

EPA'S PROPOSED LOWER OZONE STANDARD – IMPLICATIONS FOR WESTERN OPERATORS

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CLEAN AIR ACT OVERVIEW – COOPERATIVE FEDERALISM

- EPA establishes National Ambient Air Quality Standards (“NAAQS”)
 - **Primary NAAQS**: standards necessary to protect public health
 - **Secondary NAAQS**: standards necessary to protect public welfare
- EPA required to review NAAQS at 5-year intervals

CLEAN AIR ACT OVERVIEW – COOPERATIVE FEDERALISM

- States implement measures (i.e., SIPs) to meet NAAQS
- Basic SIP Elements:
 - Emission limitations; control measures
 - Methods to monitor, compile, and analyze ambient air quality data
 - Stationary source permitting program
 - Enforcement measures

CLEAN AIR ACT OVERVIEW – AREA DESIGNATIONS

- New or revised NAAQS triggers state requirement to recommend areas be designated as either attainment, nonattainment, or unclassifiable (within 1 year).
 - Each area designated separately for each criteria pollutant.
- EPA must then make final designations “as expeditiously as practicable” (no later than 2 years after new or revised NAAQS)
- EPA can modify state recommendations as appropriate

CLEAN AIR ACT OVERVIEW – NONATTAINMENT SIPS

- Nonattainment designation generally triggers requirement to revise SIP (3 years to revise)
- Basic Nonattainment SIP Requirements:
 - RACM and RACT implementation (i.e., increased state emission control requirements for existing and new stationary sources)
 - Emissions inventory
 - “Reasonable further progress” requirements
 - Nonattainment NSR program
 - Contingency measures

CLEAN AIR ACT OVERVIEW – NONATTAINMENT SIPS (OZONE)

OZONE NONATTAINMENT AREA REQUIREMENTS					
Classification	NA NSR	Major Source Threshold (VOC and NOX)	Major Modification Threshold (VOC and NOx)	Offset Ratio	SIP Requirements
Marginal	Yes	100 tpy	40 tpy	1.1:1	Emissions inventory; NSR permit program; Periodic inventories
Moderate	Yes	100 tpy	40 tpy	1.15:1	Meet all Marginal requirements; 15% VOC reduction in 6 years; RACT catch-up
Serious	Yes	50 tpy	25 tpy	1.20:1	Meet all Moderate requirements; Reduce VOCs 3% annually for years 7 to 9; Enhanced monitoring requirements
Severe	Yes	25 tpy	25 tpy	1.30:1	Meet all Serious requirements; Emission fee penalties on sources if area does not meet required reductions

CLEAN AIR ACT OVERVIEW – ATTAINMENT DATES

- Nonattainment areas generally required to come into attainment as expeditiously as practicable (no later than 5 years). Can be extended in limited circumstances.
- Specific deadlines for certain criteria pollutants (e.g., Ozone)
 - Marginal – 3 years
 - Moderate – 6 years
 - Serious – 9 years
 - Severe – 15 years
 - Extreme – 20 years
- Failure to attain standard results in “bump up” to the next ozone classification.

NONATTAINMENT NSR PERMITTING

- **Reduced Major Source Thresholds**
 - 100 tpy (for nonattainment pollutant)
 - Reduced thresholds for certain NAAQS (e.g., ozone and PM)
 - Reduced “modification” significance thresholds
- **Lowest Achievable Emissions Rate**
 - Specified as numeric emissions limit and emissions rate
 - Generally, equivalent to the most stringent emissions limitation found in a SIP for the same class or category of source
 - LAER Resources – SIP limits, permits, and BACT/LAER Clearinghouse
 - LAER can never be less stringent than a NSPS control requirement
 - Generally no consideration of economic, energy, or environmental factors.

NONATTAINMENT NSR PERMITTING (CONTINUED)

■ Emission Offsets

- Surplus, enforceable, permanent, and quantifiable
- Generally must be obtained from same or nearby nonattainment area (area contributing to nonattainment and same or higher classification)
- Generally applicable only to major sources
- Pollutant specific

■ How?

