

Proposed Rule - Deferral for CO₂ emissions from Bioenergy and Other Biogenic Sources under the Prevention of Significant Deterioration (PSD) and Title V Programs

FACT SHEET

ACTION

- This action proposes to defer for a period of three years, the application of the Prevention of Significant Deterioration (PSD) and Title V permitting requirements to carbon dioxide (CO₂) emissions from bioenergy and other biogenic stationary sources (biogenic CO₂).
- This is one of several steps the Agency is taking to address the issues associated with biogenic CO₂ emissions from stationary sources.
- Concurrent with this rulemaking, EPA is also issuing interim guidance to help permitting authorities establish a basis for concluding that under PSD and Title V Programs the combustion of biomass fuels can be considered the best available control technology (BACT) for biogenic CO₂ emissions at stationary sources.
- During the three year deferral period, EPA will conduct a detailed examination of the science associated with biogenic CO₂ emissions from stationary sources. EPA will engage with federal partners, technical experts, and an independent scientific panel to consider technical issues that the Agency must resolve in order to account for biogenic CO₂ emissions in ways that are scientifically sound and also manageable in practice.
- EPA will accept public comments on the proposed deferral for 45 days following publication in the Federal Register.

BACKGROUND

- On January 12, 2011, EPA announced in letters to Members of Congress and the National Alliance of Forest Owners (NAFO) its intent to take this action as well as a number of related steps to address the issues associated with biogenic CO₂ emissions from stationary sources. The full list of steps EPA outlined in that letter are:
 - Granting the Petition for Reconsideration filed by NAFO on August 3, 2010, related to the PSD and Title V Greenhouse Gas (GHG) Tailoring Rule (75 FR 31514, June 3, 2010) (“Tailoring Rule”).
 - Issuing today’s rulemaking to defer for three years the application of the PSD and Title V permitting requirements to biogenic CO₂ emissions from stationary sources.
 - Concurrently issuing interim guidance on how biogenic CO₂ emissions from stationary sources should be treated by permitting authorities until final decisions are made.
 - Undertaking a detailed examination of the science associated with biogenic CO₂ emissions from stationary sources, including engaging with federal partners, technical experts, and an independent scientific panel to consider technical issues.
 - Developing a final rule on how biogenic CO₂ emissions should be treated and accounted for in PSD and Title V permitting based on the feedback from the scientific and technical review.

- Biogenic CO₂ emissions are defined as emissions of CO₂ from a stationary source directly resulting from the combustion or decomposition of biologically-based materials other than fossil fuels. Examples include, but are not limited to:
 - CO₂ generated from the biological decomposition of waste in landfills, wastewater treatment or manure management processes;
 - CO₂ from the combustion of biogas collected from biological decomposition of waste in landfills, wastewater treatment or manure management processes;
 - CO₂ from fermentation during ethanol production;
 - CO₂ from combustion of the biological fraction of municipal solid waste or biosolids;
 - CO₂ from combustion of the biological fraction of tire-derived fuel; and
 - CO₂ derived from combustion of biological material, including all types of wood and wood waste, forest residue, and agricultural material.

- The PSD program is a preconstruction review and permitting program applicable to "new major stationary sources" and "major modifications" at existing major stationary sources. The Title V permit program establishes operating permit requirements that are intended to improve sources' compliance with other CAA requirements. The applicability to both programs is dependent on whether the stationary source meets certain emissions thresholds.

- On June 3, 2010, EPA issued the Tailoring Rule and established two steps to implement PSD and Title V.
 - Tailoring Rule Step 1 began on January 2, 2011. Step 1 applies to sources subject to PSD or Title V anyway due to their emissions of other pollutants ("anyway" sources) and that have the potential to emit 75,000 tpy CO_{2e} (or increase emissions by that amount for modifications);
 - Tailoring Rule Step 2 begins on July 1, 2011. In addition to anyway sources, Step 2 applies to new facilities emitting GHGs in excess of 100,000 tpy CO_{2e} and facilities making changes that would increase GHG emissions by at least 75,000 tpy CO_{2e}, and that also exceed 100/250 tpy of GHGs on a mass basis.

NEXT STEPS AND IMPLEMENTATION

- This proposal will be published in the *Federal Register* shortly and will be available at: www.regulations.gov.
- The guidance and a prepublication copy of the proposal are available on our Web site at: <http://www.epa.gov/nsr>

MORE INFORMATION

For more information on the PSD and Title V programs and the July 2010 Call for Information on CO₂ emissions associated with bioenergy and other biogenic sources, please visit EPA's website: <http://www.epa.gov/nsr> and http://www.epa.gov/climatechange/emissions/biogenic_emissions.html