply to me?

Regulated entities. Categories and entities potentially regulated by this action include:

Category	NAICS ¹ Code	Examples of Regulated Entities
Industries using stationary CI internal combustion engines	2211	Electric power generation, transmission, or distribution

¹ North American Industry Classification System.

This table is not intended to be exhaustive, but rather to provide a guide for readers regarding entities likely to be affected by the final action for the source category listed. To determine whether your facility is affected, you should examine the applicability criteria in the rule. If you have any questions regarding the applicability of any aspect of this action, please contact the person listed in the preceding **FOR FURTHER INFORMATION CONTACT** section of this preamble.

B. Where can I get a copy of this document and other related information?

In addition to being available in the docket, an electronic copy of this final action will also be available on the Internet. Following signature by the EPA Administrator, the EPA will post a copy of this final action at: *https://www.epa.gov/stationary-engines/new-sourceperformance-standards-stationary-compression-ignition-internal-0*. Following publication in the **Federal Register**, the EPA will post the **Federal Register** version and key technical documents at this same website.

C. Judicial Review and Administrative Reconsideration

Under Clean Air Act (CAA) section 307(b)(1), judicial review of this final action is available only by filing a petition for review in the United States Court of Appeals for the District of Columbia Circuit by **[INSERT DATE 60 DAYS AFTER DATE OF** **PUBLICATION IN THE FEDERAL REGISTER].** Under CAA section 307(b)(2), the requirements established by this final rule may not be challenged separately in any civil or criminal proceedings brought by the EPA to enforce the requirements.

Section 307(d)(7)(B) of the CAA further provides that only an objection to a rule or procedure which was raised with reasonable specificity during the period for public comment (including any public hearing) may be raised during judicial review. That section of the CAA also provides a mechanism for the EPA to reconsider the rule if the person raising an objection can demonstrate to the Administrator that it was impracticable to raise such objection within the period for public comment or if the grounds for such objection arose after the period for public comment (but within the time specified for judicial review) and if such objection is of central relevance to the outcome of the rule. Any person seeking to make such a demonstration should submit a Petition for Reconsideration to the Office of the Administrator, U.S. EPA, Room 3000, WJC South Building, 1200 Pennsylvania Ave., NW, Washington, DC 20460, with a copy to both the person(s) listed in the preceding **FOR FURTHER INFORMATION CONTACT** section, and the Associate General Counsel for the Air and Radiation Law Office, Office of General Counsel (Mail Code 2344A), U.S. EPA, 1200 Pennsylvania Ave., NW, Washington, DC 20460.

II. Background and Final Amendments

On July 11, 2006, the EPA promulgated Standards of Performance for Stationary CI Internal Combustion Engines (71 FR 39154). These standards, known as new source performance standards (NSPS), implement section 111(b) of the CAA. The standards apply to new stationary sources of emissions, *i.e.*, sources whose construction, reconstruction, or modification begins after a standard for those sources is proposed. The NSPS for Stationary CI Engines established limits on emissions of PM, nitrogen oxides (NOx), carbon monoxide (CO),

Page 5 of 21

and non-methane hydrocarbons (NMHC). The emission standards for these stationary CI engines are generally modeled after the EPA's standards for nonroad CI engines (including standards for land-based nonroad CI engines and marine CI engines), which are types of mobile engines regulated under 40 CFR parts 89, 94, 1039, 1042, and 1068. In general, the NSPS for Stationary CI Engines, like the nonroad engine standards, are phased in over several years and have Tiers with increasing levels of stringency, with Tier 4 as the most stringent level. The engine model year in which the Tiers take effect varies for different size ranges of engines. The Tier 4 final standards for both new stationary non-emergency CI engines and nonroad CI engines generally began with either the 2014 or 2015 model year. The NSPS for Stationary CI Engines are codified at 40 CFR part 60, subpart IIII.