- Reduce emissions elsewhere at the source or other sources (e.g., emission reductions not required by (or below) federal/state standards; voluntary acceptance of LAER; shutdown/curtailment)
- Use or purchase banked Emission Reduction Credits

EPA'S PROPOSED LOWER OZONE STANDARD

- EPA is proposing to lower the ozone NAAQS to within the range of **65 to 70 ppb** (8-hour average). See 79 Fed. Reg. 75,234 (Dec. 17, 2014).
- Taking comment on a standard as low as 60 ppb (uncertainty in scientific evidence at this level).

EPA'S PROPOSED LOWER OZONE STANDARD (CONTINUED)

- Change to secondary standard
- Proposed changes to state monitoring requirements (extend ozone monitoring season for 33 states)
- Revise Photochemical Assessment Monitoring Stations
- Add a new ozone Federal Reference Method
- EPA intends to issue implementation guidance in future and new rulemakings to streamline regulatory burdens and provide flexibility to states.
- PSD grandfathering provision.

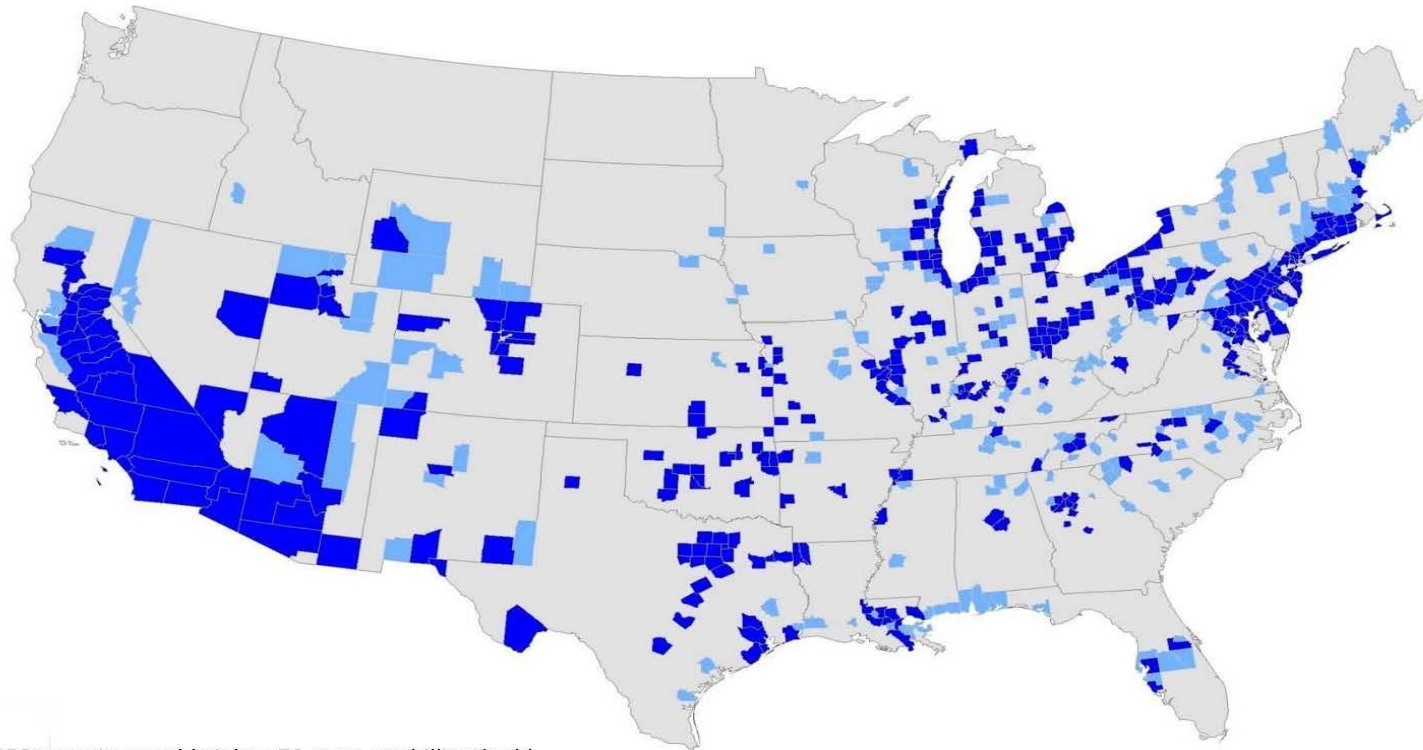
EPA'S PROPOSAL – PUBLIC COMMENTS/HEARINGS

