

How EPA and New EPA Regulations Will Affect Texas Businesses.

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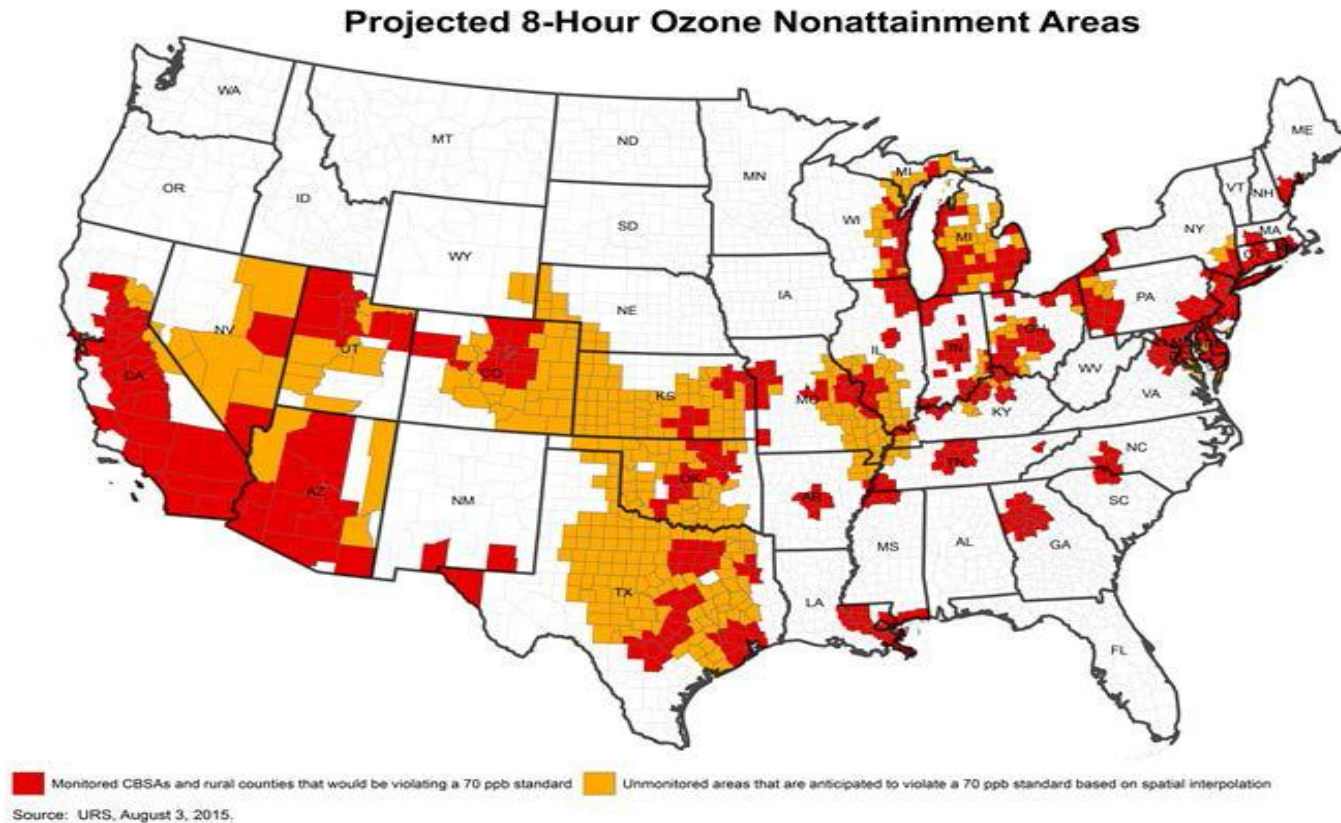
Major Issues

- New Ozone Standard
- Increased EPA Oversight of Permitting
- Title V Permit Petitions
- Enhanced EPA Oversight and Enforcement
 - SSM
 - IR Cameras
 - RMPs
 - NSR

Background – New Ozone Standard

Year	Level	Averaging Time
1979	120 ppb	1-hour
1997	84 ppb	8-hour
2008	75 ppb	8-hour
2015	70 ppb	8-hour

Background – New Ozone Standard



Source: <http://www.energytomorrow.org/blog/2015/10/02/epa-fumbles-on-unneeded-ozone-regs>

Implementation Timeline

Date	Milestone
October 1, 2015	Final rule
December 28, 2015	Effective date
October 1, 2016	State nonattainment area recommendations due to EPA
June 1, 2017	EPA response to state area recommendations
October 1, 2017	EPA final nonattainment area designations
October 1, 2018	State infrastructure and transport SIPs due
2020 – 2021	State attainment plans due

Will EPA meet the designation deadline?

Regulatory Impacts for Nonattainment Areas

- Transportation Conformity Challenges
- General Conformity Challenges
- Inspection/Maintenance (I/M) Program
- Reasonably Available Control Technology (RACT)
- Beyond RACT
 - Emissions Specifications for Attainment Demonstration (ESADs)
- Nonattainment New Source Review
 - Lower federal new source review thresholds for major sources
- *Other regulatory requirements necessary to reach attainment*

Permitting Implications

Areas Currently Designated Nonattainment under the 2008 Ozone Standard that Will Remain Nonattainment Areas

- No real change – unless classification changes
- Nonattainment New Source Review
 - Lower federal new source review triggers for major sources
 - Lowest Achievable Emission Rate (LAER)
 - Offsets
- Availability and cost of offsets

Permitting Implications

Attainment Areas That Will Remain Attainment Areas under the 2015 Ozone Standard

- Prevention of Significant Deterioration
 - More difficult to demonstrate that a source will not cause or contribute to an exceedance of the NAAQS
- Modeling demonstration
- EPA memorandum / proposed approach (June 30, 2015)
 - Model Emission Rates for Precursors (MERPS) – *not yet finalized*
 - Significant Impact Level (SIL) – *not yet finalized*
 - Tier 1 and Tier 2 demonstrations
- PSD offsets supported by modeling?

Permitting Implications

Areas with Ozone Levels Above 70 ppb But Not Yet Designated Nonattainment under the 2015 Ozone Standard

- Prevention of Significant Deterioration – until redesignation
 - How will an applicant demonstrate that a source will not cause or contribute to an exceedance of the NAAQS if ambient concentrations exceed 70 ppb?
 - Grandfathering under the Final Rule – limited applicability
- Modeling demonstration
- EPA memorandum / proposed approach (June 30, 2015)
 - Model Emission Rates for Precursors (MERPS) – *not yet finalized*
 - Significant Impact Level (SIL) – *not yet finalized*
 - Tier 1 and Tier 2 demonstrations
- PSD offsets supported by modeling?
- Nonattainment New Source Review – upon redesignation

Title V Permit Petitions

- Second Guessing of State Permitting Decisions
- Imposition of New Monitoring and Recordkeeping Requirements
- Challenges to Long-Standing SSM provisions

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Questions?

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