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# Cross-State Air Pollution Rule Update (2008 Ozone NAAQS)

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# Background

## Cross-State Air Pollution Rule (CSAPR)

- ❑ First published in July 2011 under the “good neighbor” provision of the Clean Air Act to reduce interstate transport of emissions of SO<sub>2</sub> and NO<sub>x</sub> from power plants in the eastern half of the United States
- ❑ Addressed 1997 Ozone NAAQS and 1997 and 2006 PM<sub>2.5</sub> NAAQS.
- ❑ Also aimed to reduce fine particle pollution
- ❑ Developed to achieve emissions reductions beyond those originally required by CAIR through additional air pollution reductions from power plants beginning in 2012
- ❑ Faced a number of legal challenges
  - August 2012 – US Court of Appeals (DC Circuit) vacated CSAPR
  - April 2014 – US Supreme Court reversed the above decision
  - October 2014 – DC Circuit granted EPA’s motion to shift the CSAPR compliance deadlines by three years
  - July 2015 - D.C. Circuit remanded the ozone season budgets for 11 states to EPA for reconsideration
- ❑ Implementation: Phase 1 – January 1, 2015 (Annual Program), May 1, 2015 (Ozone Season Program); Phase 2 - 2017

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# CSAPR Update

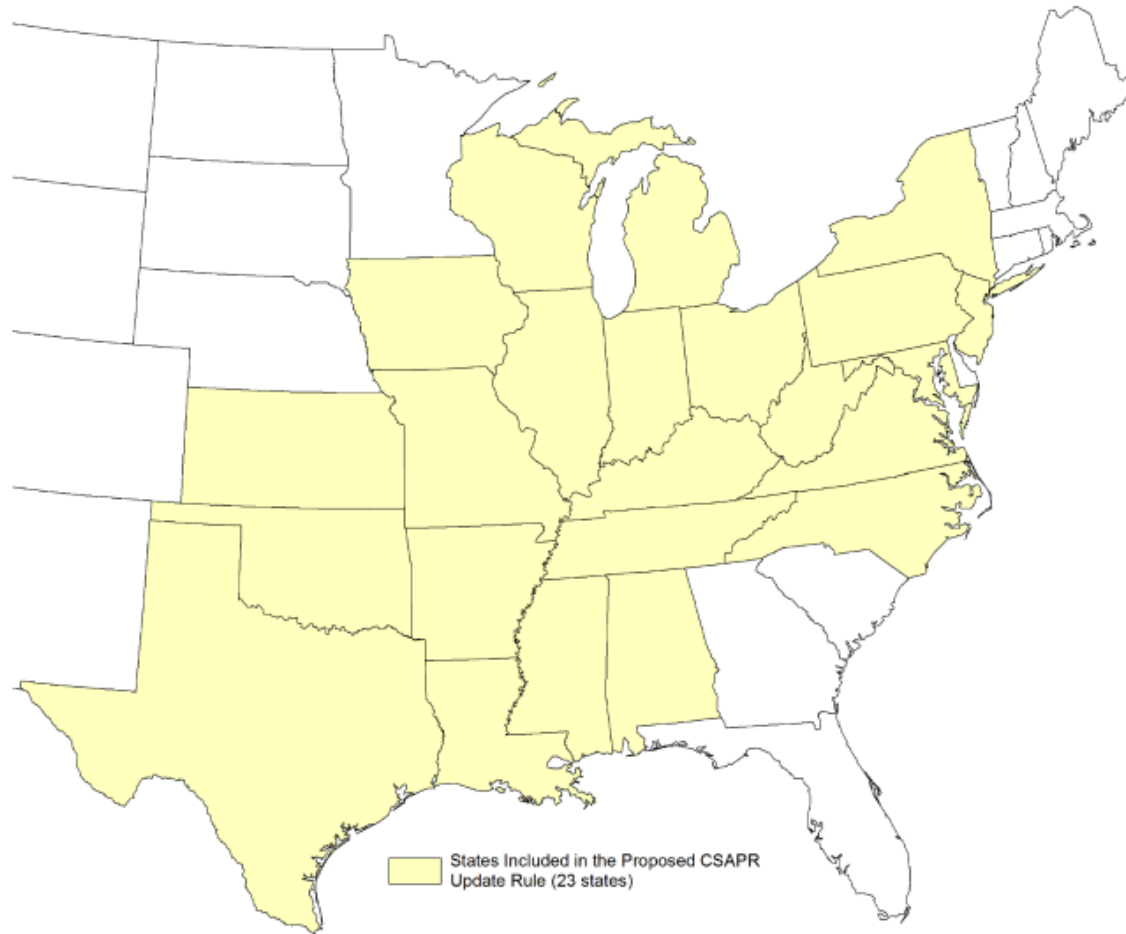
- ❑ EPA proposal to update CSAPR - Published on December 3, 2015
- ❑ Proposal addresses two issues:
  - **Interstate transport control for 2008 Ozone NAAQS**
  - **DC Circuit Court 's remand regarding the ozone season budgets for 11 states (July 2015)**
- ❑ CSAPR Update Rule will reduce NOx emissions from power plants in in 23 states in the East by 85,000 tons in 2017 compared to projections without the rule
- ❑ Provides states and emission sources with an achievable and cost-effective path to quickly reduce emissions
- ❑ Uses an existing, familiar framework to address a newer transport problem
- ❑ Proposed cuts in NOx emissions would lead to significant improvements in air quality for the 2017 ozone season