- Public comment deadline: March 17, 2015
- 3 public hearings:
 - Jan. 29 – Arlington, TX
 - Jan. 29 – Washington, DC
 - Feb. 2 – Sacramento, CA

8-Hour Ozone Nonattainment Areas (2008 Standard)



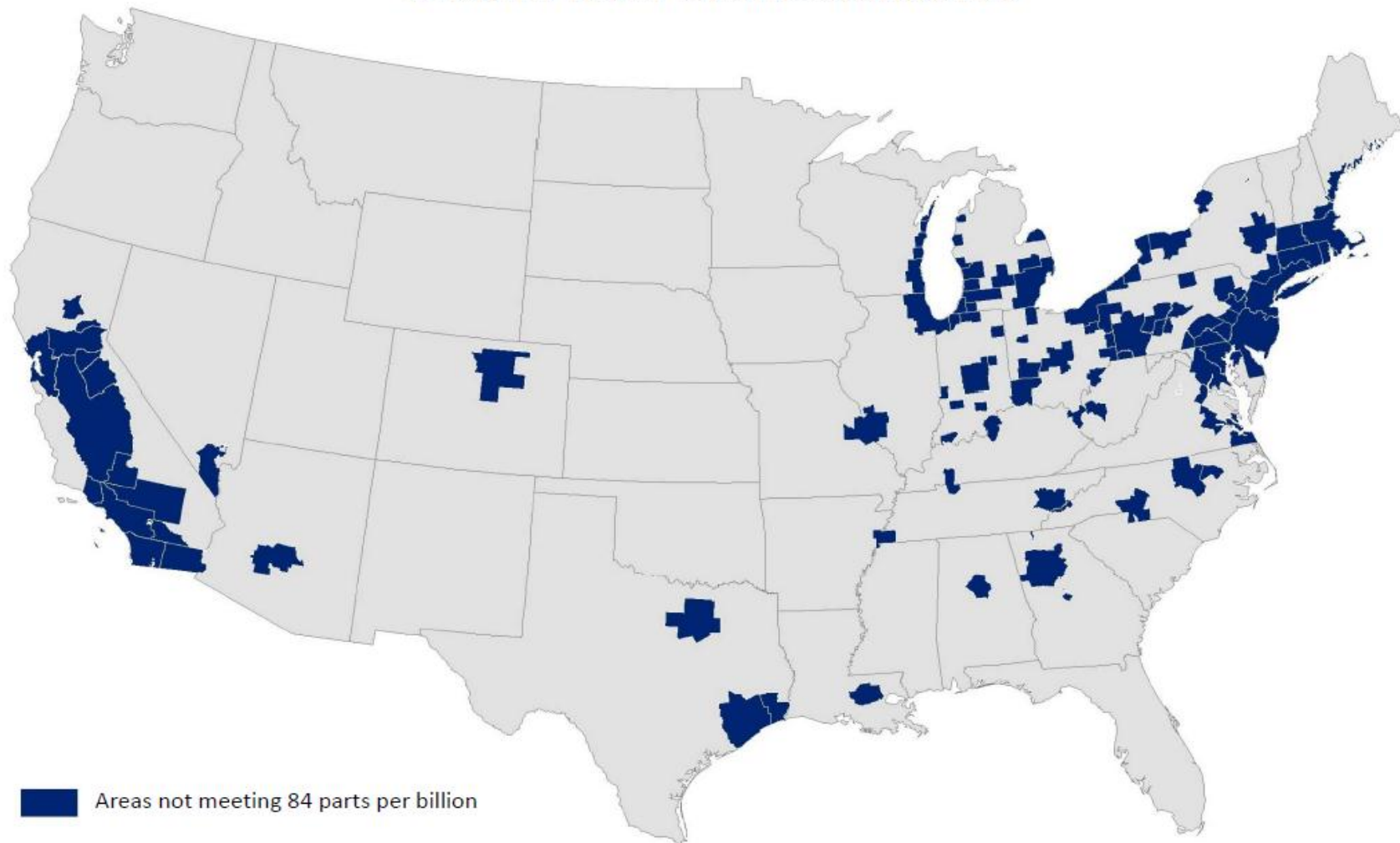
Counties Where Measured Ozone is Above Proposed Range of Standards (65 – 70 parts per billion)



