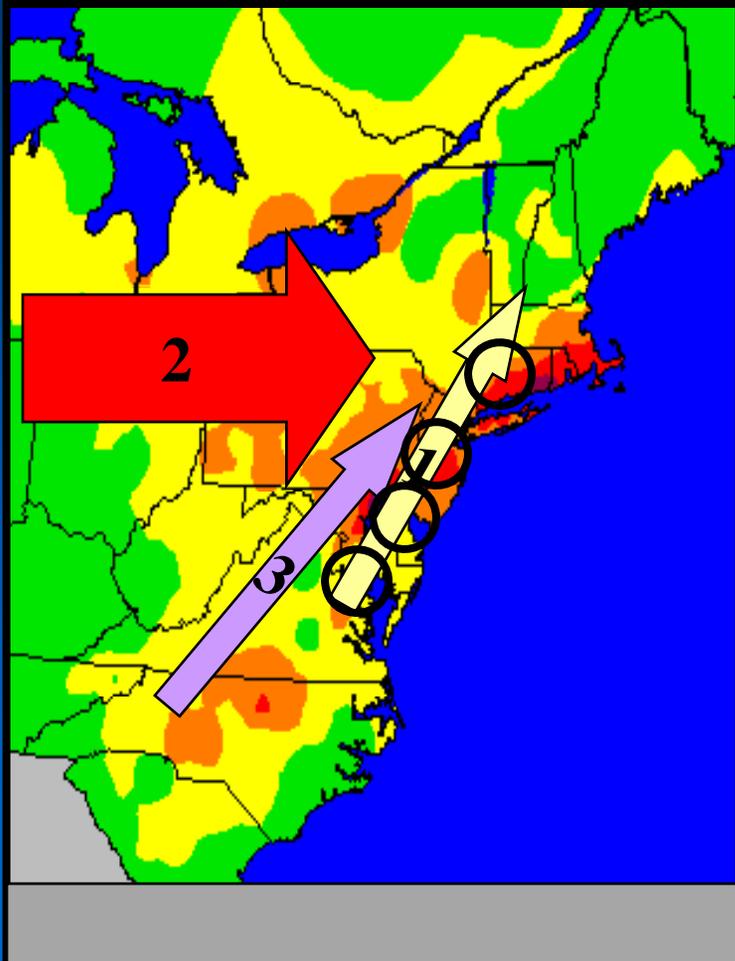




**OTC & LADCO's
Joint Recommendation
on a
CAIR Replacement Rule**

**Paul Farrell
Air Planning**

“Transport 101”- *A Three Part Problem*



1. Short range transport
 - “Ground level” transport
 - VA to MD to PA to NJ to NY to CT to MA.
2. Long range transport
 - “Aloft” transport
 - 100s of miles
 - Generally from W or NW
3. Low Level Night-Time Jets
 - “Aloft” transport at night
 - 100s of miles
 - SW to NE along the Atlantic

2 Clean Air Act (CAA) Protections

- Section 110(a)(2)(D) requires that each State's SIP contain adequate provisions prohibiting emissions from within the State in amounts that contribute significantly to nonattainment (or interferes with maintenance) in any other State**
- Section 126(b) grants states the right to petition EPA for action to address interstate pollution from a stationary source or groups of stationary sources in violation of Section 110(a)(2)(D)**

Transport Timeline

- **1991 - OTC states begin working on OTAG & recommend regional cap and trade program for NO_x**
- **1997 – CT + 7 file section 126 petitions under under the 1-hr ozone standard**
- **1998 - EPA issues the NO_x SIP Call**
- **2005 - EPA replaces the NO_x Budget Program with CAIR**
- **2008 – CAIR vacated by DC Circuit Court (later remanded to EPA so that Phase 1 would still take affect)**
- **2009 – OTC and LADC submit joint recommendations to EPA for a CAIR replacement**
- **2010 – CAIR Part 2?**

Court Rulings on CAIR

- **On July 11, 2008 the D.C. Circuit Court of Appeals found that CAIR conflicted with the CAA.**
 - The Court vacated CAIR in its entirety, and
 - Remanded CAIR to EPA to promulgate a rule correcting the flaws identified by the Court.
- **On December 28, 2008, the Court granted a petition by EPA to remand CAIR without vacatur, allowing CAIR to take effect until replaced by a rule consistent with the Court's opinion. The Court said:**
 - EPA must redo CAIR “from the ground up.”