In 2011, the EPA finalized revisions to the NSPS for Stationary CI Engines (the "2011 Amendments") that amended the standards for engines located in remote areas of Alaska (76 FR 37954, June 28, 2011). As discussed in the 2011 rulemaking, the remote communities in Alaska rely almost exclusively on diesel engines for electricity and heat, and these engines need to be in working condition, particularly in the winter. These communities are scattered over long distances in remote areas and are not connected to population centers by road and/or power grid. Most of these communities are located in the most severe arctic environments in the United States. The 2011 Amendments allowed owners and operators of stationary CI engines located in remote areas of Alaska to use engines certified to marine CI engine standards, rather than landbased nonroad engine standards. The remote communities prefer to use marine CI engines because their design facilitates the use of heat recovery systems to provide heat to community facilities. The 2011 Amendments also removed the requirements to meet Tier 4 emission standards for NOx, CO, and NMHC that would necessitate the use of selective catalytic

Page 6 of 21

reduction aftertreatment devices in light of issues associated with supply, storage, and use of the necessary chemical reductant (usually urea) in remote Alaska.¹ For PM, the 2011 Amendments specified that stationary CI engines located in remote areas of Alaska would not have to meet emission standards that would necessitate the use of aftertreatment devices until the 2014 model year. The aftertreatment technology that was expected to be used to meet the PM standards is a diesel particulate filter (DPF). The EPA expected that providing additional time to gain experience with use of DPFs would alleviate some of the concerns associated with feasibility and costs of installing and operating DPFs in remote villages.

In a letter to the EPA Administrator dated December 20, 2017, Governor Bill Walker of Alaska requested that the EPA rescind the PM emission standards based on aftertreatment for 2014 model year and later stationary CI engines in remote areas of Alaska. The letter stated that it is difficult to operate and maintain PM aftertreatment controls on stationary CI engines in remote areas of Alaska because of cost, complexity, and unreliability. According to the letter, utilities in remote areas have been installing used, remanufactured, and rebuilt pre-2014 model year engines in the remote areas to avoid the requirement to use PM aftertreatment, instead of installing new engines that meet the Tier 3 marine CI engine standards. The EPA's expectation that experience with use of DPFs would alleviate feasibility and cost concerns was not realized and the requirement that 2014 model year and later engines use DPFs had, in fact, resulted in use

¹ Remote areas of Alaska are defined in the Stationary CI Engine NSPS as those that either are not accessible by the Federal Aid Highway System (FAHS), or meet all of the following criteria: (1) the only connection to the FAHS is through the Alaska Marine Highway System, or the stationary CI engine operation is within an isolated grid in Alaska that is not connected to the statewide electrical grid referred to as the Alaska Railbelt Grid; (2) at least 10 percent of the power generated by the stationary CI engine on an annual basis is used for residential purposes; and (3) the generating capacity of the source is less than 12 megawatts, or the stationary CI engine is used exclusively for backup power for renewable energy.

This document is a prepublication version, signed by EPA Administrator, Andrew R. Wheeler on 10/30/2019. We have taken steps to ensure the accuracy of this version, but it is not the official version.

Page 7 of 21

of older engines. The letter indicated that new engines certified to the Tier 3 marine CI engine standards are notably cleaner than the non-certified engines currently in use in remote areas of Alaska, due to advances in diesel engine electronic fuel injection and electronic governors.

After receiving the letter from Governor Walker, the EPA contacted the Alaska Department of Environmental Conservation and the Alaska Energy Authority (AEA) to obtain more information about the issues described in the letter. In particular, the EPA asked for information regarding the state's concerns about the cost, complexity, and reliability of DPFs, as expressed in Governor Walker's letter. The EPA also asked for information on the number of stationary CI engines that are installed in remote areas of Alaska each year and whether any stationary CI engines with DPFs were currently operating in the remote areas. The AEA indicated that owners and operators of engines in rural communities have been delaying replacement of older engines because of the cost and concerns about having to install new engines with DPFs. As stated in Governor Walker's letter, the communities are using rebuilt older engines rather than installing new Tier 3 marine CI engines that would be lower-emitting and more efficient.