- 358 counties would violate 70 parts per billion (ppb)
- 200 additional counties would violate 65 ppb for a total of 558

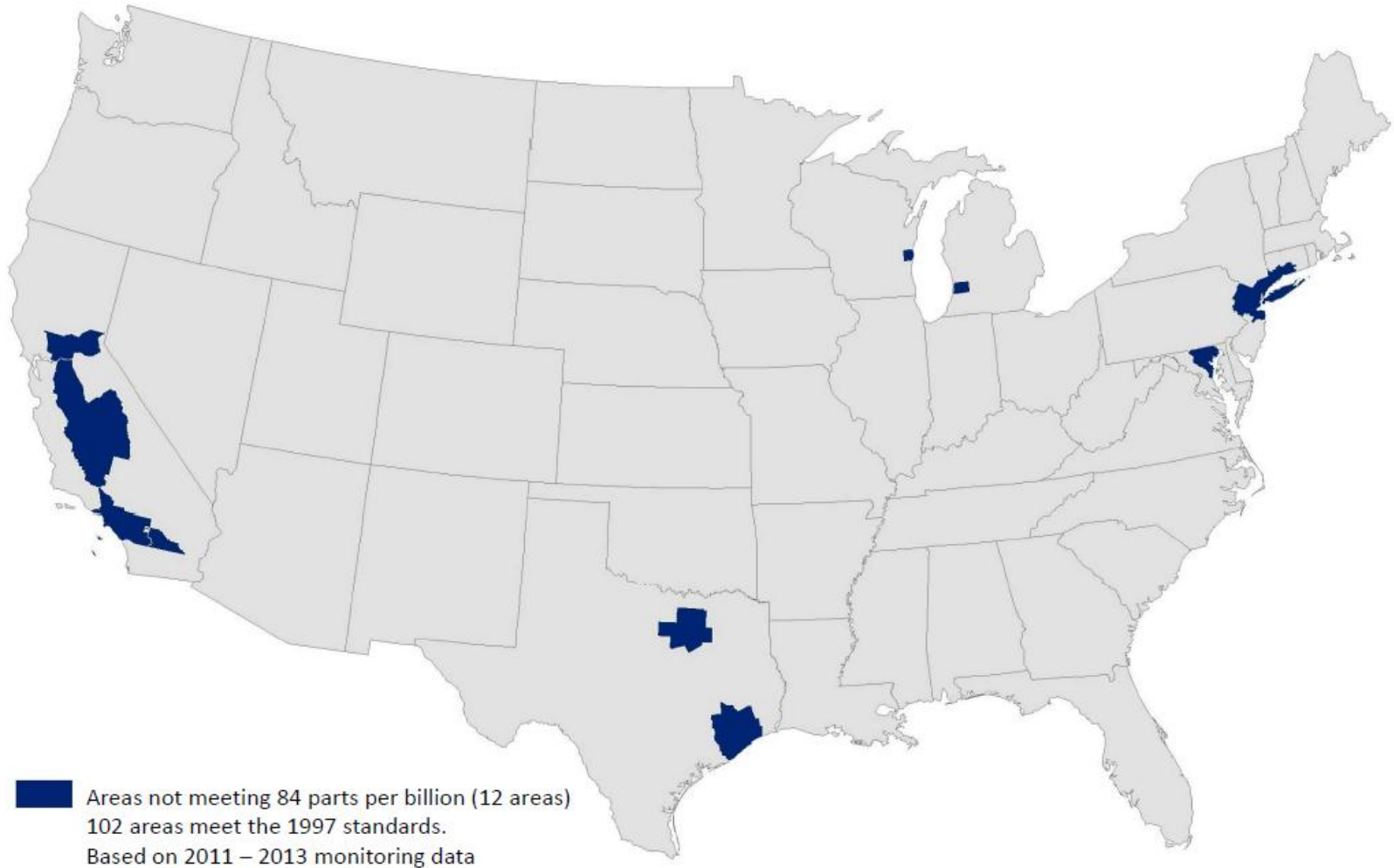
Based on 2011 – 2013 monitoring data

Originally, EPA Identified 114 Areas that did not meet the 1997 Ground-level Ozone Standards

