Permits, New Source Review, Toxics Subcommittee:

Climate Change Workgroup

Co-Chairs:

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Background

- PSD Tailoring Rule for GHGs proposed by EPA last week
  - Initially, proposal focuses on new and modified stationary sources emitting GHGs >25K tons of CO2e
- EPA's Mobile Source rule scheduled to be promulgated in Spring 2010
  - GHGs will become a regulated pollutant
  - PSD will apply to major industrial sources
- EPA recognizes that States will need support when GHG BACT determinations are being made for the first time
  - Technical information and guidance
- The Climate Change Workgroup was formed under the Permits, New Source Review and Toxics Subcommittee to get CAAAC input on how best to provide support
  - Kick-off call last week
  - First meeting yesterday

Current Workgroup Charge

- Focus on the BACT requirement, including information and guidance that would be useful for EPA to provide concerning the technical, economic, and environmental performance characteristics of potential BACT options
- Identify and discuss approaches to enable state and local permitting authorities to apply the BACT criteria in a consistent, practical and efficient manner
- Explore new and innovative approaches that can be incorporated in the BACT analysis within the framework of the current Clean Air Act
- Develop an initial Workgroup draft by the end of the year

BACT Topic Areas

- Topic Area 1: Technical Information and Data regarding GHG Control Technologies, Measures and Strategies
- Topic Area 2: Insights on evaluating the energy, environmental, economic impacts of GHG Controls, for example:
  - Energy efficiency considerations such as demand-side management, or plant-wide efficiency standards
  - Collateral pollutant impacts
- Topic Area 3: Evaluating and encouraging new and emerging GHG control technologies and strategies

The BACT Process – In General

- EPA gave a presentation on its "top down" BACT process, including the following 5-Step process:
  - Step 1: Identify all potential control technologies
  - Step 2: Eliminate technically infeasible options
  - Step 3: Rank remaining controls by effectiveness
  - Step 4: Evaluate most effective controls and document results
    - Assumes the best control option is BACT unless it can be shown to have unacceptable energy, environmental or economic impacts
  - Step 5: Select BACT
- BACT can be no less stringent than the applicable NSPS

Group Discussion

- State permit writers need sufficient technical information and guidance to conduct timely BACT determinations beginning potentially this Spring
- Group also interested in exploring new and innovative approaches for determining BACT given the unique issues surrounding GHGs
- Need to balance the need for a quick product with the opportunity to promote innovation
- Explored interim work products that can help focus the workgroup and lead to a product (e.g., case studies, compiling available info on web)

Next Steps

- Goal: Draft product for review by end of year
  - Initially workgroup will focus on case studies to identify what permit writers will likely face
  - Engage in primary needs first
    - technical information and data
    - Guidance on likely and relatively straight-forward issues
  - Explore innovative concepts along the way (usually one or more individuals will provide the workgroup with a proposal for discussion)
- We will hold meetings on a bi-weekly basis
  - Will update full subcommittee regularly
  - Post interim products and information on subcommittee website