As noted previously, the communities in remote areas of Alaska are not accessible by the FAHS and/or not connected to the statewide electrical grid referred to as the Alaska Railbelt Grid. They are isolated, and most are located in the most severe arctic environments in the United States. It is critical for the engines in these communities to remain in working order because they are used for electricity and heating. Information provided by the AEA and engine dealers indicates that the costs for engine and control device maintenance and repair are much higher than for engines located elsewhere in the United States due to the remote location and severe arctic climate. Technicians must travel to the remote areas for service and repairs, and

Page 8 of 21

travel costs for technicians and shipping costs for parts are much higher than in other areas. Information provided by the AEA indicated that travel costs can include chartering aircraft and can be approximately \$3,000-\$4,000 per trip, in addition to daily labor costs.² According to the information provided by AEA, a typical DPF service interval is 2,000 hours of operation, so approximately two service trips per year will be needed.³ The travel time can range from 25 to 99 percent of the total labor invested in a job.⁴ In addition to increased maintenance costs, a control device vendor indicated that costs for DPF installation on an engine in remote areas of Alaska can be more than double the costs for an engine in Texas.⁵ The remote communities also have a shortage of operators who are trained for the DPF equipment. Typically, the filter element must be periodically removed, and the accumulated ash must be cleaned from the filter and captured. The AEA indicates that few communities have the technical capacity to perform the necessary cleaning procedures for DPFs. Technicians would have to travel to the communities to perform DPF maintenance, resulting in additional DPF maintenance costs from more frequent travel.

According to the AEA, experience with the use of DPFs in remote areas of Alaska is very limited. The AEA was aware of only one remote community that had installed DPFs on two engines in a power plant. The DPFs were installed in April 2018, so there has not been experience with the long-term operation of the engines and DPFs. The AEA noted that, rather

³ Email from David Lockard, AEA to Robert Klepp *et al. FW: Estimated DPF Capital and Operating Costs*. October 26, 2018. Available in the rulemaking docket.

² Letter from Ben Hopkins, General Manager Kaktovik Enterprises LLC to Janet Reiser, Executive Director, AEA, June 11, 2018. Available in the rulemaking docket.

⁴ Letter from Bill Mossey, President, Pacific Power Group to Janet Reiser, Executive Director, AEA. August 10, 2018. Available in the rulemaking docket.

⁵ Email from Marc Rost, Johnson Matthey to Melanie King, U.S. EPA. *Estimated DPF Capital and Operating Costs*. November 19, 2018.

This document is a prepublication version, signed by EPA Administrator, Andrew R. Wheeler on 10/30/2019. We have taken steps to ensure the accuracy of this version, but it is not the official version.

Page 9 of 21

than having the emission controls integrated with the certified engine, as is typical for Tier 4 CI engines, the remote communities will have to purchase Tier 3 marine CI engines and equip them with DPFs that may come from third parties. The DPFs would not be integrated into the engine's computer system, which may increase the likelihood of problems occuring that could cause the engine to shut down. As stated previously, the engines are generally used for heating in the villages, so unexpected engine shutdowns could cause life safety issues. Providers of engines and emission controls in Alaska noted that they have experienced operational issues with Tier 4 nonroad and stationary CI engines with DPFs in other areas of Alaska, even when the controls were integrated with the engine by the original equipment manufacturer. For example, one provider noted that he serviced two Tier 4 stationary CI engines that required numerous service calls and the addition of a parasitic load bank to maintain exhaust temperatures high enough for DPF regeneration, which increased fuel consumption and operating costs.⁶ Another provider stated that it sold a number of Tier 4 nonroad CI engines equipped with DPFs that met extensive factory tests for reliability and durability, but experienced numerous problems with regeneration of the DPF once they were in-use by operators.⁷

After considering all of the information provided, including information provided on the lack of experience with and higher costs associated with the use of DPFs on engines in remote areas of Alaska, the potential for operational issues, and emission reductions expected if the disincentive to replacing old engines is eliminated, the EPA has determined that the use of DPFs is not adequately demonstrated in remote areas of Alaska. On July 5, 2019, the EPA issued a

⁶ Summary of April 17, 2018, meeting between the EPA and the AEA to discuss Governor Walker's request for regulatory relief. Available in the rulemaking docket.

