

## EPA's Proposal to Update Air Emissions Reporting Requirements

### Fact Sheet

#### Proposal Highlights

- On July 25, 2023, the U.S. Environmental Protection Agency (EPA) announced proposed updates to its requirements for air pollution emissions reporting to improve the information available to the Agency for identifying and addressing air pollution and exposure problems. The updates would also provide communities access to data about significant sources of air pollution that may be affecting them.
- The proposed updates would revise EPA's Air Emissions Reporting Requirements, also called the "AERR." The updates include a requirement that industry report air toxics emissions. Air toxics, also known as "hazardous air pollutants," are chemicals that are known or suspected to cause cancer and other serious health effects. Air toxics reporting is currently voluntary.
- EPA uses emissions data it receives under the rule as the basis for the National Emissions Inventory. The Agency uses data and information in the inventory as it develops and reviews regulations, conducts air quality modeling, and conducts risk assessments. Other federal agencies, along with state, local, and tribal air agencies also use the data the inventory provides.
- In addition to requiring air toxics reporting, the proposed updates to the rule would:
  - Make reporting requirements for stationary emissions sources known as "point sources" consistent every year.
  - Phase in earlier reporting deadlines.
  - Require industry to report emissions from certain facilities in Indian country and in federal waters.
  - Add fuel use data reporting requirements for certain sources of on-site electrical generation used to offset electricity demand during peak use.
  - Add requirements for reporting "activity data" for prescribed fires, such as fire location, dates, and number of acres burned.
  - Require owners and operators to electronically report results of source tests. Source tests, also called "stack tests," are used to measure facilities' emissions and emission rates.

- The proposal would ensure that emissions information is collected in a streamlined and consistent way, while limiting impacts to small businesses within communities that EPA seeks to inform and protect. In addition, EPA would not require owners and operators to conduct new testing as part of the proposed rule; rather, industry and states would rely on the best available data to meet their reporting requirements.
- EPA will accept public comments on the proposal for 70 days after it is published in the Federal Register. The Agency also will hold a virtual public hearing 21 days after the proposal is published.
- To read the proposal, visit EPA's [Air Emissions Reporting Rule website](#). Information on registering to speak at the public hearing will be available on this site once the proposal has published in the Federal Register.

### The Proposed Air Toxics Reporting Requirements Would:

#### Make More Air Toxics Emissions Information Available to the Agency and the Public

- EPA's current Air Emissions Reporting Rule requires state and local air agencies to collect and submit emissions data for common pollutants known as "[criteria pollutants](#)" and the pollutants that form them, which are known as *precursors*. These agencies report these emissions, along with related information, for stationary sources, such as industrial facilities; on-road mobile sources such as cars, trucks and buses; and non-road mobile sources, such as bulldozers and lawnmowers. Tribal air agencies have the opportunity, but not the obligation, to report emissions from sources in Indian country.
- The current rule does not require air toxics emissions reporting.
- Many states and some Tribal Nations voluntarily report air toxics to the Agency, but data collection is limited and not consistent nationwide. As a result, information about air toxics emissions is incomplete or less accurate in some communities than others, while the risks from air toxics exposure may be the same or higher.
- EPA is proposing to require owners and operators of facilities that are "point sources" to report their actual annual air toxics emissions directly to the Agency beginning in 2027. Point sources are larger sources that are usually located at a fixed location. A small number of portable sources, such as floating drill rigs, would also be required to report emissions as point sources.
- The proposal includes a rule-specific definition of "point source" exclusively for emission reporting purposes. A facility would be considered a point source under this rule if:
  - It is a major source for purposes of Clean Air Act operating permits; or

- It is a “non-major” source that belongs to certain industrial sectors, and it emits certain air toxics at or above proposed reporting thresholds. The thresholds, which are pollutant-specific, are included in the proposal.
- If available, facility owners and operators also would be required to provide other details about their air toxics emissions, such as the amount of specific air toxics released from specific stacks and the stack locations. This information is necessary for air quality modeling that EPA uses to assess community-level risk from air toxics exposure.

