

5/6/99

## FACT SHEET

### AMENDMENT TO EPA'S FINAL RULE REQUIRING REGIONAL NOX REDUCTIONS IN THE EASTERN UNITED STATES

#### TODAY'S ACTION

- ◆ The Environmental Protection Agency (EPA) is issuing a technical amendment to the final rule on the regional transport of ground-level ozone, the main component of smog. Today's action amends EPA's final notice issued on September 24, 1998 (63 FR 57356) called -- "Finding of Significant Contribution and Rulemaking for Certain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone," also commonly known as the "NOx SIP call."
- ◆ Today's notice makes revisions to the NOx emission limits or budgets for the affected States. These revisions are based on nearly 300 individual comments EPA received following publication of the final NOx SIP call on NOx emissions projections for industrial and mobile sources. This notice also takes into consideration a recent settlement on NOx emissions from heavy-duty diesel engines (primarily trucks) and amends the final NOx budgets to account for this agreement.
- ◆ As a result of these revisions, EPA anticipates that full implementation of the NOx SIP call will reduce total NOx emissions by 1.142 million tons. This is a slight decrease in EPA's final NOx SIP call reductions of 1.157 million tons. The total overall percent reduction associated with the NOx SIP call decreased slightly from 28 percent (announced by EPA last year) to 25 percent as a result of an increase in the baseline emissions inventory.

#### BACKGROUND

- ◆ The NOx SIP call requires the following 22 States and the District of Columbia to submit State implementation plans that address the regional transport of ground-level ozone: Alabama, Connecticut, District of Columbia, Delaware, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Mississippi, Missouri, North Carolina, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Wisconsin, and West Virginia.
- ◆ EPA's NOx SIP call requires the affected States and District of Columbia to submit state implementation plans (SIP) that address the regional transport of ozone through reductions in nitrogen oxides or "NOx."
- ◆ In the NOx SIP call, EPA established a NOx budget for each identified State. EPA established the limits by determining the amount of NOx emissions that would remain in each State after reasonable, cost-effective control measures are applied. States have the

flexibility to decide which sources will be required to reduce NO<sub>x</sub> emissions in order to meet the projected budgets.

- ◆ In the final NO<sub>x</sub> SIP call, EPA provided an opportunity for the public to submit comments on the source-specific emission inventory data and vehicle-miles-traveled (VMT) projections used in setting the emissions budgets for each State. EPA received several requests and, subsequently, extended the comment period to February 22, 1999 to take further comments on the inventory data and VMT projections.
- ◆ The NO<sub>x</sub> SIP call requires States to submit their control plans by September 30, 1999. Controls must be implemented by May 2003. States must achieve their overall NO<sub>x</sub> budgets by September 2007.

### **WHAT MAJOR CHANGES HAS EPA MADE IN THE NO<sub>x</sub> BUDGETS?**

- ◆ EPA has taken nearly 300 public comments into consideration and made changes to update the emissions inventories and amend the NO<sub>x</sub> emissions budgets for each State. These changes are based primarily on comments EPA received on the inventories from States and local air pollution agencies and industry. EPA amended each of the emission inventory sector budgets to reflect the updates and revisions provided by the public commenters.
- ◆ **Electricity Generating Unit (EGU) Budgets** increased less than 1 percent -- In response to comments, EPA modified the EGU budgets to include reclassification of a number of EGU point sources to the non-electric generating unit (non-EGU) sector and reclassification of some non-EGU units to the EGU source sector. Further, in response to comments, EPA added previously unidentified EGU to the inventory of sources. Overall the emissions reductions for the EGU sector are almost identical to the reductions in final NO<sub>x</sub> SIP call.
- ◆ **Non-Electricity Generating Unit (non-EGU) Budgets** increased 14 percent -- As a result of public comments, EPA moved some non-EGU units to the EGU sector and reclassified some units within the non-EGU sector. For example, EPA reclassified a number of sources from large non-EGU to small non-EGU, thereby removing them from the category of sources requiring budget level controls. Also, many of the State and local air agencies submitted revised non-EGU point source inventories which EPA used to replace their previous non-EGU inventories. The result of the reclassifications made by EPA in the non-EGU inventory is that fewer non-EGU would be subject to controls under EPA's assumed control strategy. The overall result of these changes lowers the amount of emissions expected to be reduced by the NO<sub>x</sub> SIP call by 12,070 tons.
- ◆ **Stationary Area Source Budgets** increased 11 percent -- This sector includes smaller commercial and industrial operations. Some State and local air agencies submitted revised emission inventories to replace their final NO<sub>x</sub> SIP call inventories for this sector. In addition, EPA applied a more consistent method for calculating ozone season

emissions based on typical ozone season daily emissions. To retain consistency with State ozone estimation methods, EPA is estimating seasonal emissions budgets by multiplying the typical ozone season day emission value by the number of days in the ozone season. Since EPA does not apply controls to the area source sector in calculating reductions for the final NOx SIP call, changes made to this sector have no effect on the overall NOx reductions.

- ◆ **Nonroad Source Budgets** increased 19 percent -- This sector includes emissions from large equipment such as recreational, agricultural and construction vehicles. Several State and local agencies provided emissions growth and control data for use in estimating the nonroad source sector budgets. EPA also applied the same ozone season estimation methods described above for the stationary area sector to develop the nonroad source sector budgets. Because EPA does not apply controls to the nonroad source sector in calculating reductions for the final NOx SIP call, changes made to this sector have no effect on the overall NOx reductions.
- ◆ **Highway Vehicle Budgets** (e.g. cars, trucks, buses) increased by 14 percent -- Differences in the State emission budgets are primarily due to comments by State and local agencies on vehicle-miles traveled and growth projections, vehicle mix throughout the State, speed changes by vehicle and roadway types, and inspection and maintenance program application, as well as EPA's inclusion of excess NOx emissions from the use of "defeat devices" on some highway heavy-duty diesel engines (discussed further below). Changes to the highway vehicle budgets have no effect on the overall NOx reductions since EPA does not apply controls to this sector in calculating the reductions of the final NOx SIP call.
  - ▶ **Heavy-Duty Diesel Engines with "Defeat Devices"** -- The final NOx budgets include revisions for a specific set of heavy-duty diesel engines which are equipped with so-called "defeat devices." These engines use computer software that can cause the effectiveness of the emission control systems to be reduced. Since the time EPA issued the final NOx SIP call, EPA and the manufacturers of these diesel engines reached a settlement agreement that included commitments to reduce NOx emissions from these engine types. The final baseline and NOx budgets include the effects of defeat devices and the commitments to introduce diesel engines meeting tighter control requirements prior to 2004.

#### **WHAT EFFECT WILL THIS AMENDMENT HAVE ON THE SEPTEMBER STATE PLANS?**

- ◆ This amendment to the NOx SIP call is expected to have no significant impact on the required submittal by States this September. EPA does not anticipate any changes resulting from this amendment in either the type of industries or controls States select to comply with the NOx SIP call.

## **FOR MORE INFORMATION**

- ◆ Interested parties can download the technical amendment from EPA's web site on the Internet at the following address: (<http://www.epa.gov/ttn/oarpg/otagsip.html>). Information about the Ozone Transport Assessment Group (OTAG) process can also be found on the Internet at: (<http://www.epa.gov/ttn/otag>). For further information about the technical amendment, contact Kimber Scavo of EPA's Office of Air Quality Planning and Standards at (919) 541-3354. For specific information about the emission inventory comment period, contact Greg Stella of EPA's Office of Air Quality Planning and Standards at (919) 541-3649.