⁷ Letter from Bill Mossey, President, Pacific Power Group to Janet Reiser, Executive Director, AEA. August 10, 2018. Available in the rulemaking docket.

This document is a prepublication version, signed by EPA Administrator, Andrew R. Wheeler on 10/30/2019. We have taken steps to ensure the accuracy of this version, but it is not the official version.

direct final rule (84 FR 32084) and a parallel proposed rule (84 FR 32114) to revise the provision in 40 CFR 60.4216 for 2014 model year and later stationary CI engines in remote areas of Alaska. After considering the public comments received, the EPA is finalizing the amendment that was proposed. The EPA is amending the provision in 40 CFR 60.4216 to specify that 2014 model year and later stationary CI engines in remote areas of Alaska must be certified to Tier 3 PM standards. The EPA has determined that the Tier 3 PM standards reflect the best system of emission reduction (BSER) that has been adequately demonstrated. The Tier 3 PM standards will limit emissions of PM to levels significantly below those of the older uncertified engines currently in use in many of the remote communities.

This final action revising the NSPS for Stationary CI Engines also satisfies EPA's obligation under the recently enacted Alaska Remote Generator Reliability and Protection Act, Pub. L. No. 116-62 (October 4, 2019), to remove the requirement in 40 CFR 60.4216(c) that stationary CI engines in remote areas of Alaska meet the Tier 4 PM standard and replace it with a requirement that those engines meet the Tier 3 PM standard.

III. Public Comments and Responses

This section presents a summary of the public comments received on the proposed amendments and the responses developed. The EPA received two public comments on the proposed rule. The comments can be obtained online from the Federal Docket Management System at *https://www.regulations.gov/*.

Comment: One commenter stated that there was no need to relax air quality standards and no need for diesel generation anywhere in Alaska. According to the commenter, there are opportunities for generation using hydropower in combination with transmission, and the commenter has a low-head hydroelectric generation design. The commenter indicated that a

Page 11 of 21

demonstration site has been operating in Ontario since 1988.

Response: The commenter did not provide any support for the assertion that replacing diesel generation with hydropower generation in remote areas of Alaska would be feasible on either a technical or economic basis and could provide continuous power for the remote areas. The commenter did not provide information to demonstrate that the communities in remote areas of Alaska are near potential sources of hydropower or that transmission to such communities from any potential sources of hydropower would be feasible. The commenter conceded that some transmission would be required, but did not provide any information regarding the cost or feasibility of installing the transmission infrastructure from a theoretical source of hydropower to a community in remote Alaska. In addition, as noted in the 2011 Amendments, heat recovery systems are used with diesel engines in remote Alaskan communities to provide heat to community facilities and schools. The commenter did not provide information to show how that heat would be generated if the diesel engines are replaced by hydropower generation. Further, the commenter does not explain how the potential for hydroelectric power in remote Alaska is relevant to the EPA's determination that Tier 3 CI engines are the BSER that has been adequately demonstrated. In doing the analysis of the BSER for new stationary CI engines in remote areas of Alaska, we considered adequately demonstrated controls that can be applied to the source, not complete replacement of the source with a different means of generating power and heat.

Comment: One commenter stated that the EPA should not repeal the DPF requirements for remote areas of Alaska. The commenter recommended that the EPA provide the remote areas of Alaska with an extension to allow further time for those areas to gain experience with DPFs and provide training to people in the communities. The commenter indicated that the EPA should

Page 12 of 21

formally designate the remote areas on a map or in a list so that communities know what requirements are necessary. The commenter recommended that the EPA use the grant process specified in section 105 of the CAA to provide Alaska with funding for pilot programs to help communities gain experience in installing and operating DPFs and to allow them to install DPFs if the costs are too high.

