

Prevention of Significant Deterioration and Title V Greenhouse Gas (GHG) Tailoring Rule

Action Type: Final Rule

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Summary: EPA has made significant changes to the tailoring rule from what it proposed in the fall of 2009. The rule is necessary because with promulgation of the GHG rule for light-duty vehicles, PSD and title V applicability requirements are triggered for GHG emissions as of 2 January 2011.

The rule establishes two initial phase-in steps:

Step 1 begins on 2 January 2011, and covers only sources and modifications that would otherwise undergo PSD or title V permitting based on emissions of non-GHG pollutants. No additional PSD permitting actions or title V permitting will be necessary solely due to GHG emissions during this period. However, a BACT review of the GHG emissions may be required if the PSD permit process is underway for non-GHG emissions and the net increase in GHG emissions exceeds 75,000 tons per year (tpy) carbon dioxide equivalent (CO₂e). Sources with title V permits must address GHG requirements when they apply for, renew, or revise their permits.

Step 2 begins on 1 July 2011, and covers new large sources of GHG emissions that have the potential to emit 100,000 tpy CO₂e or more (provided that they also emit GHGs or some other regulated NSR pollutant above the 100/250 tpy (mass based) statutory thresholds), and modifications at existing sources that increase net GHG emissions by 75,000 tpy CO₂e or more, (provided that it also results in an increase of GHG emissions on a mass basis). GHG emission sources that equal or exceed the 100,000 tpy CO₂e threshold will be required to obtain a title V permit if they do not already have one.

The rule also requires EPA to promulgate by 1 July 2012, a step 3 rule that will consider phasing-in additional sources.

EPA excludes from PSD and title V permitting for GHG emissions, until at least 30 April 2016, sources that are not already subject and that emit less than 50,000 tpy of CO₂e, as well as modifications that do not increase net GHG emissions by 50,000 tpy CO₂e, or more.

This approach differs from the proposal which set as a first phase (6 years), temporary levels for the PSD and title V applicability thresholds at 25,000 tons per year (tpy) CO₂e and proposed a temporary PSD significance level for GHG emissions of between 10,000 and 25,000 tpy CO₂e.

The preamble contains significant discussion on how States are to approach implementing these amendments to PSD and title V within their jurisdictions. Legal and policy rationale are discussed in Section V.

EPA does not discuss potential Congressional action on GHG that would impact this rulemaking.