What's Wrong with CAIR?

- **2015 Compliance Deadline Is Too Late**
 - Forces downwind states to make greater reductions than the CAA requires
 - EPA ignored the requirement that CAIR be consistent with all CAA Title I provisions, including attainment deadlines
- **Pollution Trading May Not Properly Address Transport**
 - CAIR program based on “highly cost effective” regional reductions which contradicts 110(a)(2)(D)
 - EPA must measure each state’s significant contribution and CAIR must actually require elimination of such emissions
- **NO_x Budgets Not Determined Correctly**
 - EGU heat input multiplied by “fuel adjustment factors” for gas, oil and coal
 - EPA never linked the budgets to prohibiting a significant contribution to downwind nonattainment

Addressing Transport is Critical to CT's Attainment Efforts

2010 Base Nonattainment Counties	2010 Base 8-Hour Ozone (ppb)	Percent of 8-Hour Ozone due to Transport
Fairfield CT	92	80 %
Middlesex CT	90	93 %
New Haven CT	91	95 %
Washington DC	85	38 %
Newcastle DE	85	37 %
Fulton GA	86	24 %
Anne Arundel MD	88	45 %
Cecil MD	89	35 %
Harford MD	93	31 %
Kent MD	86	47 %
Macomb MI	85	43 %
Bergen NJ	86	38 %

Excerpts from CAIR TSD Table VI-2 (March, 2005) for projection year 2010.

LADCO & OTC Respond

- **March 3, 2009 Framework to EPA**
- **18 states committed to:**
 - **Perform air quality modeling to support recommendations regarding a multi-pollutant strategy from the EGU sector**
 - **Work together on framework to address transport requirements under section 110(a)(2)(D)**
 - **Pursuing the development of long-term multi-pollutant reductions to meet the 2008 ozone standard**
- **<http://www.otcair.org/document.asp?fview=correspondence#>**

LADCO & OTC Follow Up

- **September 2, 2009 Recommendation to EPA**
- **17 states agreed to a framework of:**
 - **national rules,**
 - **statewide emission caps with regional trading,**
and
 - **a state-led planning process to address**
transport

LADCO & OTC Follow Up cont'd

- **September 2, 2009 letter also recommended a 3 step approach:**
 - **Identify “areas of interest” (i.e., nonattainment areas)**
 - **Identify “significantly contributing” states (i.e., 1% of NAAQS) and**
 - **Implement a multi-sector remedy to meet requirements of section 110(a)(2)(D)**

Multi-Sector Remedy - EGU

- **Implement 2005 CAIR phase 1**
- **Optimize existing NO_x and SO₂ controls by 2014**
- **Require low capital cost NO_x controls by 2015**
- **Establish statewide caps by 2017 based on 0.25 #/mmbtu SO₂ and 0.11#/mmbtu NO_x**
- **Establish tighter regional caps on top of statewide caps if trading is allowed**

Multi-Sector Remedy – Non-EGU

- **EPA should:**
- **Adopt and implement additional stationary source strategies (e.g., ICI boilers)**
- **Adopt and implement additional mobile source strategies, such as:**
 - **New engine standards for on-road and off-road vehicles and equipment**
- **Adopt and implement additional area source strategies, such as:**
 - **Consumer products, AIM coatings,**

But Wait, There's More!

- **OTC and LADCO could not reach consensus on several issues**
- **Each agreed to supplement the joint letter with additional details and recommendations on:**
 - **Timing and stringency of EGU reductions**
 - **Criteria for determining inclusion in the state-led planning process**
 - **Should EGU performance standards be part of the strategy**
- **Supplemental letters will be finalized soon**