

EPA Tailoring Rule – 2 Step Program

Applicability:

- Pollutant regulated will be carbon dioxide equivalent (CO₂e), comprised of six pollutants:
 1. Carbon dioxide (CO₂)
 2. Methane (CH₄)
 3. Nitrous oxide (N₂O)
 4. Hydrofluorocarbons (HFCs)
 5. Perfluorocarbons (PFCs)
 6. Sulfur hexafluoride (SF₆)
- Total CO₂e emissions calculated by multiplying each pollutant by its global warming potential (GWP), found in 40 CFR, Part 98, Subpart A, Table A-1, and summing the results
- 100,000 tpy of actual or potential CO₂e emissions for Title V operating permit and Prevention of Significant Deterioration (PSD) installation permit
- 75,000 tpy of actual or potential CO₂e emissions will be the PSD significant increase level

Step 1. (January 2, 2011 –June 30, 2011)

- Only sources currently subject to the PSD permitting program, (i.e. sources with a PSD permit but no operating permit or sources with an outstanding PSD permit application), would be subject to permitting requirements for their GHG emissions under PSD.
- For these projects, only GHG increases of 75,000 tpy or more of total GHG, on a CO₂e basis, would need to determine the Best Available Control Technology (BACT) for their GHG emissions.
- Similarly for the Title V operating permit program, only sources currently subject to the program, (i.e. sources with a Title V permit or pending Title V permit application), would be subject to Title V requirements for GHG.
- During this time, no sources would be subject to Clean Air Act permitting requirements due solely to GHG emissions.

Step 2. (July 1, 2011 to June 30, 2013)

- In this phase, PSD permitting requirements will apply to all new construction projects that emit GHG emissions of at least 100,000 tpy, even if they do not exceed the permitting thresholds for any other pollutant. Modifications at existing facilities that increase GHG emissions by at least 75,000 tpy will be subject to permitting requirements, even if they do not significantly increase emissions of any other pollutant.
- Title V operating permit requirements will apply to sources based on their GHG emissions even if they would not apply based on emissions of any other pollutant. Facilities that emit at least 100,000 tpy CO₂e will be subject to title V permitting requirements.

Miscellaneous

- State and local air agencies, who implement the Title V and PSD programs, must to inform EPA if they must make rule changes to implement the new GHG emissions thresholds, and when such changes will be adopted. If this cannot happen by January 2, 2011, EPA will take appropriate action to ensure that the existing CAA permitting rules do not apply to sources excluded by today's rule.
- EPA also plans to develop supporting guidance and other information to assist permitting authorities as they permit GHG sources.
- EPA may lower the thresholds for permitting at a later date, but not below 50,000 tpy.