



**Proposed Clean Air Interstate Rule
Federal Implementation Plan (CAIR
FIP) and Section 126 Response**

**Connecticut Department of
Environmental Protection
October 13, 2005**



Rule Purpose

- **Responds to a petition filed by North Carolina under section 126 of the Clean Air Act (CAA).**
- **Provides a federal backstop to the CAIR by issuing a Federal Implementation Plan (FIP).**
- **Makes minor revisions to CAIR.**



Relevant Dates

- **Published in the Federal Register on 8/24/05.**
- **Comments on the Proposed Rule are due on 10/24/05.**
 - **DEP plans to file comments.**

I. NC's Section 126 Petition

- **March, 2004 – NC filed a CAA Section 126 petition alleging that ozone precursor and PM2.5 emissions from large electricity generating units (EGUs) in 13 states interfered w/NC's attainment or maintenance of federal standards.**

EPA's Response to NC's Section 126 Petition

- **Deny section 126 petition for all named ozone states (GA, MD, SC, TN, VA) and two named PM2.5 states (IL, MI).**
- **For sources in 10 states (AL, GA, IN, KN, OH, PA, SC, TN, VA, WV) shown to contribute significantly to PM2.5 nonattainment in NC:**
 - **Deny section 126 petition if EPA issues FIP by 3/15/06 or**
 - **Grant section 126 petition if EPA does not issue the FIP by 3/15/06.**

Future Section 126 Petition Foreclosure

- **EPA intends to deny future section 126 petitions from the 28 CAIR states (plus DC) since with CAIR EPA claims that there would be no underlying section 110(a)(2)(D) violation on which to base a section 126 petition.**

II. CAIR FIP

- **April, 2005 – EPA issued national findings that states failed to submit SIPs to address interstate transport by July, 2000. The findings triggered a two-year clock for EPA to issue a FIP to address the CAA requirements of section 110(a)(2)(D).**

FIP Components

- **EPA is proposing FIPs that are substantively the same as the CAIR SIP model cap-and-trade program.**
- **FIPs would regulate EGUs in affected states and achieve emission reductions required by CAIR until states have approved CAIR SIPs. EPA would then withdraw the FIP for that state.**
- **There are no sanctions or penalties associated with the FIP.**

Abbreviated SIP Option in CAIR FIP

- **States can replace or revise up to four elements of the CAIR FIP:**
 - 1) Provisions for non-EGUs to opt-in to the federal trading programs;**
 - 2) Allocation methodologies for annual and/or ozone season NO_x allowances;**
 - 3) Allocation of annual NO_x compliance supplement pool allowances (not relevant in CT); and**
 - 4) Inclusion of small/non-EGU NO_x SIP Call trading sources in the federal CAIR ozone season NO_x trading program.**

Timing

- **States choosing to submit a full CAIR SIP must submit such SIP to EPA by 9/11/06. States choosing to submit an abbreviated CAIR SIP must submit such SIP to EPA by 3/31/07.**
- **The deadline for states to submit CAIR allocations to EPA under a full CAIR SIP is 10/31/06. The deadline for states to submit CAIR allocations to EPA under an abbreviated SIP is 10/31/07.**

Timing (continued)

- **EPA plans to publish the final FIP on 3/15/06 but will not take any action to implement it until 12/1/07.**

III. Minor Revisions to CAIR

- **Exemption for solid waste incinerators (i.e., municipal waste combustors and tire burners)**
- **Exemption for existing units that have not served a generator greater than 25 MW since before November 15, 1990.**

CAIR FIP Compliance Options for Connecticut

- 1) File a Full CAIR SIP Revision by 9/11/06**
- 2) Accept EPA's CAIR FIP Initially and File an Abbreviated SIP Revision by 3/31/07 (a variation is to combine first two options)**
- 3) Accept EPA's Full CAIR FIP**



How Do We Respond?

- 1) Object regarding the impact on future Section 126 petitions.**
- 2) Revise our plan to comply with CAIR.**

Connecticut's Preferred CAIR FIP Compliance Option

- **Accept EPA's CAIR FIP initially and file an abbreviated CAIR SIP.**
 - **Immediately initiate rulemaking to adopt a CAIR Ozone Season NOx Budget Program and sunset the NOx SIP Call Program respectively.**
 - **Prepare an abbreviated SIP revision that includes a state-defined NOx allowance allocation methodology and inclusion of NOx SIP Call small/non-EGUs in ozone season trading program. Do not include opt-in provisions for non-EGUs.**
 - **File an abbreviated SIP revision by 3/31/07 and submit CAIR allocations by 10/31/07.**

What Else Influences

Connecticut's – and the Region's – Response?

- **Ozone Transport Commission's Multi-P Program (aka CAIR Plus)**
 - **Proposed to include annual NO_x and SO₂ caps as well as Hg targets for states.**
 - **Model Rule development on track for June 2006.**
 - **Program participation and administration unclear at this time.**



Any Questions?

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