

EPA, Regulatory Reform, Clean Power Plan & NAAQS  
Update  
CIBO Environment Committee Meeting  
March 7, 2017

# EPA Administrator Priorities

Scott Pruitt spoke briefly on 2/21 and conveyed 3 points to the assembled and viewing employees, some 15,000 total.

1. Process matters, 'Regulations ought to make things regular' – The requirements under law and regulations should be known and predictable. It is important to avoid abuses of the regulatory authority, for example, avoiding rulemaking and imposing requirements by guidance, consent orders, or litigation.
2. The Rule of Law – Regulations need to be tethered to the statutes enabling them, and to Congress, whose grant of authority is the means for EPA action.
3. Federalism Matters – The role of the states is vital to EPA functions. EPA regional offices through their state contacts, must work to earn states' trust and work as partners, not adversaries.

# President Trump Plans for EPA & Its Budget

- Reduce EPA's budget from \$8.1 to \$6.1 billion
- Reduce EPA staff from 15,000 to 12,000 (buy-outs, attrition, layoffs)
- Significantly reduce size of EPA Regional Offices
- Eliminate many programs that don't match up with EPA's core mission—Energy Star, WaterSense, EJ programs, most climate initiatives, funds to clean up Lake Champlain and Long Island Sound, etc.
- Cut grants to state programs by up to 30%
- Keep in place or even increase water infrastructure funding

# Trump Regulatory Reform Initiatives

- Presidential Memorandum on Regulatory Freeze Jan. 20, 2017
- Presidential Memorandum on Streamlining Permitting and Reducing Regulatory Burden (Commerce Department proceeding) Jan. 24, 2017
- Executive Order 13771 on Reducing Regulation and Controlling Regulatory Costs ("One In Two Out" or "OITO" EO) Jan. 30, 2017
  - -OIRA Interim Guidance Implementing OITO Executive Order Feb. 2, 2017
- Presidential Executive Order Enforcing the Regulatory Reform Agenda Feb. 24, 2017
- Presidential Executive Order Restoring The Rule Of Law, Federalism, And Economic Growth By Reviewing The "Waters Of The United States" Rule

# Likely Trump/EPA Actions on the Clean Power Plan (CPP)

- Executive Order on the CPP and other Climate Action Plan elements expected this week
- DC Circuit Court opinion on CPP litigation is a wild card
- If Trump Administration acts quickly, multiple options are available:
  - Withdraw rule from Court pending new rulemaking focused on “inside the fence line”
  - Push idea that CPP is illegal because mercury emissions from utilities are regulated under Section 112
  - Challenge the endangerment finding
  - More litigation is a certainty!

# Other Climate Actions Being Contemplated

- Revoke NEPA GHG Guidance
- Revoke other E.O.s directing federal agencies to take actions to address climate change
- Revisit GHG and CAFÉ standards for cars and trucks
- Stop DOE efficiency standard rulemakings
- Revise or eliminate use of the social cost of carbon, methane, and nitrous oxides
- Stop methane rule for upstream oil & gas existing sources
- Revise the Clean Air Act to prohibit regulation of certain GHGs

# Recent NAAQS Activities

- Current NAAQS Review Schedule
- Proposed 2015 Ozone NAAQS Implementation Rule
- Proposed 2015 Ozone NAAQS Designations
- Final Appendix W Modeling Rule
- Guidance on Modeled Emission Rates for Precursors (MERPs)

# NAAQS Reviews: Status Update

(as of September 2016)

	Ozone	Lead	Primary NO <sub>2</sub>	Primary SO <sub>2</sub>	Secondary NO <sub>2</sub> and SO <sub>2</sub>	PM	CO
<b>Last Review Completed</b> (final rule signed)	Oct. 2015	Oct 2008	Jan 2010	Jun 2010	Mar 2012	Dec 2012	Aug 2011
<b>Recent or Upcoming Major Milestone(s)<sup>1</sup></b>	TBD <sup>2</sup>	<u>Dec 2014</u> Proposed decision  <u>2016</u> Final decision	<u>Jan 2016</u> Final ISA  <u>Summer 2016</u> 1 <sup>st</sup> Draft PA/REA	<u>Jan 2016</u> CASAC review of 1 <sup>st</sup> Draft ISA  <u>Winter 2016/2017</u> 2 <sup>nd</sup> Draft ISA REA Planning Document	<u>Oct 2015</u> Draft IRP  <u>Fall 2016</u> Final IRP  <u>Winter 2017</u> 1 <sup>st</sup> Draft ISA REA Planning Document	<u>April 2016</u> Draft IRP  <u>Fall 2016</u> Final IRP  <u>Fall 2017</u> 1 <sup>st</sup> draft ISA REA Planning Document	TBD <sup>2</sup>

Additional information regarding current and previous NAAQS reviews is available at: <https://www3.epa.gov/ttn/naaqs/>

