



CSAPR Stay Lifted – Implications for Connecticut Sources

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Background: Clean Air Interstate Rule (CAIR)

- Clean Air Act requires states to address emissions that “contribute significantly” to nonattainment or “interfere with maintenance” of NAAQS in downwind states.
- March 2005 - EPA issued Clean Air Interstate Rule (CAIR) covering 27 eastern states and DC. CAIR used a cap & trade program to reduce SO₂ and NO_x emissions from power plants to meet 1997 annual and 24-hour fine particle (PM_{2.5}) and 1997 8-hour ozone NAAQS.
- States were required to submit State Implementation Plans (SIPs) to EPA demonstrating compliance with their applicable SO₂ and NO_x EGU budgets.

CAIR Challenged in US Court of Appeals for DC Circuit

- July 2008 – Court issued decision to vacate CAIR
- Dec 2008 – Court amended decision and remanded CAIR without vacatur
 - Required EPA to promulgate replacement rules to CAIR, consistent with the Court's July 2008 ruling
 - Left CAIR in effect until replacement rule was promulgated
- July 2011 – EPA issued CSAPR to replace CAIR.
 - Required 28 states to reduce SO₂ and NO_x emissions

CSAPR Challenged in US Court of Appeals for DC Circuit

- Dec 2011 – D.C. Circuit issued order staying CSAPR pending judicial review. Left CAIR in effect
- April 2014 – Supreme Court issued decision reversing D.C. Circuit decision and remanded case back to D.C. Circuit
- June 26, 2014 – EPA filed motion requesting D.C. Circuit to lift stay of CSAPR and move compliance deadlines by 3 years so CSAPR implementation can begin on Jan (or May) 1, 2015
- Oct 24, 2014 – D.C. Circuit granted motion to lift stay
- Feb 2015 – Petitioners opposed to lift of stay will present oral arguments. In the meantime, EPA is moving ahead with implementation

Cross State Air Pollution Rule (CSAPR)

- CSAPR focuses on attainment/ maintenance of 1997 Ozone and 1997 & 2006 PM_{2.5} NAAQS
- CSAPR was intended to cover emissions in 2012 and beyond, but 2012 & 2013 allowances will now be “revintaged” to 2015 & 2016
- CSAPR will be implemented through a federal rule
- CSAPR establishes new allowances for all programs
 - No carryover of Acid Rain Program, NO_x SIP Call/ NO_x Budget Trading Program (NBP), or CAIR allowances

CSAPR Implementation

- Dec 2014 – CSAPR FIP replaces CAIR
- By Jan 1, 2015, EPA will issue supplemental rule (NODA) to add 3 years to initial dates.
- Jan 1, 2015 – Phase 1 of rule will begin; Phase 2 will begin in 2017. Monitoring certification deadline moved to 2015; assurance provisions apply in 2017
- States have until April 1, 2015 to submit 2016 allocations, and have option (not requirement) to develop SIPs and modify allocation process

CAIR and CSAPR in New England

- CT and MA were included in ozone-season CAIR program, but not in CSAPR, because air quality modeling shows they no longer contribute significantly to nonattainment of the 1997 ozone or 1997 & 2006 PM NAAQS in other states
- CT CAIR rule (RCSA Sec. 22a-174-22c) was approved by EPA in the CT SIP on Jan 24, 2008 (73 FR 4105).
- MA CAIR rule (310 CMR 7.32) was approved by EPA in the MA SIP on Dec 3, 2007 (72 FR 67854).

