

CIBO ENVIRONMENTAL COMMITTEE MEETING

U.S. ENVIRONMENTAL PROTECTION AGENCY





AGENDA

- Ozone NAAQS Good Neighbor Plan
- Climate regulations
- Other OAAQPS regulatory work
- Questions



2015 OZONE NAAQS GOOD NEIGHBOR PLAN (FINAL RULE)

- This rule ensures states meet their obligations under the “Good Neighbor” provision of the CAA to eliminate significant contributions to nonattainment, or interference with maintenance of, the 2015 ozone National Ambient Air Quality Standards (NAAQS) in downwind states by:
 - **Identifying states that significantly contribute to downwind ozone air quality problems for purposes of the Good Neighbor provision**
 - **Determining the necessary reductions in ozone precursor emissions (NO_x) by states to meet Good Neighbor requirements under the CAA**
 - **Establishing Federal Implementation Plans (FIPs) containing NO_x emissions limits for selected source types in states that have failed to submit approvable Good Neighbor SIPs to ensure Good Neighbor obligations are met**
- Final FIP must be signed by March 15, 2023



2015 OZONE NAAQS GOOD NEIGHBOR PLAN (FINAL RULE)

- Overview of March 2022 proposed rule:
 - **Requires emissions reductions from EGU and non-EGU sources in 26 states identified as “linked” to downwind air quality problems**
 - **EGU requirements: updated / strengthened NO_x budget trading program for 25 states**
 - **Initial emissions reductions required in 2023, deeper reductions required in 2026**
 - **Non-EGU requirements: NO_x emissions limits for sources in seven industrial source categories in 23 states**
 - **Proposed compliance deadline of 2026**
 - **Projected emissions reductions of 94,000 tons of NO_x in 2026 ozone season**
 - **~50% of reductions from EGUs, ~50% from non-EGUs**
 - **EPA estimated the proposal would avoid ~1,000 premature deaths in 2026, achieve annual net benefits of ~\$15 billion from 2023 to 2042.**
- The workgroup is evaluating how the Inflation Reduction Act (IRA) impacts our ongoing analyses to support final rule development.



Background: Stakeholder Comments on Proposal

State, Local, and Tribal governments:

- Supportive of proposed control stringencies and trading program enhancements

Industry operators:

- Expressed concern about technical feasibility, cost, and installation timing of controls
- EGUs: Concerned about liquidity in allowance market; emphasized reliability risk given already stressed power grid
- Non-EGUs: Interested in trading program participation

EJ groups and environmental non-governmental organizations:

- Supported locational and temporal benefits of program design

Legal-focused comments:

- Raised “cooperative federalism” issues; major questions/nondelegation doctrines (esp. re power sector program and expansion to cover non-EGUs and western states); “return” to 1% threshold at Step 2; and “overcontrol” complaints

General/other comments:

- Proposed framework differs substantially from historical framework
- Urged EPA to consider recent monitored ambient air quality data



CLIMATE REGULATIONS

- Oil and Gas rule was proposed in November 2021
 - Supplemental is at OMB
- Agency is working on rules for EGUs
 - Target date for proposal is March 2023



OTHER OAAQPS REGULATIONS

- NAAQS
 - PM NAAQS – Currently at OMB for review
 - Ozone NAAQS – No decisions yet
- NESHAP/RTR
 - Boiler MACT – final rule signed 9/6/2022
 - Pulp and Paper – considering options, no firm deadlines
 - Hazardous Organic NESHAP – proposal 3/23



QUESTIONS

THANK YOU