<sup>1</sup> IRP – Integrated Review Plan; ISA – Integrated Science Assessment; REA – Risk and Exposure Assessment; PA – Policy Assessment

<sup>2</sup> TBD = to be determined



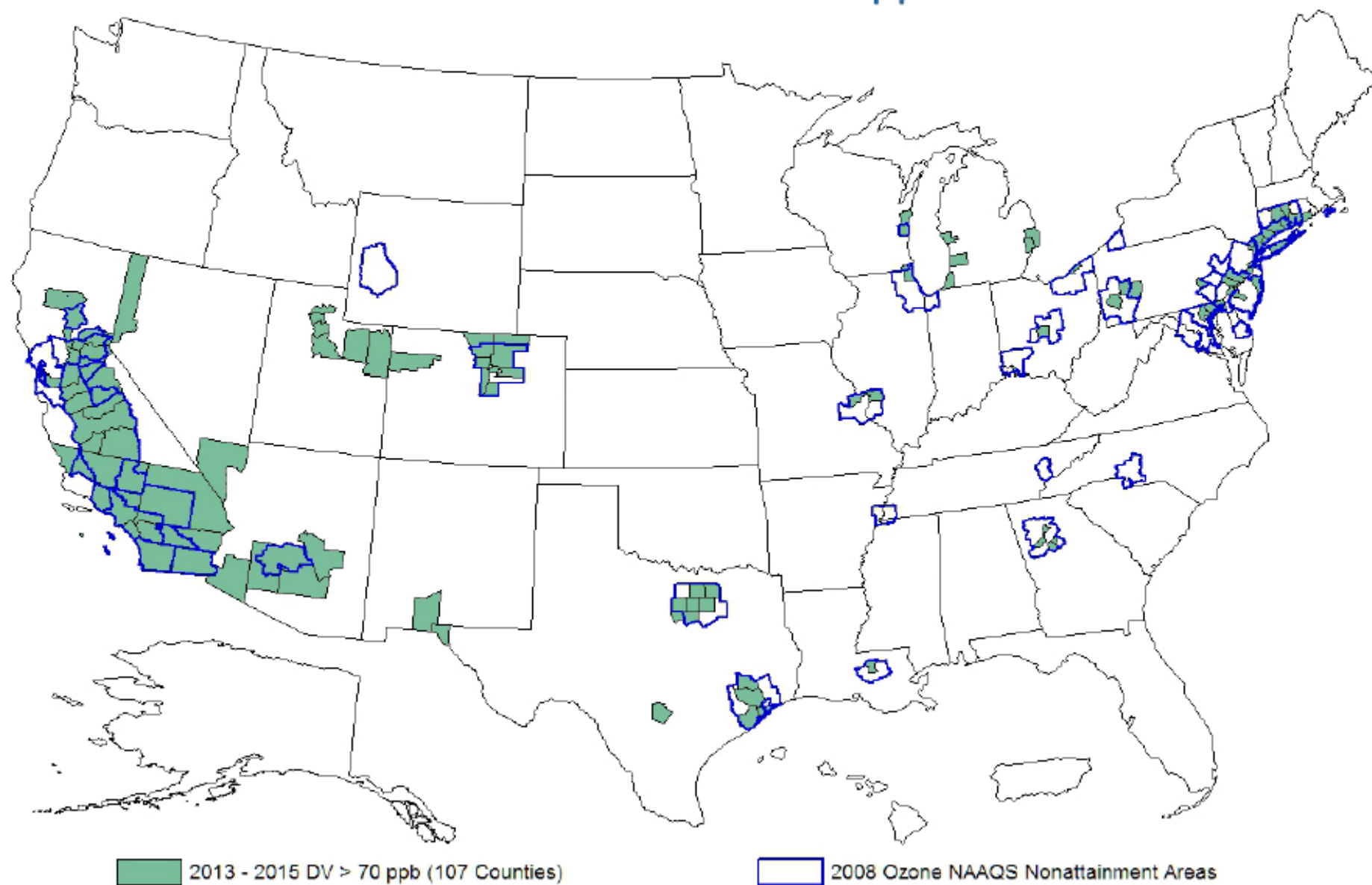


# Key Issues in Proposed 2015 Ozone NAAQS Implementation Rule

- Nonattainment area classification thresholds & SIP submittal deadlines—non-controversial
- Reasonable Further Progress (RFP)—milestone compliance demonstrations—non-controversial
- RACT—submission and implementation deadlines—non-controversial
- Attainment plans—consideration of sources of intrastate transport
- NNSR—interpollutant trading--controversial
- CAA Section 179B on international emissions impacts--controversial
- Revocation of the 2008 ozone NAAQS--controversial