The commenter disagreed that Tier 4 CI engines will require greater costs due to service and repair trips to remote locations. According to the commenter, any engine, including a Tier 4 CI engine, will require the same costs for trips for maintenance, service, and repairs. Regarding concerns over proper disposal of DPF ash and used filters, the commenter said that the engines without DPFs will emit the hazardous metallics into the atmosphere, and the EPA should compare the health consequences of these emissions with the benefits of capturing and properly disposing of the ash and the filter. The commenter stated that the EPA should promote innovation and environmental and health protection for remote areas of Alaska, which are typically home to lower income individuals and minorities according to the commenter.

Response: Regarding the comment that the EPA should provide an extension to provide more time for remote communities to gain experience with the use of DPF, the EPA already provided an extension for that purpose in the 2011 rulemaking, and as explained above, the EPA's expectation that experience with the use of DPFs would alleviate feasibility and cost concerns was not realized. Instead, the requirement that model year 2014 and later engines use DPFs has, in fact, resulted in the use of older engines. Further, in light of the information the EPA received from Governor Walker, the Alaska Department of Environmental Conservation and the AEA, as explained above, the EPA has determined that Tier 3 CI engines are the BSER and does not believe it is appropriate to retain a requirement that would necessitate the use of a DPF even if additional time is provided to meet that requirement. If more experience is gained with the use of DPFs in remote areas of Alaska, the EPA will consider that information when it next reviews the standards under section 111(b)(1)(B) of the CAA.

Regarding the comment that the EPA should formally designate the areas that are remote on a map or list them somewhere so that communities know what requirements are necessary, the criteria for qualifying as a remote area of Alaska in the regulation is not always based solely on geographical location. In some cases, the criteria include other factors such as the generating capacity of the source, so a map would not be sufficient for determining applicability. Furthermore, it is the responsibility of the owner or operator of stationary CI engines subject to the regulation to determine applicability for specific engines.

In response to the comment that the EPA should use a grant process to help communities gain experience with implementing the Tier 4 standards, although the EPA supports the idea of communities becoming proficient in operating and maintaining DPFs, the potential availability of grants does not change our determination that the use of DPFs is not currently BSER in remote areas of Alaska.

Information on the higher costs in remote areas of Alaska for engine and control device maintenance and repair provided by engine and catalyst dealers is included in the docket for this rulemaking and summarized earlier in this preamble. The commenter asserted that this information was false and that the cost of traveling to the engine location for service and repairs will be the same for any engine. It is true that the cost of engine technician travel per trip would be the same regardless of the type of engine. However, there would likely be increased frequency of travel associated with engines equipped with DPFs to allow engine technicians to perform the maintenance required for the DPFs, since the communities reportedly do not have the capability of performing the maintenance on their own. Therefore, the overall maintenance costs could be higher than for an engine not equipped with a DPF.

Regarding the comment concerning the health consequences of air emissions and the benefits of capturing and properly disposing of the ash collected by the DPF, the EPA has considered the health impacts associated with this final action. As stated previously in this preamble, utilities in the remote areas have been installing used, remanufactured, and rebuilt pre-model year 2014 engines, instead of installing new engines that meet the Tier 3 CI engine standards. According to the AEA, if these amendments are not finalized, higher emitting engines will likely continue to operate in the remote communities. Replacing the higher emitting engines with engines meeting the Tier 3 CI engine standards and that use ultra low sulfur diesel fuel will result in health and environmental protections for the remote communities.

IV. Impacts of the Final Rule

A detailed discussion of the impacts of these amendments can be found in the *Impacts of the Amendments to the NSPS for Stationary Compression Ignition Internal Combustion Engines* memorandum, which is available in the docket for this action. That memorandum was written for the proposed rule and direct final rule, and the estimates of the impacts did not change for the final rule.

