

## FACT SHEET

### Proposed Rule: Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule Step 3

#### Action:

- On February 24, 2012, the U.S. Environmental Protection Agency (EPA) proposed to keep greenhouse gas (GHG) permitting thresholds at current levels. This action is part of EPA's common-sense, phased-in approach to greenhouse gas permitting under the Clean Air Act. These thresholds established under the GHG Tailoring Rule, define when permits under the New Source Review Prevention of Significant Deterioration (PSD) and title V Operating Permit programs are required for new and existing industrial facilities.
- Currently, new facilities with GHG emissions of at least 100,000 tons per year (tpy) carbon dioxide equivalent (CO<sub>2</sub>e) and existing facilities with at least 100,000 tpy CO<sub>2</sub>e making changes that would increase GHG emissions by at least 75,000 tpy CO<sub>2</sub>e are required to obtain PSD permits. Facilities that must obtain a PSD permit anyway, to cover other regulated pollutants, must also address GHG emissions increases of 75,000 tpy CO<sub>2</sub>e or more. New and existing sources with GHG emissions above 100,000 tpy CO<sub>2</sub>e must also obtain operating permits
- After evaluating the progress of GHG permitting so far, EPA believes that state permitting authorities have not had sufficient time to develop necessary program infrastructure, and to increase their GHG permitting expertise, to make it administratively feasible to apply PSD and title V permitting requirements to smaller sources.
- EPA also is proposing two approaches to streamline the GHG permitting process.
  1. The first would increase flexibilities and improve the usefulness of plantwide applicability limitations (PALs) for GHGs. A PAL is an emissions limit applied sourcewide rather than to specific emissions points. With a PAL, a source can make changes to the facility without triggering PSD permitting requirements as long as emissions do not increase above the limit established by the PAL. This would allow companies to respond rapidly to changing market conditions while protecting the environment.
  2. The second approach would create the regulatory authority for EPA to issue synthetic minor permits for GHGs where EPA is the PSD permitting authority. A GHG source could agree to an enforceable GHG emissions limit set below a level that would trigger PSD permitting requirements. The process for obtaining a synthetic minor permit is generally less complicated than the PSD permitting process for a major source. This action would give facilities a mechanism to keep themselves out of major source permitting requirements for GHG as long as the source minimizes its GHG emissions.
- This proposal also seeks information and comment on a variety of aspects associated with GHG permitting, including:
  - Permitting activity and burden;
  - Permitting authorities' resources;
  - The impact of lowering GHG thresholds for PSD applicability and/or title V; and

- Permit streamlining techniques such as potential-to-emit calculations, general permits, and the development of presumptive Best Available Control Technologies (BACT) for sources of GHGs.

**Background:**

- On May 13, 2010, the EPA issued a final rule that establishes a common-sense approach to addressing GHG emissions from the largest stationary sources under the Clean Air Act (CAA) permitting programs. This final rule set thresholds for GHG emissions that define when GHG emissions are covered under the permitting programs, and therefore, when permits under the PSD and title V Operating Permit programs are required for new and existing industrial facilities.
- These permitting programs are proven tools for addressing air pollution, and can be used for GHGs. Implementing PSD and title V requirements for GHGs at the 100 and 250 tons per year thresholds established in the Clean Air Act without any phase-in approach would lead to dramatic increases in the number of required permits —tens of thousands of PSD permits and millions of title V permits. Under these circumstances, state and local permitting authorities would be overwhelmed and the programs’ abilities to manage air quality would be severely impaired.
- Under Step 1 of the Tailoring Rule, PSD permitting requirements applied to sources’ GHG emissions if the sources were subject to PSD anyway due to their non-GHG regulated air pollutants (“anyway” sources), and emit or had the potential to emit at least 75,000 tpy CO<sub>2</sub>e if the source is a new major source, or increases emissions by this amount if the source is an existing source that proposes to undertake a modification. For title V, existing sources with, or new sources obtaining, title V permits are required to address GHG emissions in those permit as necessary.
- Under Step 2, PSD applies to the largest GHG-emitting sources that emit or have the potential to emit at least 100/250 tpy of GHGs on a mass basis, and that are either new sources that emit at least 100,000 tpy CO<sub>2</sub>e, or existing sources that emit at that level and that undertake modifications that increase emissions by at least 75,000 tpy CO<sub>2</sub>e. In addition, under Step 2, title V applies to sources that emit or have the potential to emit 100 tpy GHG on a mass basis, and emit or have the potential to emit 100,000 tpy CO<sub>2</sub>e.
- This rule proposes to maintain the applicability thresholds at the current Tailoring Rule levels. For more information about the 2010 Tailoring Rule and subsequent actions, go to <http://www.epa.gov/nsr/ghgpermitting.html>.

### **How to Comment:**

- EPA will accept comment on this proposal for 45 days following publication in the Federal Register. EPA also will hold one public hearing.
- Comments should be identified by Docket ID No. EPA-HQ-OAR-2009-0517 and submitted by one of the following methods:
  - Federal eRulemaking Portal (<http://www.regulations.gov>), email (a-and-r-docket@epa.gov),
  - Mail (EPA Docket Center, Environmental Protection Agency, Mail code 6102T, 1200 Pennsylvania Avenue, NW, Washington, D.C. 20460), or
  - Hand delivery (EPA Docket Center, Environmental Protection Agency, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C.).

### **For Further Information:**

- To download a copy of the notice, go to EPA's Web site at: <http://www.epa.gov/nsr/ghgpermitting.html>.
- Today's proposed rule and other background information are also available either electronically at <http://www.regulations.gov>, EPA's electronic public docket and comment system, or in hardcopy at the EPA Docket Center's Public Reading Room.
- The Public Reading Room is located at EPA Headquarters, room number 3334 in the EPA West Building, 1301 Constitution Avenue, NW, Washington, DC. Hours of operation are 8:30 a.m. to 4:30 p.m. eastern standard time, Monday through Friday, excluding Federal holidays.
- Visitors are required to show photographic identification, pass through a metal detector, and sign the EPA visitor log. All visitor materials will be processed through an X-ray machine as well. Visitors will be provided a badge that must be visible at all times.
- Materials for this proposed action can be accessed using Docket ID No. EPA-HQ-OAR-2009-0517.
- For more information on the proposed rule, contact either Mr. Michael Brooks at (919)-541-3539 or email at [brooks.michaels@epa.gov](mailto:brooks.michaels@epa.gov) or Ms. Lynn Hutchinson at (919)-541-5795 or email at [hutchinson.lynn@epa.gov](mailto:hutchinson.lynn@epa.gov).