



CAA Implementation: What to Watch for in 2011

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Overview



- Large number of rulemakings underway
 - Clean Air Act
 - Other statutes
- Deadlines driven by statutes, court decisions
- Game-changer for the power sector
 - Concerns about cost, reliability impacts
- Implications for efficiency, renewables
- How to participate

Key EPA Regulatory Activity for the Electricity Sector

	EPA Action	Subject	Date of Proposal (Publication in the <i>Federal Register</i>)	Date of Final Agency Action (Publication in the <i>Federal Register</i>)	Applicable to New ("N") or Existing ("E") Facilities?
Criteria Pollutants (e.g. SO ₂ , Ozone, PM)	Transport Rule (CAIR Replacement)	EPA proposed rule to reduce SO ₂ and NO _x levels in the Eastern U.S. to replace Clean Air Interstate Rule (CAIR) that was remanded by D.C. Circuit in 2008.	August 2, 2010	Expected June 2011	N, E
	New PM _{2.5} Ambient Air Quality Standard	EPA to evaluate whether to tighten existing (2006) fine particulate standard pursuant to court remand.	Expected December 2010	Expected August 2011	N, E
	New SO ₂ Ambient Air Quality Standard	EPA finalized rule to replace current annual and 24-hour sulfur dioxide standards with a more stringent 1-hour standard.	December 8, 2009	June 22, 2010	N, E
	New NO ₂ Ambient Air Quality Standard	EPA finalized a new 1-hour NO ₂ standard at the level of 100 parts per billion.	July 15, 2009	February 9, 2010	N, E
	New Ozone Ambient Air Quality Standard	EPA proposed rule to enact more stringent NAAQS for 8-hour "primary" ozone standard, and establish a distinct cumulative, seasonal "secondary" standard to protect "sensitive vegetation and ecosystems."	EPA has requested delay	EPA has requested July 2011	N, E
Greenhouse Gases	GHG Reporting Rules for New Sectors	EPA proposed additions to GHG Reporting Rule (finalized October 30, 2009) for fugitive and vented emissions from oil and natural gas systems, CO ₂ injection and geologic sequestration, and producers and emitters of some fluorinated GHGs	April 12, 2010	Signed Nov. 2010	N,E
	"Johnson Memorandum"	EPA revised guidance to defer effective date of BACT and Title V permit requirements for GHG emissions from stationary sources until at least January 2, 2011	October 7, 2009	April 2, 2010	N/A
	"Tailoring Rule"	EPA rule raised GHG threshold for BACT and Title V for GHGs; phase-in starting in 2011 with sources already subject to PSD and Title V	October 27, 2009	June 3, 2010	N
	BACT and Title V Implementation				
	- <i>BACT Guidelines</i>	Rule to define what constitutes BACT for GHG emissions from new and modified power plants.	Nov. 10, 2010	Expected Dec. 2010	N
	- <i>SIP Modifications</i>	Modification of State Implementation Plans (SIPs) to reflect higher Tailoring Rule thresholds	Sept. 2, 2010	Dec. 3, 2010	N/A
	- <i>Permit Streamlining</i>	Simplifying Title V process and reducing permit fees	Expected 2011-2012		N/A
	New Source Performance Standards	GHG emission standards for new and modified power plants	Expected 2011 (?)	Expected 2012 (?)	N
	Performance Standards for Existing Plants	GHG emission standards for existing (unmodified) power plants	Expected 2011(?)	Expected 2012 (?)	E
NEPA Guidance from Council on Environmental Quality (CEQ)	Draft guidance from CEQ addresses treatment of direct and indirect GHG emissions that may result from proposed federal actions, and potential impact of proposed federal actions on climate change.	February 18, 2010	Expected Fall 2010	N	
Hazardous Air Pollutants (e.g. mercury, acid gases)	MACT Rulemakings for Mercury and other HAPs	EPA to set Maximum Available Control Technology (MACT) standard for all coal-fired power plant mercury emissions; and a range of other hazardous air pollutants emitted by coal and oil-fired power plants.	Expected March 2011	Expected November 2011	N, E
Waste and Water	Coal Combustion Waste	RCRA rules on disposal of coal combustion wastes – possible treatment as hazardous waste.	June 21, 2010	Expected 2011	N, E
	CWA Section 316(b)	EPA rule to replace remanded rule for regulating cooling water intake structures at existing facilities.	Expected Feb. 2011	Expected July 2012	E

CAA: Clean Air Transport Rule



■ Addresses

- NAAQS for fine particulate matter (PM_{2.5}) and for ozone

■ Objective

- Reduce “significant contribution” from upwind states to nonattainment problems in downwind states

■ Proposed

- July 2010

■ Affects

- Power plants in 31 Eastern states
- Reductions in SO₂ and NO_x emissions
- Scrubbers, SCR

■ Compliance deadlines

- 2012 and 2014

CAA: Tightening NAAQS



■ Expected:

- Ozone (EPA has requested July 2011)
- PM_{2.5} (July 2011)
- SO₂ (June 2, 2010)
- NO₂ (February 9, 2010)

■ Impacts

- New transport rule
- Other rules
 - Regional Haze
 - New state implementation plans

CAA: Hazardous Air Pollutants



■ Addresses

- Mercury, other metallic particles, hazardous organics

■ Affects

- Coal- and oil-fired industrial boilers, utility boilers

■ Standard

- Maximum Achievable Control Technology
 - New source: best source in category
 - Existing sources: avg reduction achieved by top 12%

■ Proposal

- EPA to re-propose industrial boiler rule
- Utility proposal required in March; final rule by November

■ Compliance deadline

- 3 years (+1 year allowable extension)

RCRA: Coal Combustion Residuals



■ Addresses

- Fly ash, bottom ash, boiler slag, and FGD byproducts

■ Affects

- Coal-fired power plants

■ 3 Potential Standards

- Regulate as a hazardous waste
- Regulate as a non-hazardous solid waste (no grandfathering)
- Regulate as a non-hazardous solid waste (allow at least some grandfathering)

■ Compliance deadline

- Ranging from 2015-2024 depending on form of regulation

Clean Water Act: 316(b)



■ Addresses

- Impacts of cooling water intake structures

■ Affects

- All steam electric generation units that use cooling water (fossil and nuclear)

■ Standard

- Best Technology Available to minimize adverse aquatic impacts
- Issues:
 - Standard - Will EPA require closed-loop systems (cooling water towers)?
 - Application - Will EPA apply requirement to all existing facilities?

■ Proposal

- February 2011 (final rule in July 2012)

■ Compliance deadline

- Ranging from 2016-2020

"Trainwreck" Issue



- Cost concerns
- Reliability concerns
 - Plant retirements
 - Uncoordinated outages
 - Concentrated geographic effects

Potential Impacts for EE, Renewables



- Impact of rules on power sector could increase demand for EE, renewables
 - But EPA has limited policy tools to mandate
- Availability of EE, renewables could affect terms of “trainwreck” debate

Opportunities for Participation



- Rulemaking process
 - Review proposed rules
 - File comments
 - Meet with agency
- Legislative process
- Work with PUCs, state energy offices



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