In the original 2006 rulemaking, the EPA assumed that, even in the absence of the NSPS, emissions from stationary CI engines would be reduced to the same emission levels as nonroad CI engines through Tier 3, because engine manufacturers frequently use the same engine in both nonroad and stationary applications. Emission reductions and costs were only estimated for the difference between compliance with the Tier 3 standard and compliance with the Tier 4 standard in the original rulemaking.⁸ Using a similar assumption, the foregone PM reductions and costs from these amendments are calculated based on the difference in emissions between the engines that are expected to be used once these amendments are finalized, which are Tier 3 marine CI engines because of heat recovery abilities of marine engines, and the engines currently required by the regulations (known as the baseline), which are Tier 3 nonroad CI engines (either landnonroad or marine) with a DPF. If the baseline is assumed to be a Tier 3 land-based nonroad CI engine with a DPF, then the foregone PM reductions, based on the difference between a Tier 3 marine CI engine and a Tier 3 land-based nonroad CI engine with a DPF, are 5.3 tons per year in the first year after the amendments. In the fifth year after the amendments, the foregone PM reductions would be 27 tons of PM per year, assuming the number of new engines installed each year remains constant. If the baseline is assumed to be a Tier 3 marine CI engine with a DPF, foregone PM reductions are 6.6 tons of PM per year in the first year and 33 tons of PM in the fifth year. The cost savings in the fifth year after the amendments are estimated to be approximately \$8.0 million (2017 dollars). The cost savings are the same for either baseline (Tier 3 land-based nonroad or Tier 3 marine). We also show the cost savings using a present value (PV) in adherence to Executive Order 13771. The PV of the cost savings is estimated in 2016 dollars as \$322.9 million at a discount rate of 3 percent and \$111.2 million at a discount rate of 7 percent. Finally, the annualized cost savings over time can be shown as an equivalent annualized value (EAV), a value calculated consistent with the PV. The EAV of the cost savings is estimated in 2016 dollars as \$9.7 million at a discount rate of 3 percent and \$7.8 million at a discount rate of 7 percent. All of these PV and EAV estimates are discounted to 2016 and

⁸ Emission Reduction Associated with NSPS for Stationary CI ICE. Memorandum from Tanya Parise, Alpha-Gamma Technologies, Inc. to Jaime Pagán, EPA Energy Strategies Group. May 19, 2006. Document EPA-HQ-OAR-2005-0029-0288.

This document is a prepublication version, signed by EPA Administrator, Andrew R. Wheeler on 10/30/2019. We have taken steps to ensure the accuracy of this version, but it is not the official version.

Page 16 of 21

assume an indefinite time period after promulgation for their calculation.

Note that the AEA has indicated that owners and operators of engines in remote communities have been delaying replacement of older engines because of the cost and concerns about having to install new engines with DPFs. Thus, the costs and additional PM emission reductions from engines installed in 2014 and later have not been occurring as expected when the rule was originally issued in 2006. According to the AEA, if these amendments are not finalized, the remote communities will likely continue delaying replacement of older engines and will not receive the benefits of the reduced PM emissions that will occur if the older engines are replaced by new Tier 3 CI engines. Replacing an older engine with an engine meeting the Tier 3 CI engine emission standard results in a significant reduction in PM emissions compared to the older engine's emissions. For example, for a 238 horsepower (HP) engine, PM emissions from a Tier 3 marine CI engine are reduced by 80 percent from a Tier 0⁹ engine.

V. Statutory and Executive Order Reviews

Additional information about these statutes and Executive Orders can be found at *https://www.epa.gov/laws-regulations/laws-and-executive-orders*.

A. Executive Order 12866: Regulatory Planning and Review and Executive Order 13563:

Improving Regulation and Regulatory Review

This action is not a significant regulatory action and was, therefore, not submitted to the Office of Management and Budget (OMB) for review.

B. Executive Order 13771: Reducing Regulation and Controlling Regulatory Costs

⁹ Tier 0 signifies an engine built between 1988 and the first model year in which the Tier 1 standards took effect, which is 1996 for a 238 HP engine. See *Exhaust and Crankcase Emission Factors for Nonroad Compression-Ignition Engines in MOVES2014b*, EPA-420-R-18-009, July 2018.

This document is a prepublication version, signed by EPA Administrator, Andrew R. Wheeler on 10/30/2019. We have taken steps to ensure the accuracy of this version, but it is not the official version.

This action is considered an Executive Order 13771 deregulatory action. Details on the estimated cost savings of this final rule can be found in the EPA's analysis of the potential costs and benefits associated with this action.

