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## **EPA PROPOSES REMOVING PORTION OF MICHIGAN FROM SECTION 126 RULE**

### **FACT SHEET**

#### **TODAY'S ACTION**

- The Environmental Protection Agency (EPA) is proposing to remove a portion of the state of Michigan from requirements of EPA's rule granting ozone-reduction petitions filed under Section 126 of the Clean Air Act, by four northeastern states.
- EPA finalized the rule, known as the Section 126 Rule, in December 1999. It requires large utilities and large industrial boilers and turbines located in 12 states and the District of Columbia to reduce nitrogen oxides (NO<sub>x</sub>) emissions. The emission reductions required in the rule are necessary to help the petitioning states (Connecticut, Massachusetts, New York, and Pennsylvania) meet EPA's national air quality standards for ozone (1-hour).
- EPA is proposing this minor revision to the Section 126 Rule in coordination with another proposed rule that also addresses the regional transport of ozone. That rule is known as the NO<sub>x</sub> SIP Call. In response to a decision from the U.S. Court of Appeals for the District of Columbia Circuit, EPA is proposing to remove portions of four states, including a portion of Michigan, from the NO<sub>x</sub> SIP Call requirements.
- Because the Section 126 Rule is based on many of the same analyses and information used in the NO<sub>x</sub> SIP Call, EPA is proposing to remove the section 126 requirements for sources located in the portion of Michigan that the Agency proposes to remove from the NO<sub>x</sub> SIP Call.
- EPA does not expect this proposal to affect any existing facilities, because the Agency has not identified any facilities in the portion of Michigan that would be excluded from the rule. However, new sources in the affected portion of Michigan also would not be subject to the rule.
- In today's action, EPA is also proposing to revise the definition of "applicable requirement" for its operating permit programs. This revision would require a facility to include the requirements of the Section 126 Rule in its operating permit.

## **BACKGROUND & CHRONOLOGY**

- NOx emissions from facilities in upwind states may contribute to ground-level ozone pollution (smog) in downwind states. When inhaled – even at very low levels – ground-level ozone can cause acute respiratory problems, aggravate asthma, reduce lung capacity, inflame lung tissue, and impair the body’s immune system.
- Section 126 of the Clean Air Act gives a state the authority to ask EPA to set emissions limits for specific sources of air pollution in other states that significantly contribute to the petitioning state’s air quality problems.
- In 1997, eight northeastern states filed petitions with EPA to reduce the transport of ground-level ozone. The eight states are Connecticut, Maine, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, and Vermont. The petitions identified 30 states plus the District of Columbia as containing sources that significantly contribute to ozone transport.
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- The petitioning states asked EPA to find that certain utilities and other sources of NOx significantly contribute to their ozone problems.
- In September 1998, EPA issued the NOx SIP Call rule as part of its efforts to reduce unhealthy air in the eastern half of the country. The original rule required 22 states and the District of Columbia to reduce NOx emissions that cross state boundaries, forming ground-level ozone in downwind states. EPA was sued over the NOx SIP Call rule.
- On Dec. 17, 1999, EPA partially approved the section 126 petitions from Connecticut, Massachusetts, New York, and Pennsylvania under the national air quality standard for ozone (1-hour). This action requires 392 facilities to reduce annual emissions by a total of nearly 510,000 tons from 2007 levels. The facilities are located in: Delaware; the District of Columbia; Indiana; Kentucky; Maryland; Michigan; North Carolina; New Jersey; New York; Ohio; Pennsylvania; Virginia; and West Virginia.
- Each affected facility will participate in a federal NOx emissions cap-and-trade program that is being administered by EPA. A cap-and-trade program is the most cost-effective approach to reducing interstate ozone transport by controlling NOx emissions.
- The trading program sets emission reduction requirements for the sources identified in the section 126 petitions and will allow those sources to trade emission allowances. Sources may must implement controls or use emission allowances to achieve their required NOx emission reductions.
- On March 3, 2000, the U.S. Court of Appeals for the D.C. Circuit issued a ruling largely upholding the NOx SIP Call. The court remanded a few issues to EPA, one of which was the

inclusion of certain portions of Georgia and Missouri in the SIP Call rule. Upon examining the court's reasoning for remanding the portions of those two states, EPA determined that portions of Michigan and Alabama also should not be subject to the NO<sub>x</sub> SIP Call rule. EPA is issuing a separate proposal to remove portions of all four States from the NO<sub>x</sub> SIP Call.

**FOR MORE INFORMATION**

- To download the text of the proposed rule, go to EPA's World Wide Web site at the following addresses: <http://www.epa.gov/oarpg/ramain.html> or <http://www.epa.gov/ttn/rto/126> .
- For general information on this action, contact Carla Oldham of EPA's Office of Air Quality Planning and Standards at (919) 541-3347.