

# **OAR Priorities & Outlook**

## **Clean Air Act Advisory Committee Meeting**

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# Priorities: Air Quality

- National Ambient Air Quality Standards (NAAQS)
  - Lead
    - Proposed Rule – May 1, 2008
    - Final Rule – Sept. 1, 2008
  - NO<sub>2</sub> and SO<sub>2</sub> – Proposed 2009; Final 2010
- NAAQS Implementation
  - PM 2.5 – 1997 standards
    - 39 nonattainment areas – plans were due on April 5, 2008
    - Areas should attain by 2010; expecting few extension requests
  - PM 2.5 – 2006 revisions
    - Final designations – December 2008
    - State plans due – spring 2012
  - Ozone
    - EPA developing rule to address Court partial vacatur of the Phase 1 implementation rule (1997 standards)
    - Anticipate proposal fall 2008
    - Continue to implement 8 hour NAAQS

## Priorities: Stationary Sources

- CAIR Implementation
  - SIPs were due Sept. 2006
  - *State of North Carolina, et al v. EPA*
    - Oral Arguments March 25, 2008
- Flexible Air Permits
  - Expect final rule by end of 2008
- Response to court vacature of CAMR

## CAVR SIP Status

- CAVR SIPS were due Dec 17, 2007
- 5 States have submitted final SIPs to EPA:
  - North Carolina, South Carolina, Iowa, Missouri, Tennessee
- 5 States with SIPs in the final public review process
  - Minnesota, Colorado, West Virginia, Kentucky, Alabama
- 9 States have submitted draft SIPs
  - DE, KS, LA, MD, MS, NM, NY, PA, TX
- EPA expects all final SIPs from late summer through the end of 2008 – with some extending into 2009.

## Priorities: Mobile Sources

- Locomotive and Marine Diesel
  - Final Rule – Signed March 14, 2008
- Oceangoing Vessels
  - Feb. 2007 U.S. proposal – progress toward int'l agreement
  - Area reductions in PM and SO<sub>x</sub> by treaty
  - Phased in NO<sub>x</sub> reductions for existing and new engines
- DERA Grants
  - \$ 49.2 Million
  - RFPs – Regional announcements – Spring 2008
- New emissions standards for small engines – final rule in Summer 2008

## Priorities: Mobile Sources (continued)

- Renewable Fuel Standard (RFS) Rule
  - Required by Energy Independence and Security Act of 2007
  - Increased level of RFS from 7.5 to 36 billion gallons by 2022
  - New Regulatory requirements with regard to required fuels (added advanced biofuel, biomass-based diesel, cellulosic biofuel)
  - New analysis/regulatory requirements with respect to lifecycle analysis
    - Waivers
    - Studies
    - Transition
  - Final decision on Texas RFS waiver request – July 2008

## Other Non-Climate Issues/Priorities

- Yucca Mountain – final rule later this year
- NESHAPS area source standards

# Climate Change and the Clean Air Act

- Current Programs
- Massachusetts v. EPA
- Advanced Notice of Proposed Rulemaking
- Greenhouse Gas Reporting Rule
- Legislative Analysis



## Major current law/policies affecting emission of GHGs

- **Renewable Fuels\***
  - +500% by 2022; 36 billion gallons; ~15% supply
- **Vehicle Fuel Economy\***
  - EISA mandated 35 mpg; potentially avoid 8.5 billion gallons a year; ~5% supply
- **Lighting Efficiency\***
  - +25-30% by 2012-2014; +70% by 2020
- **Appliance Efficiency\***
  - +45 new standards
- **Federal Government Operations\*** (bigger than most countries)
  - 30% Efficiency and 20% Renewable Fuel Use by 2015
- **Accelerated HCFC Phase-out**
  - More reduction than Kyoto; includes developing countries
- **Building Codes**
  - Federal government promoting new 30% model code

**\* Preliminary estimates show that combined, these mandates could potentially prevent 5-6 billion metric tons of GHG emissions through 2030.**