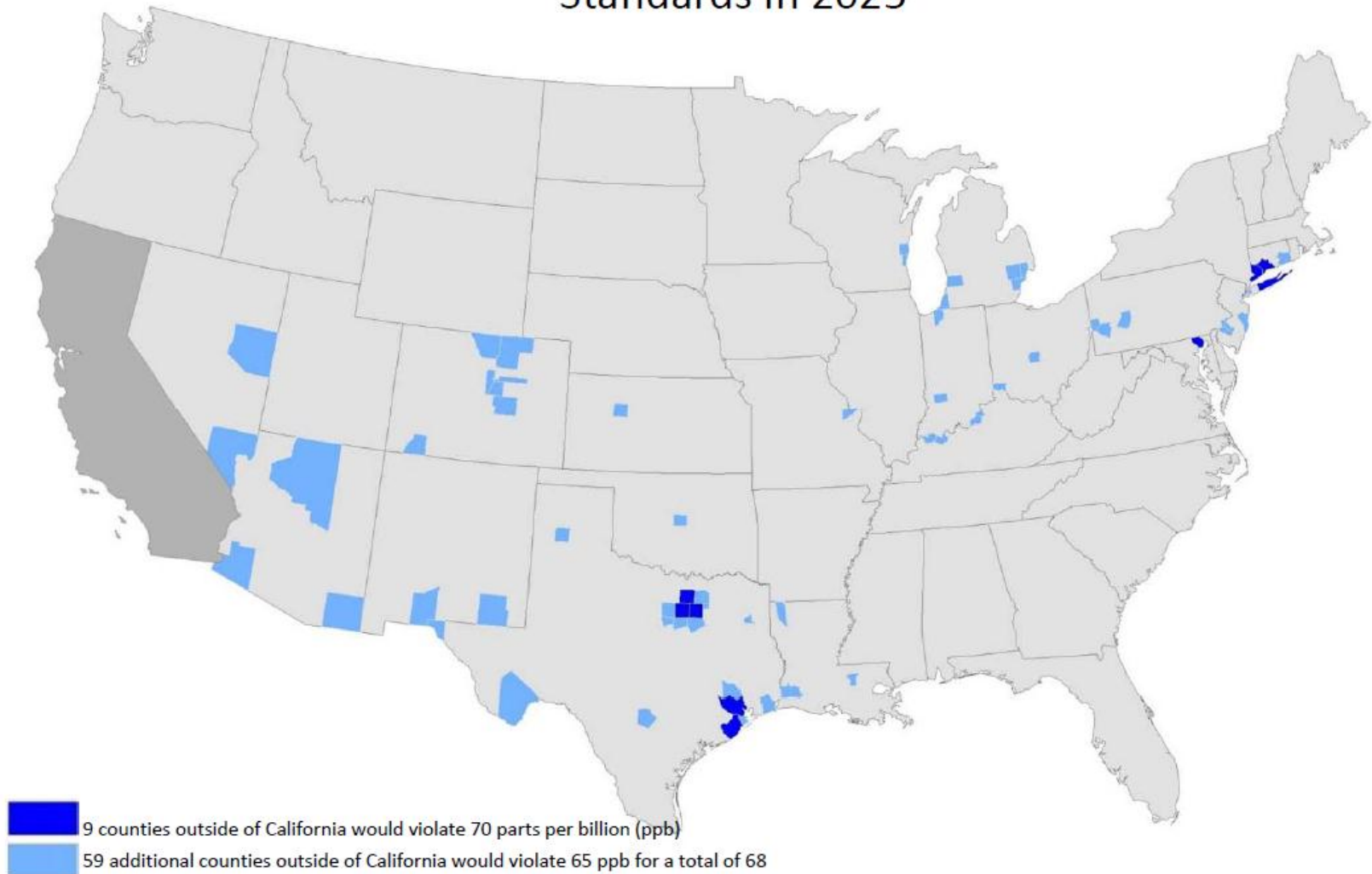


Based generally on 2001 – 2003 monitoring data

Today, 90 percent of those areas meet the 1997 Standards



EPA Projects Most Counties Would Meet the Proposed Range of Standards in 2025



Because several areas in California are not required to meet the existing standard by 2025 and may not be required to meet a revised standard until sometime between 2032 and 2037, EPA analyzed California separately. Details are available in the Regulatory Impact Analysis for this proposal.