CT's Reliance on CAIR in its SIP

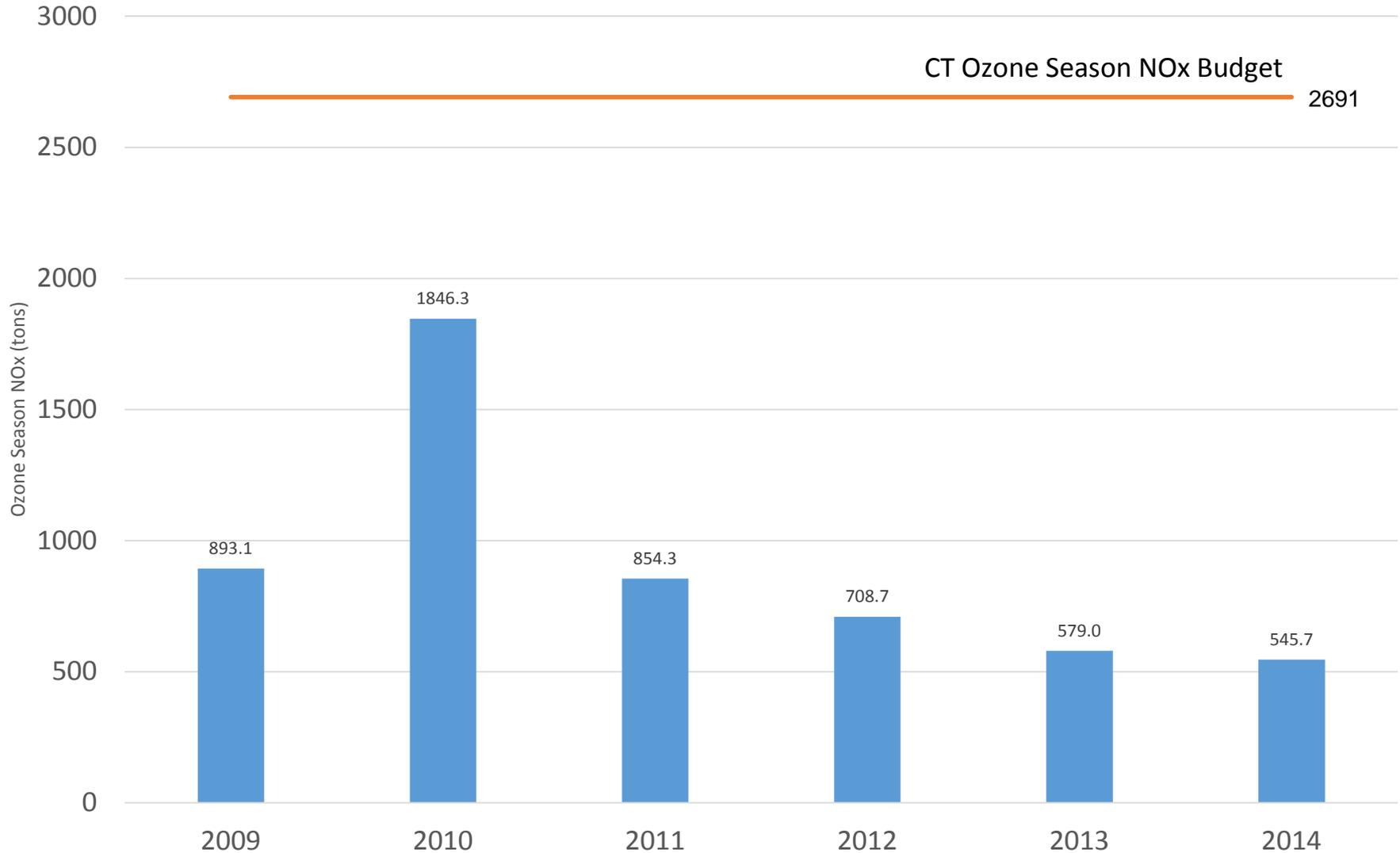
- Reductions from CAIR are relied on by CT for a number of air quality obligations:
 - Regional Haze Plan (relied on CAIR as part of alternative BART strategy)
 - Ozone SIPs for the 1997 ozone NAAQS for both the Greater CT and CT portion of NYC Nonattainment areas
 - Reasonable Further Progress plans
 - Ozone Attainment Plans
 - Ozone infrastructure SIP (relied on CAIR for transport elements)

CT Options for Maintaining CAIR Reductions

■ **Intrastate NO_x trading program**

- This was originally proposed by CT DEEP in Dec 2011 (RCSA Sec. 22a-174-22d “Post-2011 CT Ozone Season NO_x Budget Program”)
- Was going to have an Ozone Season NO_x budget of 2,691 tons, the same as CAIR
- Before the CSAPR stay in 2011, EPA was poised to make modifications to EPA trading system and run a CT Intrastate Trading program.
 - Total actual ozone season emissions well below CAIR Budget, so other options may be preferable

