

FACT SHEET

Final Rule - Prevention of Significant Deterioration and Title V Operating Permit Greenhouse Gas (GHG) Tailoring Rule Step 3 and GHG Plantwide Applicability Limits

Action

- On June 29, 2012 the U.S. Environmental Protection Agency (EPA) issued a final rule that does not revise the greenhouse gas (GHG) permitting thresholds that were established in Step 1 and Step 2 of the GHG Tailoring Rule. These emissions thresholds determine when Clean Air Act permits under the New Source Review Prevention of Significant Deterioration (PSD) and title V Operating Permit programs are required for new and existing industrial facilities.
- This is the third step in EPA's phased-in approach to greenhouse gas permitting under the Clean Air Act. Currently, new facilities with GHG emissions of at least 100,000 tons per year (tpy) carbon dioxide equivalent (CO₂e) and existing facilities with at least 100,000 tpy CO₂e making changes that would increase GHG emissions by at least 75,000 tpy CO₂e are required to obtain PSD permits. Facilities that must obtain a PSD permit anyway, to cover other regulated pollutants, must also address GHG emissions increases of 75,000 tpy CO₂e or more. New and existing sources with GHG emissions above 100,000 tpy CO₂e must also obtain operating permits.
- The current applicability thresholds, established under Step 2 of the GHG Tailoring Rule, went into effect on July 1, 2011.
- After evaluating comments on the proposed rule, and assessing the progress of GHG permitting to date, EPA has determined that state permitting authorities have not had sufficient time to develop necessary permitting infrastructure and to increase their GHG permitting expertise and capacity. By the same token, EPA and the state permitting authorities have not had the opportunity to develop and implement streamlining approaches. Therefore, at this time, it is not appropriate to apply PSD and title V permitting requirements to additional, smaller sources of GHG emissions.
- EPA is also finalizing an approach to assist state and local permitting authorities in streamlining the administration of PSD permits for GHGs. This action will improve the usefulness of plantwide applicability limitations (PALs) for GHG emissions by allowing GHG PALs to be established on a CO₂e basis in addition to the already available mass-basis.
- A PAL is an emissions limit applied sourcewide rather than to specific emissions points. With a PAL, a source can make changes to the facility without triggering PSD permitting requirements as long as emissions do not increase above the limit established by the PAL. This would allow companies to respond rapidly to changing market conditions while protecting the environment. EPA is also revising its regulations to allow a source that emits or has the potential to emit GHGs at levels above 100,000 tpy CO₂e but that have emissions of other regulated pollutants at minor source levels to apply for a GHG PAL while still maintaining its minor source status.

Background

- On May 13, 2010, the EPA issued the Tailoring Rule, which establishes a common sense approach to addressing greenhouse gas emissions from stationary sources under the Clean Air Act (CAA) permitting programs. This final rule set the thresholds for Steps 1 and 2 of a phase-in approach to regulating GHG emissions under the PSD and title V Operating Permit programs.
- Under Step 1 of the Tailoring Rule, PSD requirements applied to sources' GHG emissions if the sources were subject to PSD anyway due to their non-GHG regulated air pollutants ("anyway" sources) and emit or have the potential to emit at least 75,000 tpy CO₂e. For title V, existing sources with, or new sources obtaining, title V permits are required to address GHG emissions in those permit as necessary.
- Under Step 2, PSD applies to the largest GHG-emitting sources that are not "anyway" sources and that are either new sources that emit or have the potential to emit at least 100,000 tpy CO₂e or existing sources that emit at that level and that undertake modifications that increase emissions by at least 75,000 tpy CO₂e, and also emit at least 100/250 tpy of GHGs on a mass basis. In addition, under Step 2, title V applies to existing sources that are not "anyway" sources and that emit or have the potential to emit 100,000 tpy CO₂e.
- For more information about the 2010 Tailoring Rule and subsequent actions, go to <http://www.epa.gov/nsr/ghgpermitting.html>.

For Further Information:

- To download a copy of the notice, go to EPA's Worldwide Web site at: <http://www.epa.gov/nsr/ghgpermitting.html>.
- Today's final action and other background information are also available either electronically at <http://www.regulations.gov>, EPA's electronic public docket and comment system, or in hardcopy at the EPA Docket Center's Public Reading Room.
- The Public Reading Room is located at EPA Headquarters, room number 3334 in the EPA West Building, 1301 Constitution Avenue, NW, Washington, DC. Hours of operation are 8:30 a.m. to 4:30 p.m. eastern standard time, Monday through Friday, excluding Federal holidays.
- Visitors are required to show photographic identification, pass through a metal detector, and sign the EPA visitor log. All visitor materials will be processed through an X-ray machine as well. Visitors will be provided a badge that must be visible at all times.
- Materials for this final action can be accessed using Docket ID No. EPA-HQ-OAR-2009-0517.
- For more information on the final rule, contact either Mr. Michael Brooks at (919)-541-3539 or email at brooks.michaels@epa.gov.