

PSD and Title V Greenhouse Gas Tailoring Rule

Amendments to 20.2.74 and
20.2.70 NMAC

Overview

- EPA's Final Tailoring Rule
- Covered Pollutants
- Phased Steps to include GHG PSD & Title V coverage for major sources
- Rule implementation in NM
- Technical Information

EPA's Final Tailoring Rule

- ❑ Issued May 13, 2010/Published June 3, 2010
- ❑ Tailors the requirements to focus PSD and Title V requirements on the largest emitting facilities (e.g., power plants, industrial boilers, refineries)
- ❑ Nation-wide, covers 70% of the national GHG emissions from stationary sources to CAA permitting requirements

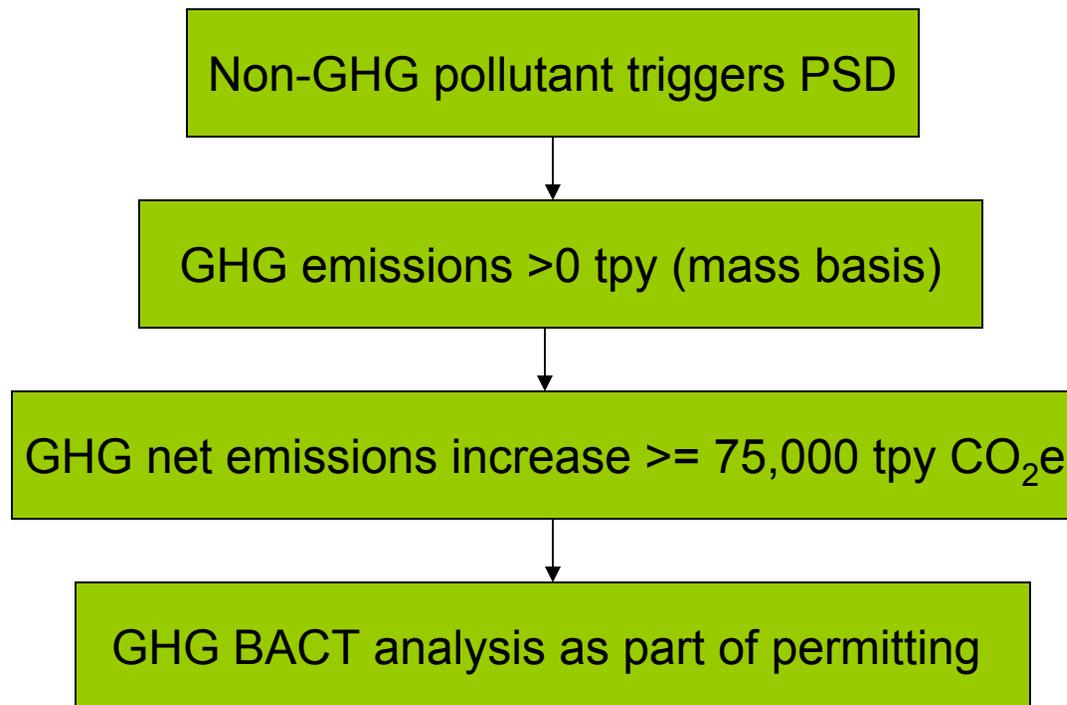
Pollutants Covered

- ❑ Six GHGs: CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆
- ❑ The aggregate sum of these GHGs is the identified air pollutant in EPA's Light-Duty Vehicle Rule
- ❑ To determine applicability, a source's GHG emissions are calculated as the sum of the 6 gases on a CO₂e basis and compared against a threshold

PSD Phase-In

- Step 1: Jan. 2 – June 30, 2011
- No new permitting actions will be taken based solely on GHG emissions; only sources undertaking permitting action anyway for other pollutants will need to address GHG
- “Anyway” sources subject to PSD requirement only if they increase GHG emissions by 75,000 tpy CO₂e or more

PSD Phase-In (cont'd)



PSD Phase-In (cont'd)

- Step 2: July 1, 2011 to June 30, 2013
- Sources subject to GHG permitting under Step 1 will continue to be subject to GHG permitting requirement
- Sources that emit or have the potential to emit GHGs at or above 100,000 tpy CO₂e will also be subject to GHG permitting
- Any physical change or change in the method of operation resulting in a net GHG increase >75,000 tpy CO₂e subject to PSD permitting