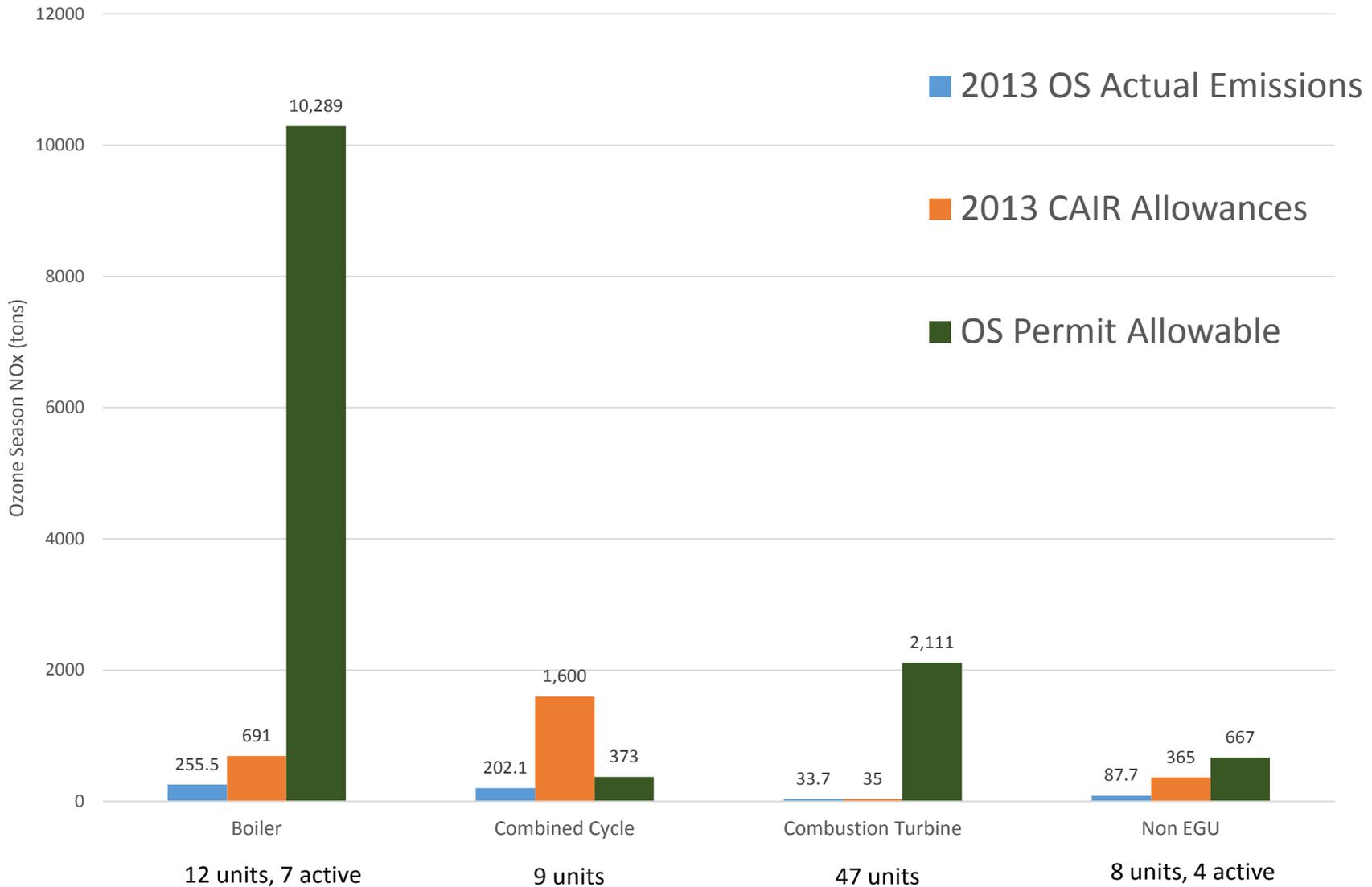
Connecticut CAIR NOx Emissions



CT Options for Maintaining CAIR Reductions (con't)

- **Enforceable ozone season emission limits on all CAIR units**
 - This could be done through new or revised regulations, and/or updated permits.
 - Focus should be on steam generators and combustion turbines since they have the biggest gap between actuals vs. allowables.
 - Could be done in conjunction with upcoming NO_x RACT rule revisions
 - Could be implemented through NO_x Trading Orders

2013 Connecticut CAIR NOx Emissions by Unit Type



CT SIPs that may need amending after CSAPR replaces CAIR

- CT CAIR rule (RCSA Sec. 22a-174-22c)
- RACT SIP for the 2008 ozone standard
- Regional Haze SIP
 - CAIR is one component of Alternative to BART strategy
 - 5 year progress report, due Nov 18, 2014
- Ozone infrastructure SIPs
 - For the 1997 ozone standard - relied on CAIR for transport elements
 - For the 2008 ozone standard – transport elements have not yet been submitted

QUESTIONS OR COMMENTS

