Clean Air Work Group April 7, 2011 Meeting

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1

Greenhouse Gas Reporting Rule Delay

- EPA could not get the e-GGRT program ready by the 3/31/11 deadline for the 2010 GHG emissions report
- 2010 GHG reporting delayed until 9/30/11
- e-GGRT registration delayed until 8/1/11
- Rule amendment published as a direct final in Volume 76 of the Federal Register, Number 53, page 14818
- GHG monitoring plans should be updated to reflect the new due date
- GHG monitoring plans for new 2011 reporting categories must have been completed by April 1, 2011 (Subparts I, L, T, W, II, TT, DD, QQ, RR, SS, UU)

Biomass GHG Deferral

- EPA has issued a proposed rule deferring CO₂ emissions and permitting requirements from biomass (biogenic sources other than fossil fuels)
- Biomass sources would still have to go through the prevention of significant deterioration (PSD) process, although CO₂ emissions would not be included
- EPA will examine the science of biomass combustion to develop a final PSD rule
- The focus is on accounting for the CO₂ emissions if you can't count the emissions, how do you regulate them?



Congress v. EPA on GHG

- The House Science & Technology Committee has heard testimony from both climate change supporters and detractors; Senate and House both voting on limiting EPA GHG permitting and emissions regulations
- The House of Representatives has not approved funding for GHG Title V and PSD permitting;
- Some focus is on Richard Muller, (UC Berkeley), who is reviewing historical weather station data to determine the accuracy of the three main climate-change models
- Sites should proceed under current EPA GHG guidance
- EPA released new GHG permitting guidance document: <u>www.epa.gov/nsr/ghgdocs/ghgpermittingguidance.pdf</u>

Reciprocating Internal Combustion Engines

- EPA issued a clarifying rule addressing some errors in the December RICE NESHAP for Spark Ignition engines
- Continuous parameter monitoring systems (CPMS) must be operated all times unit is in operation, except periods of malfunction, repair, and quality assurance
- Three-hour block averaging in §63.6625(b) was replaced with one-hour averaging and a four-hour rolling average
- Delayed CPMS for 180 days for existing sources
- "Temperature measurement calibration check" replaced with "system accuracy audit." Ensure temperature measurements are accurate annually, not quarterly
- Spark ignition now includes "with a spark plug"

Gasoline Dispensing Facilities

- GDF that only load gasoline into fuel tanks (rather than motor vehicles) are now applicable to the NESHAP
- "Gasoline" means any petroleum distillate or petroleum distillate/alcohol blend having a Reid vapor pressure (RVP) of 27.6 kilopascals or greater, which is used as a fuel for internal combustion engines
- Denatured ethanol and transmix are not "gasoline" due to RVP and non-use in motor vehicles
- E85 would be a gasoline
- Throughput levels, (<10K/month, ≥10K/month & <100K/month, and ≥100k/month) unaffected</p>



Process Heaters / Boilers - I

- Final rule published March 21, 2011 and effective May 20, 2011 for major and area sources
- On the same day, EPA published notice of reconsideration of the following rules:
 - Major Source Industrial, Commercial, and Institutional Boilers and Process Heaters NESHAP;
 - Area Source Industrial, Commercial, and Institutional Boilers NESHAP;
 - New Commercial and Industrial Solid Waste Incineration Units NSPS (also published 3/21); and
 - Existing Commercial and Industrial Solid Waste Incineration Units NSPS (also published 3/21)

Process Heaters / Boilers - II

• EPA is reconsidering:

- Major source boiler subcategories
- Allowing major, gas-fired units not firing natural gas to be regulated like natural gas units
- Work practice standards for some major source boilers
- Biomass and oil area source GACT standards
- Revisions to the proposed dioxin emission limit and testing requirement for major source boilers
- Establishing a full-load stack test requirement for CO and continuous O₂ monitoring for major source boilers
- GACT PM standards for oil-fired area source boilers.
- Applicability of Title V to area source boilers

Utility Steam Generating Units

- NESHAP Signed March 16, 2011
- Regulates the metals mercury, arsenic, nickel, cadmium, chromium, lead, and selenium, and acid gases hydrogen chloride and hydrogen fluoride
- Final rule by November 2011 per consent decree
- Applicable to coal- and oil-fired sources ≥25 megawatts that produce <u>electricity for sale</u>
- Applicable sources automatically considered major

Other Steam Generating Units

- NSPS signed March 16, 2011
- Modifies 40 CFR, Part 60, Subparts D, Da, Db, and Dc
 - D: Fossil-Fuel-Fired Steam Generators
 - Da: Electric Utility Steam Generators >250 MMBtu/hr
 - Db: Heat recovery steam generators, fuel heaters, etc. capable of combusting ≥100 MMBtu/hr heat input
 - Dc: Heat recovery steam generators, fuel heaters, etc. capable of combusting ≥10 MMBtu/hr but ≤100 MMBtu/hr heat input
- Applicable to units modified, constructed, or reconstructed after publication date
- Limits PM and SO₂; optimize for CO and NO_X

National Environmental Policy Act & GHG

- U.S. Department of Agriculture provided a loan guarantee for a proposed, rural coal-fired power plant
- Permit was issued 3 weeks before EPA's GHG Tailoring Rule took effect, (permit does not reference GHG)
- Neither Sunflower Electric Power Corp. nor USDA completed an environmental impact review of the project
- USDA argued that the project was not a "major federal action," but the U.S. District Court ruled against USDA
- Environmental groups suing want an EIS to delay permit long enough that a new permit application would be needed, with GHG emissions limitations
- Morale: consider NEPA analysis in all federal actions

Fugitive Emissions & PSD

- EPA is reconsidering a rule issued at the end of the last Administration about PSD sources & fugitive emissions
- The new rule says fugitive emissions are <u>NOT</u> counted towards a PSD major modification
- The old rule says fugitive emissions <u>ARE</u> counted towards a PSD major modification
- The confusion stems from the 1977 Clean Air Act fugitive emissions <u>ARE</u> counted for certain PSD source categories, but are ignored from all other sources
- EPA interpreted the CAA ambiguity regarding fugitive emissions to require consideration of fugitive emissions only from modifications in the old rule