# Massachusetts v. EPA Remand May 2007 Post Decision

Mass v. EPA:

Remanded ICTA petition to regulate GHGs from mobile sources under CAA 202(a)

Clean Air Act Title II

(Motor Vehicles)

20 in 10 regulations/  
Executive Order

202(a) motor vehicles

211(c) and (o) fuels

# Massachusetts v. EPA: Now

## Clean Air Act Title II

(Motor Vehicles)

20 in 10 regulations/  
Executive Order

202(a) motor vehicles

211(c) and (o) fuels

2007 Energy (EISA) Act

California waiver petition

## Clean Air Act Title II

(Other Mobile Sources)

213 marine shipping  
vessels

231 aircraft

213 nonroad

## Mass v. EPA:

Remanded ICTA petition to  
regulate GHGs from  
mobile sources under  
CAA 202(a)

Mandamus Petition Filed  
April 2, 2008

## Clean Air Act Title I

(Stationary Sources)

NSPS rulemakings

Permits

Authorities for potential  
regulation

108 NAAQS?

111 NSPS?

112 HAP?

Others?

PSD/NSR

## Other Stationary Source Issues

Mandatory reporting

CO2 sequestration

## Natural Resource Issues

NEPA

Endangered Species Act

EPA Water Strategy

## Other issues

Legislative initiatives/ EPA  
Review

International discussions

Enterprise sustainability

*Caveat: This slide identifies issues  
where parties have raised  
Massachusetts v. EPA as relevant; it  
does not indicate the author or EPA  
agrees with such positions*

## ANPR – Why?

- EPA is obligated to respond to the Supreme Court's decision in *Massachusetts v. EPA*.
- The Energy Independence and Security Act (EISA) changed the policy, but not the legal or scientific context for that response.
  - DOT received new authority and mandate from Congress to tighten CAFE standards in coordination with EPA. EISA provides for consultation).
  - EPA received new authority and mandate from Congress to strengthen the existing CAA renewable fuels standard (RFS).



## ANPR: Why?

- We also need to consider what additional CAA regulation would or could follow from CAA vehicle standards.
  - In carrying out the mandate of the Supreme Court, it is critically important for EPA to make sense of and manage the broader CAA implications of regulating GHGs under the Act.
- The ANPR is the best single vehicle for presenting:
  - our work to date
  - the numerous CAA issues arising from action under the Act
  - approaches to addressing various issues
  - an opportunity for public comment and input on CAA strategies
  - information to Congress as it develops climate change legislation



## ANPR – What?

- Provide public with timely opportunity to provide information and comment on:
  - Best available science on effects of GHGs relevant to making an endangerment finding
  - Issues and questions related to endangerment and vehicle standards
  - Additional CAA regulation that vehicle standards could automatically trigger – mobile and stationary sources
  - Overall approach for potentially addressing GHG emissions under the Clean Air Act.
- Discuss Agency work to date in response to the Supreme Court's decision
- Address implementation issues relevant to PSD thresholds, streamlining.
- Authorities that may provide substantially more flexibility for EPA to tailor requirements to the unique circumstances presented by GHGs.



## ANPR: When?

- Administrator Johnson's Letter (“ . . . [following the] public comment period . . . [t]he Agency will then consider how to best respond to the Supreme Court's decision and its implications under the Clean Air Act.”)
- Comment period (60 to 90 days)

## GHG Reporting Rule: Timing and Process

- Proposed rule by September 2008, final rule by June 2009
- EPA will involve agency and interagency expertise
- Have already worked extensively with interagency counterparts on measurement and reporting issues (e.g., U.S. GHG inventory, IPCC guidelines)
  - Existing methods in many sectors
  - Significant expertise in all sectors
  - Infrastructure to collect/house comprehensive emissions data
- EPA will build on existing approaches and engage stakeholders throughout to answer key technical issues and craft a viable proposed and final rule.