# Ozone 2013-2015 Design Values

Counties with DV > 70 ppb



# Final Appendix W Rule and Draft MERPS Guidance

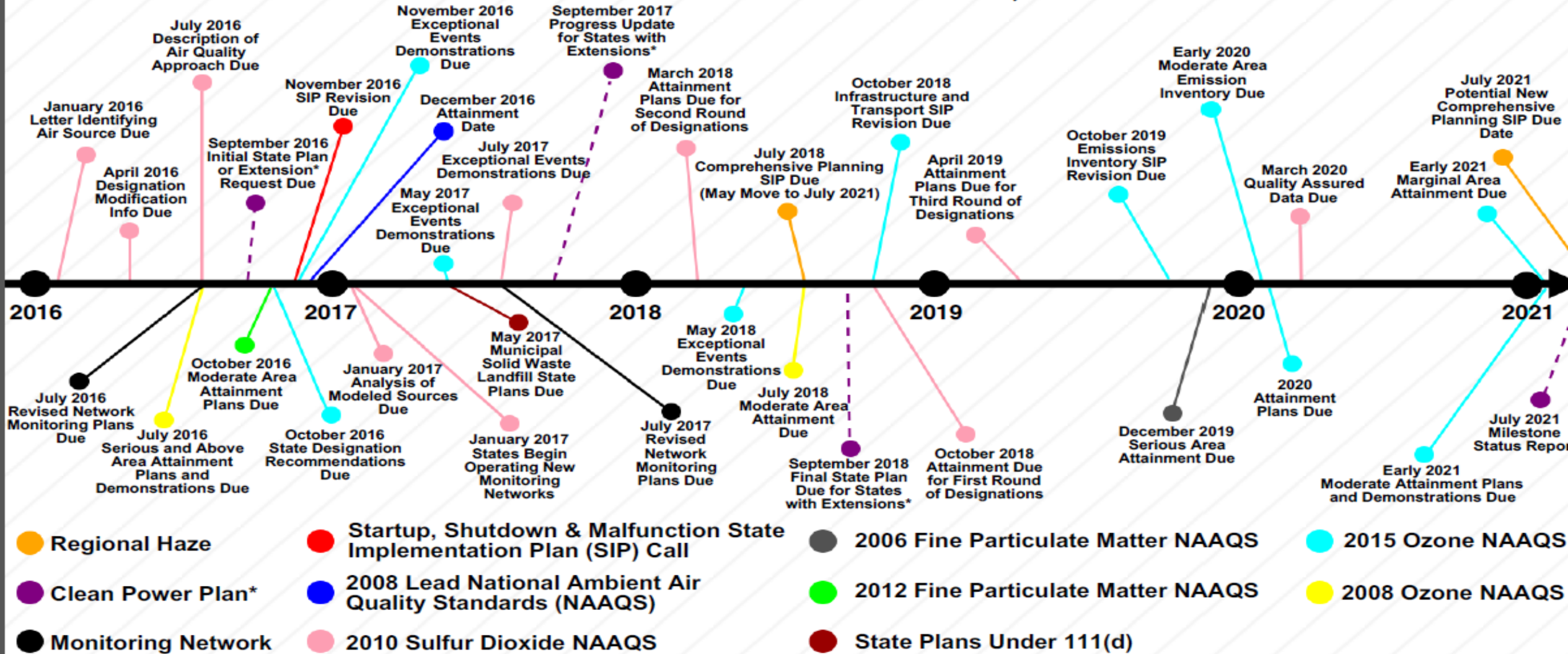
- Published in the FR January 17; subject to Presidential freeze
- Will allow use of certain model options (ARM<sub>2</sub>, ADJ U\*) as default options rather than Beta options that must go through the EPA Modeling Clearinghouse (but not low wind fixes)
- Also addresses single source modeling for ozone and PM<sub>2.5</sub> precursors
- MERPs guidance now informally available for public comment
- MERPs could be very useful—if source/project emissions are < MERP, project viewed as not causing or contributing to NAAQS violation, no further modeling required

**Table 7.1 Most Conservative (Lowest) Illustrative MERP Values (tons per year) by Precursor, Pollutant and Region.** Note: illustrative MERP values are derived based on the EPA modeling (as described in section 4) and critical air quality thresholds (as described in Section 5).

Precursor	Area	8-hr O3	Daily PM	Annual PM
NOx	Central US	126	1,820	7,427
NOx	Eastern US	107	2,467	10,037
NOx	Western US	184	1,155	3,184
SO2	Central US		256	1,795
SO2	Eastern US		675	4,013
SO2	Western US		225	2,289
VOC	Central US	948		
VOC	Eastern US	814		
VOC	Western US	1,049		



# State Clean Air Act Deadlines, 2016 - 2021



\* On February 9, 2016, the U.S. Supreme Court stayed implementation of the Clean Power Plan. According to U.S. EPA: "EPA firmly believes the Clean Power Plan will be upheld when the merits are considered because the rule rests on strong scientific and legal foundations. For the states that choose to continue to work to cut carbon pollution from power plants and seek the agency's guidance and assistance, EPA will continue to provide tools and support."