Proposed Rulemaking: <u>New Source Review Amendments</u> 25 Pa. Code Chapter 127 Subchapter E

Environmental Quality Board Meeting Harrisburg, PA November 17, 2009

Kenneth R. Reisinger Acting Deputy Secretary for Waste, Air and Radiation Management Department of Environmental Protection Commonwealth of Pennsylvania

Background for New Source Review:

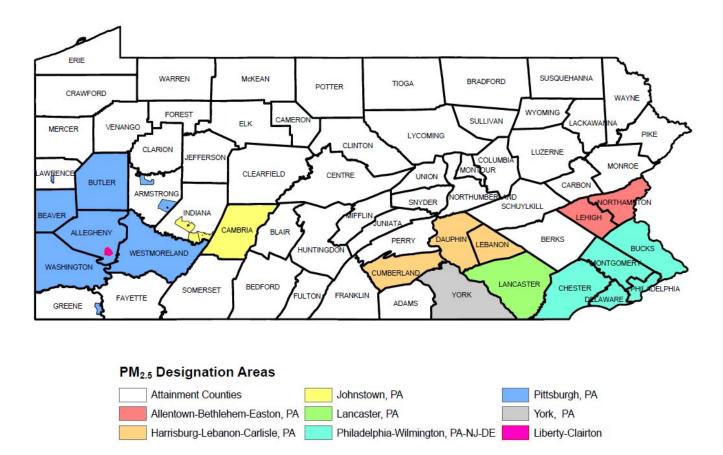
- Is a Federally mandated preconstruction permitting program for major affected facilities in nonattainment areas.
- Requires state-of-the-art air pollution controls for new major facilities or major modifications to existing major facilities.
- Applies in an attainment or unclassifiable areas only if the emissions impact a nonattainment area in excess of significance levels.

Purpose of Rulemaking:

- The proposal would add requirements to certain sections of 25 Pa. Code Chapter 127, Subchapter E (relating to new source review) to incorporate the federal PM2.5 requirements into the nonattainment NSR program to include emissions of PM2.5 and its precursors including sulfur dioxide (SO2) and nitrogen oxides (NOx).
- This rulemaking is reasonably necessary to attain and maintain the health- and welfare-based PM2.5 National Ambient Air Quality Standard in this Commonwealth.
- Exposure to PM2.5 is a serious health and welfare threat, causing premature mortality, aggravation of respiratory and cardiovascular disease, increased asthma and decreased lung function.
- Environmental effects of PM2.5 pollution include visibility impairment, soiling and materials damage.

Designations for the 24-hour Fine Particulate National Ambient Air Quality Standard

PM_{2.5} Designations for Pennsylvania



Areas are Shaded Based on EPA's October 8, 2009 Designations

Provisions:

- The proposed rulemaking adds one new term and definition, revises two terms and definitions, and deletes one term and definition under 25 *Pa. Code* Section 121.1 (relating to definitions).
- The proposed rulemaking amends several sections of 25 Pa. Code Chapter 127, Subchapter E to incorporate the recently promulgated Federal requirements for PM2.5 and PM2.5 precursors including SO2 and NOx.
- Other clarifying amendments for 25 *Pa. Code* Chapter 127 (relating to construction, modification, reactivation, and operation of sources) are also proposed.

The proposal includes the following clarifying amendments to Sections 127.203, 127.203a and 127.204:

 Section 127.203 (relating to facilities subject to special permit requirements) provides that "aggregated" VOC or NOx emissions must meet certain applicability requirements.

 Section 127.203a (relating to applicability determination) clarifies the requirements for estimating an emissions increase.

Section 127.204 (relating to emissions subject to this subchapter) deletes "this includes" and adds the following: "The aggregation shall include..."

Provisions:

 Section 127.206 (relating to ERC general requirements) provides a one-year amnesty period for the owner or operator of facilities which have generated creditable emission reductions for all criteria pollutants after April 5, 2005, and have missed the opportunity to submit ERC Registry applications.

Applicability:

- These requirements would apply to the owner or operator of an affected facility to which a plan approval will be issued by the Department after the effective date of adoption of the final-form rulemaking.
- The proposed rulemaking applies to:
 - construction of a major stationary facility
 - modification at an existing major facility.
- The PM2.5 threshold for a new major facility is 100 tons per year of PM2.5.
- The PM2.5 threshold for major modifications at existing facility is 10 tons per year of PM2.5.

Implementation:

- The proposal will be effective upon publication in the Pennsylvania Bulletin as final-form rulemaking.
- Currently, major facilities located in Pennsylvania are subject to the provisions of 40 CFR Part 51 Appendix S for PM2.5 (related to emission offset interpretative ruling).

Expected Results:

- The proposed rulemaking would affect owners and operators of air contamination sources affected by the special permitting requirements of 25 *Pa. Code* Chapter 127. There are approximately 700 major facility owners and operators in this Commonwealth that may be subject to the existing NSR rules if major modifications are proposed.
- The effectiveness of the proposed amendments would be demonstrated by reduced levels of PM2.5 in nonattainment areas of this Commonwealth.

Costs to the regulated community:

- It is not anticipated that any significant additional costs will be incurred by the regulated community. The proposed amendments affect the same major facilities that are affected by the Federal regulation with which the owners/operators are currently complying.
- If NSR is triggered, the owner or operator of the facility will have the cost of procuring offsets required under the Federal regulation.

Advisory Committee Review:

- The concepts and draft regulatory language were discussed with the Air Quality Technical Advisory Committee (AQTAC) on September 18 and December 11, 2008, and March 12 and May 28, 2009.
- At its May 28, 2009, meeting, the AQTAC concurred with the Department's recommendation to seek Board approval of the proposed rulemaking.
- The proposed rulemaking was also discussed with the Citizens Advisory Council on July 21, 2009.

Recommended Public Participation:

- The Department recommends a 60-day public comment period and 3 public hearings on the proposed rulemaking.
- If adopted as a final-form regulation, a revision to the State Implementation Plan will be submitted to the EPA.



Kenneth R. Reisinger

Acting Deputy Secretary for Waste, Air, and Radiation Management

Joyce E. Epps

Director, Bureau of Air Quality

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Robert A. Reiley

Bureau of Regulatory Counsel