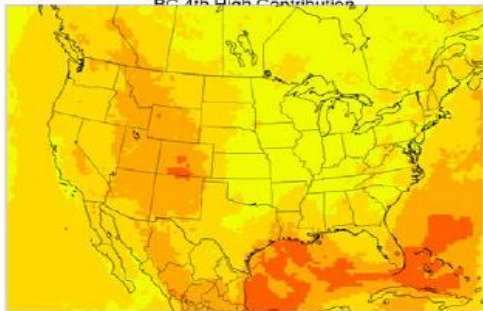
“Other Sources” Max Contrib. 4th High DMAX8 Ozone

Boundary Conditions

Natural

Anthropogenic

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
BC 4th High Contribution



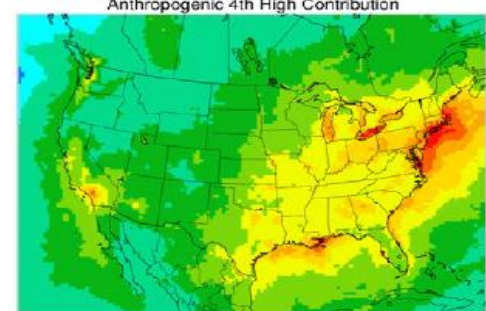
Max(82,2) = 80.37

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
Natural 4th High Contribution



Max(70,11) = 12.84

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
Anthropogenic 4th High Contribution



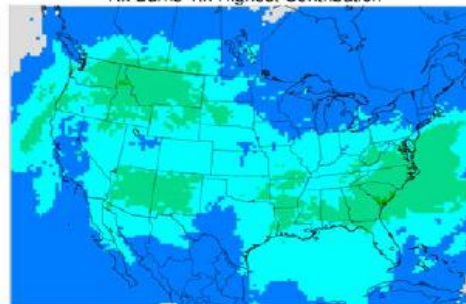
Max(133,70) = 110.89

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
Wildfires 4th Highest Contribution



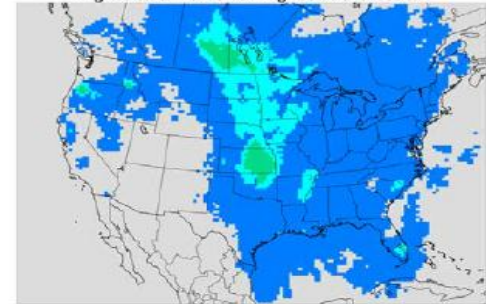
Max(129,53) = 60.13

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
Rx Burns 4th Highest Contribution



Max(116,41) = 6.16

Contrib. to CAMx Daily Max 8-Hour Ozone ≥ 0 ppb
Agricultural Burns 4th Highest Contribution



Max(79,51) = 3.15

Wildfire

Prescribed Fire

Agricultural Fire

EPA'S TENTATIVE TIMELINE

- Chart below from EPA Dec. 2014 Presentation

<i>Designation Schedule</i>		
	Schedule	Tentative Date
State and Tribe Recommendations	Within 1 year after NAAQS promulgation	October 2016
Final Designation	Within 2 years after NAAQS promulgation (Administrator has discretion to extend the deadline by one year to collect sufficient information.)	October 2017 Effective date may vary. (Air quality data years: 2014 –2016)
<i>Implementation Schedule</i>		
Infrastructure SIP	Within 3 years after NAAQS promulgation	October 2018
Attainment Plans Due	Within 36 - 48 months after designations depending on classification	October 2020-2021

<i>Attainment Schedule by Classification</i>	
Classification	Schedule*
Marginal	3 years to attain
Moderate	6 years to attain
Serious	9 years to attain
Severe	15 to 17 years to attain
Extreme	20 years to attain

*Areas must attain as expeditiously as practical, but not later than the schedule in the table. Two one-year extensions are available in certain circumstances based on air quality.

- More stringent regulatory requirements.
- Some possibilities:
 - Venting regulations (e.g., Colorado's STEM program)
 - LDAR
 - Lower control thresholds
 - Well liquids unloading
 - Requirements for both new and existing facilities (new EPA control technology guidelines)



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