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# CSAPR Update – Costs & Benefits

- ❑ Proposal would provide annual benefits of \$700 million to \$1.2 billion in 2017, far outweighing the estimated costs of \$93 million
- ❑ For every dollar invested through the proposed CSAPR Update Rule, families would see up to \$13 in health benefits
- ❑ Proposal will provide climate-related co-benefits, estimated at around \$23 million per year
- ❑ Also expected to improve visibility in national and state parks, provide protection for lakes, streams, coastal waters, estuaries, and forests

# Proposed CSAPR Update Rule Region



# CSAPR Update & Interstate Transport Control for 2008 Ozone NAAQS

- ❑ “Good Neighbor” provision of CAA requires states to address interstate transport of air pollution that affects the ability of downwind states to attain and maintain clean air standards
- ❑ Proposed rule helps address this requirement for 2008 ozone NAAQS
- ❑ States develop “Good Neighbor” SIPs while EPA plays a backstop role by issuing federal implementation plans (FIPs) if a state fails to submit an approvable plan
- ❑ Proposed CSAPR update provides the FIP that would apply if EPA’s backstop obligation is triggered for the 2008 ozone NAAQS
- ❑ States may choose to have their emissions sources controlled by the FIP rather than developing their own plan

# CSAPR Update & Ozone Season NOx Budget

- ❑ On July 28, 2015, the D.C. Circuit remanded the ozone season budgets for 11 states to EPA for reconsideration
- ❑ In response EPA is proposing to replace Phase 2 CSAPR ozone season NOx emissions budgets for nine states (Maryland, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, and West Virginia) with updated budgets designed to address interstate transport with respect to the 2008 ozone NAAQS
- ❑ Proposal would also remove two states (South Carolina and Florida) from the CSAPR ozone season NOx trading program
- ❑ In order to update the existing CSAPR ozone season program at the earliest, EPA is proposing to adopt FIPs for each of the 23 states that may not have submitted approvable SIPs
- ❑ These FIPs would update the existing CSAPR NOx ozone season emission budgets for each state's EGUs and implement these budgets through the existing CSAPR NOx ozone season allowance trading program
- ❑ Using the CSAPR allowance trading program allows facility owner/operators significant flexibility in deciding how to meet emission reduction requirements

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# Public Hearing & Comments

- Public Comment – Accepted until January 19, 2016, best considered if provided by January 4, 2016
- Public Hearing – December 17, 2015 (9 am-8 pm)
  - EPA Office: William Jefferson Clinton East Building, Room 1153 (Main Floor), 1201 Constitution Avenue, NW, Washington, DC 20004