#### Provide Air Toxics Emissions Data That is Critical to EPA’s Work

- The air toxics emissions data and additional information will help improve the data available to EPA as it works to meet its Clean Air Act requirements and the Agency’s mission of protecting human health and the environment.
- For example, EPA:
  - Must develop regulations to limit emissions of 188 air toxics and periodically conduct risk and technology reviews of those regulations.
  - Conducts a nationwide assessment called AirToxScreen to identify potential health risks from air toxics. This tool helps EPA, state, tribal, and local air agencies learn where closer examination is needed to understand health risks from air toxics exposure.
  - Conducts several types of air quality modeling for use in rulemaking, state implementation planning actions and for understanding risks from different chemicals.
  - Assesses the impacts of EPA actions on communities with environmental justice concerns from air toxics exposure.

#### Reduce Burden on Small Businesses

- To reduce burden on small businesses, EPA is proposing to provide certain small business owners and operators the option to report total facility-wide emissions of each air toxic instead of providing more detailed data.
- To qualify for this option, a facility must meet the rule’s definition of small entity and meet other requirements, including that the owner/operator has never been notified that EPA has modeled a cancer risk for the facility that is 20 in 1 million or higher. Small businesses that are required to report detailed emissions estimates under state regulations would be required to report the same informant to EPA.
- In addition, based on a recommendation from the Small Business Advocacy Review Panel convened for this rule, EPA is proposing to exempt collision repair shops that are owned by

certain small businesses from the proposed air toxics reporting requirements. The proposal includes a definition of small businesses.

#### EPA's Proposal Also Would:

##### Fill Reporting Gaps in Indian Country and in Federal Waters

- The current Air Emissions Reporting Rule requires states to inventory emissions from sources on “nontribal lands” and report those emissions to EPA. The current rule does not specifically require emissions information for sources located in Indian country.
- To address this gap, EPA is proposing to require that facilities that are located in Indian country, and outside states’ implementation planning authority, report emissions directly to EPA, unless the data are already being reported by a Tribal Nation with “treatment as a state” status or pursuant to a Tribal implementation plan. The proposal would require owners and operators to report both criteria pollutants and air toxics emissions.
- Under the current rule, states are not required to report emissions from certain offshore facilities operating in federal waters. To ensure that EPA has emissions data for both criteria pollutants and air toxics, the Agency is proposing to require owners and operators to report emissions from facilities that operate in deep water ports that are subject to Clean Air Act Requirements as well as from facilities operating on the Outer Continental Shelf, with some exceptions.

##### Make Emissions Reporting Thresholds the Same Each Year

- Under the current rule, states must report data from sources that have the potential to emit a criteria pollutant or precursor exceeding certain amounts known as “thresholds.” These amounts vary depending on the pollutant that a facility emits.
- The current rule sets higher reporting thresholds for two out of every three years; in the third year, the threshold is lower. This means that every third year, states are required to report more facilities to EPA.
- The proposed rule would change this requirement, so facilities have the lower emissions reporting thresholds for every reporting year for criteria pollutants and precursors. EPA is also proposing thresholds for air toxics reporting that would be the same every year.
- This information would help EPA, state, local, and tribal air agencies have the most up-to-date emissions data to use in their regulatory decisions. It also would help the public know whether facilities have taken steps to reduce their emissions, and when those emissions have changed.

### Phase in Earlier Reporting Deadlines for Air Agencies

- The proposal would phase in earlier deadlines for reporting emissions data over a seven-year period, to give state, local, and tribal air agencies the time they may need to change their reporting regulations and processes. By 2030, agencies would have until May 31 to submit emissions data for the previous year.
- Agencies have the option to use EPA's Combined Air Emissions Reporting System, or "CAERS" to collect data from owners and operators to submit the data to EPA. Agencies using this system would not have to maintain their own emissions reporting systems, which could assist them in meeting the earlier deadlines and would reduce their costs for complying with the proposed rule.

