

Reconsideration of Clean Air Interstate Rule

FACT SHEET

ACTION

- On March 15, 2006 the U.S. Environmental Protection Agency (EPA) took final action on petitions requesting the Agency reconsider certain aspects of its Clean Air Interstate Rule (CAIR). EPA issued the final CAIR on March 10, 2005.
- CAIR will achieve the largest reduction in air pollution in more than a decade. It requires 28 States and the District of Columbia to revise their state implementation plans to include control measures to reduce emissions of NO_x and/or SO₂ that significantly contribute to levels of PM_{2.5} or 8-hour ozone above the health-based air quality standards in downwind states.
- Following promulgation of the final rule, the EPA Administrator received twelve petitions for reconsideration. Petitions for reconsideration were filed by:
 1. State of North Carolina;
 2. FPL Group;
 3. Florida Association of Electric Utilities;
 4. Entergy Corporation;
 5. Massachusetts Department of Environmental Protection;
 6. Integrated Waste Services Association;
 7. Texas Commission on Environmental Quality;
 8. Northern Indiana Public Service Corporation;
 9. City of Amarillo, Texas, El Paso Electric Company, Occidental Permian Ltd, and Southwestern Public Service Company d/b/a/ Xcel Energy;
 10. Connecticut Business and Industry Association; and
 11. Minnesota Power, a division of ALLETE, Inc.
 12. Connecticut Department of Environmental Protection(Note: The complete petitions are available in the docket for the CAIR rule.)
- Through two separate notices in November and December 2005, EPA granted reconsideration and solicited comment on the following five aspects of the final rule:
 1. the equity of the sulfur dioxide (SO₂) allocation methodology to be used by states choosing to participate in the CAIR SO₂ trading program;
 2. fuel adjustment factors (1.0 for coal, 0.6 for oil, and 0.4 for gas) in establishing state nitrogen oxides (NO_x) budgets;
 3. certain inputs to the fine particle (PM_{2.5}) modeling used to determine whether Minnesota should be included in the CAIR region for PM_{2.5};
 4. EPA's determination that Florida should be included in the CAIR region for ozone; and
 5. the potential impact of a recent judicial opinion, New York v. EPA, 413 F.3d 3 (D.C. Cir. 2005) on the pollution control project (PCP) program in the New

Source Review (NSR) regulations which encourage pollution prevention by creating a simplified process for companies that undertake environmentally beneficial pollution prevention projects..

- In response to each of the issues under reconsideration, EPA has determined that its decisions in the CAIR were reasonable and should not be changed.
- In addition to this final action, EPA is responding to nine petitioners with full or partial outstanding requests for reconsideration. We have concluded that reconsideration of the additional issues raised is not warranted under the Clean Air Act. EPA is therefore denying all remaining requests for reconsideration from:
 1. State of North Carolina;
 2. FPL Group;
 3. Florida Association of Electric Utilities;
 4. Texas Commission on Environmental Quality;
 5. Northern Indiana Public Service Corporation;
 6. City of Amarillo, Texas, El Paso Electric Company, Occidental Permian Ltd, and Southwestern Public Service Company d/b/a/ Xcel Energy;
 7. Connecticut Business and Industry Association;
 8. Minnesota Power, a division of ALLETE, Inc.; and
 9. Connecticut Department of Environmental Protection
- In a separate but related notice also issued on March 15, 2006, EPA is taking final action on several petitioners' requests to reconsider the definition of an electric generating unit in the final CAIR model trading rules as it relates to solid waste incinerators (and particularly municipal waste incinerators). EPA is clarifying in its final Federal Implementation Plans for CAIR that these facilities are not considered electric generating units.

BACKGROUND

- CAIR will achieve the largest reduction in air pollution in more than a decade. It requires 28 States and the District of Columbia to revise their state implementation plans to include control measures to reduce emissions of NO_x and/or SO₂ that significantly contribute to levels of PM_{2.5} or 8-hour ozone above the health-based air quality standards in downwind states.
- In the CAIR, EPA determined that SO₂ and NO_x emissions from 23 states and the District of Columbia contribute significantly to downwind states inability to attain or maintain the PM_{2.5} national ambient air quality standard (NAAQS). Additionally, EPA determined that NO_x emissions in 25 states and the District of Columbia contribute significantly to downwind states inability to attain or maintain the 8-hour ozone NAAQS.
- Each state covered by CAIR may independently determine which emission sources to control and which control measures to adopt. CAIR includes model rules for multi-

state cap and trade programs for power plants that states may choose to adopt to meet the required emissions reductions in a flexible and highly cost-effective manner.

- The rule specifies emissions reductions requirements for SO₂ and NO_x. The first phase of NO_x reductions starts in 2009 (covering 2009-2014) and the first phase of SO₂ reductions starts in 2010 (covering 2010-2014). The second phase of both SO₂ and NO_x reductions starts in 2015 (covering 2015 and thereafter).

FOR MORE INFORMATION

- Information related to the Clean Air Interstate Rule is available on EPA's website at www.epa.gov/cair and in the rulemaking docket, Docket No. OAR-2003-0053.