C. Paperwork Reduction Act (PRA)

This action does not impose any new information collection burden under the PRA. OMB has previously approved the information collection activities contained in the existing regulations and has assigned OMB control number 2060–0590. This action does not impose an information collection burden because the EPA is not making any changes to the information collection requirements.

D. Regulatory Flexibility Act (RFA)

I certify that this action will not have a significant economic impact on a substantial number of small entities under the RFA. In making this determination, the impact of concern is any significant adverse economic impact on small entities. An agency may certify that a rule will not have a significant economic impact on a substantial number of small entities if the rule relieves regulatory burden, has no net burden, or otherwise has a positive economic effect on the small entities subject to the rule. This action reduces the impact of the rule on owners and operators of stationary CI engines located in remote areas of Alaska. We have, therefore, concluded that this action will relieve regulatory burden for all directly regulated small entities.

E. Unfunded Mandates Reform Act (UMRA)

This action does not contain an unfunded mandate of \$100 million or more as described in UMRA, 2 U.S.C. 1531–1538, and does not significantly or uniquely affect small governments. The action imposes no enforceable duty on any state, local, or tribal governments or the private sector.

F. Executive Order 13132: Federalism

This action does not have federalism implications. It will not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.

G. Executive Order 13175: Consultation and Coordination with Indian Tribal Governments

This action does not have tribal implications as specified in Executive Order 13175. While some Native Alaskan tribes and villages could be impacted by this amendment, this rule would reduce the compliance costs for owners and operators of stationary CI engines in remote areas of Alaska. Thus, Executive Order 13175 does not apply to this action.

H. Executive Order 13045: Protection of Children from Environmental Health Risks and Safety Risks

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that concern environmental health or safety risks that the EPA has reason to believe may disproportionately affect children, per the definition of "covered regulatory action" in section 2-202 of the Executive Order. This action is not subject to Executive Order 13045 because it does not concern an environmental health risk or safety risk.

I. Executive Order 13211: Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use

This action is not subject to Executive Order 13211, because it is not a significant regulatory action under Executive Order 12866.

J. National Technology Transfer and Advancement Act (NTTAA)

This rulemaking does not involve technical standards.

K. Executive Order 12898: Federal Actions to Address Environmental Justice in Minority

Populations and Low-Income Populations

While some Native Alaskan tribes and villages could be impacted by this amendment, the EPA believes that this action does not have disproportionately high and adverse human health or environmental effects on minority populations, low-income populations, and/or indigenous peoples, as specified in Executive Order 12898 (59 FR 7629, February 16, 1994). The amendments will not have a significant effect on emissions and will likely remove barriers to the installation of new, lower emission engines in remote communities.

L. Congressional Review Act (CRA)

This action is subject to the CRA, and the EPA will submit a rule report to each House of the Congress and to the Comptroller General of the United States. This action is not a "major rule" as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 60

Environmental protection, Administrative practice and procedure, Air pollution control,

Reporting and recordkeeping requirements.

•

Dated:

Andrew R. Wheeler,

Administrator.

For the reasons set forth in the preamble, 40 CFR part 60 is amended as follows:

PART 60—STANDARDS OF PERFORMANCE FOR NEW STATIONARY SOURCES

1. The authority citation for part 60 continues to read as follows:

Authority: 42 U.S.C. 7401 et seq.

Subpart IIII—Standards of Performance for Stationary Compression Ignition Internal Combustion Engines

2. Section 60.4216 is amended by revising paragraph (c) to read as follows:

§60.4216 What requirements must I meet for engines used in Alaska?

* * * * *

(c) Manufacturers, owners, and operators of stationary CI ICE that are located in remote areas of Alaska may choose to meet the applicable emission standards for emergency engines in §§60.4202 and 60.4205, and not those for non-emergency engines in §§60.4201 and 60.4204, except that for 2014 model year and later non-emergency CI ICE, the owner or operator of any such engine must have that engine certified as meeting at least the Tier 3 PM standards in 40 CFR 89.112 or 40 CFR 1042.101.

* * * * *