### Provide Additional Data on Prescribed Fires

- Prescribed fire is a land management tool that can reduce the likelihood of catastrophic wildfires by reducing the buildup of unwanted fuels.
- The proposed rule would require state, local, and certain tribal air or forestry agencies to report daily activity data for prescribed fires on state, tribal, private, or military lands. This includes human-made grassland fires. Activity data includes information such as the location and day of the prescribed fire and the number of acres burned. The proposed requirement would apply to broadcast and understory burns affecting 50 acres or more, and pile burns affecting 25 acres or more.
- EPA is committed to helping communities and federal, state, local, and tribal partners manage the health impacts of smoke from wildland fires, including prescribed fires. The activity data would aid in the Agency's efforts to do this by helping EPA improve the accuracy of estimates of emissions from prescribed fires.
- The proposal would not apply to prescribed fires on federal lands that are not military lands, because activity data for these fires is already available. The proposed requirements also would not apply to agricultural fires, land clearance burns, or construction fires.

### *Provide Data on Generating Units Used When Energy Demand is High*

- As extreme weather and temperatures increase because of climate change, the use of "small generating units" to offset electricity demand during peak use is expected to increase as well. When many facilities deploy these units at the same time, emissions can be significant. They can emit nitrogen oxides and particulate matter and can contribute to ground-level ozone (smog) formation – all of which are harmful to health.

- The proposal would require states to report activity data for “small generating units” for which hourly or daily heat input data are not otherwise reported. This includes data such as unit characteristics, daily fuel use, or heat input. Owners and operators of facilities in Indian country and in federal waters also would be required to report this information. As part of the proposal, EPA is seeking comment on several alternatives to this requirement.

#### Improve the Data Available to EPA, States and Industry to Use for Estimating Emissions

- The proposal would require owners and operators to electronically report the results of certain sources tests using EPA’s Consolidated Emissions Data Reporting Interface (CEDRI).
- The proposal applies to tests that are already required by other rules; it would not create new testing requirements. By requiring owners and operators to report test results, the proposal would increase the data available to EPA to develop and improve emissions factors. EPA, states, and industry use emission factors to estimate emissions from various industrial activities.

#### Regulatory Impact Analysis

##### Benefits

- The proposed requirements would yield numerous benefits to EPA, state, local and tribal air agencies, and the public. The Regulatory Impact Analysis (RIA) for the proposal describes these benefits, which include providing:
  - Greater disclosure of air toxics emissions to the public, which would improve accountability and gives communities the data they need to understand significant sources of pollution that may be affecting them.
  - More extensive, up-to-date information for EPA and state, local, and tribal air agencies to use in developing regulations and state implementation plans.
  - More data for investors to use in making investment decisions.
  - Details needed for air quality modeling that would allow EPA and other agencies to assess the impacts of air toxics emissions on individual communities.
- The air toxics emission reporting requirements in the proposal would increase EPA’s ability to accurately and timely conduct risk and technology reviews of its Clean Air Act air toxics regulations.
- The improved information on air toxics emissions that the proposal would provide also would help EPA advance its environmental justice goals. It would do that by helping the agency better understand how air toxics emissions from regulated facilities affect communities that often have been overburdened by pollution – pollution that occurs daily but often is undisclosed and difficult to detect.

- Because the proposed updates would not directly change the amount of pollution being emitted EPA was unable to calculate the dollar value of the numerous benefits the rule would yield.

#### Costs

- The RIA estimates the present value of the costs of the proposed rule at \$2.4 to \$3 billion (7 percent and 3 percent discount rates) from 2024 to 2033, or \$343 to \$358 million annually over that time. All costs are in 2021 dollars, and include costs that state, local, and tribal agencies, and industry already are incurring to meeting current emissions reporting requirements.
- Here's how the estimated costs break down:
  - For states, local, and certain tribal air agencies, estimated annual costs are \$335,000 per agency, on average, from 2024 to 2026, and \$326,000 per agency, on average, beginning in 2027, the year the proposed rule would be fully implemented.
    - Costs are higher in 2024 to 2026, because agencies would be setting up reporting programs and systems to meet new requirements beginning in 2027. Note: if agencies use EPA's Combined Air Emissions Reporting System (CAERS), all costs would be lower, because they would not have to set up their own emissions reporting systems, and CAERS includes quality assurance measures.
  - For facility owners and operators, estimated costs on are \$2,200 a year per facility, on average, from 2024-2026, and \$3,500 a year per facility, on average, beginning in 2027, the year the rule would be fully implemented.

#### For More Information

- To read the proposal and the accompanying Regulatory Impact Analysis, visit [EPA's Air Emissions Reporting Rule website](#).