PSD Phase-In (cont'd)

PSD: Minor source for non-GHG pollutants

GHG emissions \geq 100/250 tpy



GHG emissions \geq 100,000 tpy CO₂e



Source is major for PSD

PSD: Major source for any pollutant

“Net” GHG emissions increase \geq 75,000 tpy CO₂e



Conduct PSD process for GHG permit

More on PSD

- ❑ A source that begins actual construction under a PSD permit issued before 02 Jan 11 does not need to update its permit for GHGs to continue construction.
- ❑ A Step 1 source that has received a PSD permit before 02 Jan 11 can begin actual construction after 02 Jan 11 without re-opening to address GHGs.
- ❑ A Step 2 source not required to obtain a PSD permit before 01 July 11, will need a PSD permit if actual construction has not commenced by 01 July 11 if the construction or modification would trigger PSD after 01 July 11.

Title V Phase-In

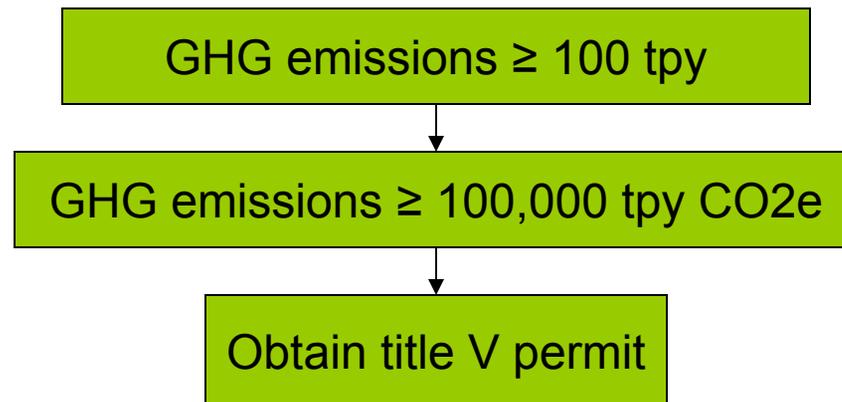
- Step 1: Jan. 2 – June 30, 2011
- Only those sources currently with Title V permits will address GHGs, and only when applying for, renewing or revising permits

Title V Phase-In (cont'd)

- Step 2: July 1, 2011 to June 30, 2013
- Sources subject to GHG permitting under Step 1 will continue to be subject to GHG permitting requirements
- GHG emission sources $\geq 100,000$ tpy CO₂e threshold will be required to obtain a Title V permit.

Title V Phase-In (cont'd)

Title V Step 2: Minor source for non-GHG pollutants



More on Title V

- ❑ A Step 2 Title V source must submit a Title V application by 01 July 12.
- ❑ Pending applications must be supplemented by the applicant to include new GHG requirements that occur prior to the release of the draft permit.
- ❑ Existing permits must be re-opened to add applicable GHG requirements if at least 3 years remain on the term of the permit.

Step 3: PSD and Title V

- ❑ EPA established an enforceable commitment to complete another rule making by July 1, 2012.
- ❑ Step 3 will not require permitting of sources with GHG emissions <50,000 tpy CO₂e before April 30, 2016.
- ❑ The proposal will solicit comment on streamlining options and permanent exclusion of certain sources.

NMED Implementation

- 60 Day Letter to EPA 6
- Amendments to 20.2.70 and 20.2.74 NMAC to incorporate EPA's rule language

Fees

- NMED is not proposing to increase fees at this time.

Technical Information (EPA)

- Summer/Fall 2010: GHG Mitigation Strategies Database, RACT/BACT/LAER Clearinghouse enhancements, GHG technical white papers on control techniques and measures for largest industrial sectors
- Before end of 2010: General guidance on BACT

Questions?

- Richard Goodyear, Permit Programs
Section Chief
richard.goodyear@state.nm.us
505-476-4305
- Kerwin Singleton, Manager, Control
Strategies
kerwin.singleton@state.nm.us
505-476-4350