

PROPOSED RULE FOR IMPROVEMENTS TO EPA'S NEW SOURCE REVIEW PROGRAM: AGGREGATION, DEBOTTLENECKING, AND PROJECT NETTING

FACT SHEET

ACTION

- On September 8, 2006 the U.S. Environmental Protection Agency (EPA) proposed to make three improvements to specific areas of the New Source Review (NSR) program. These improvements will simplify the process facility owners and operators must follow to determine whether their plans to modify their facility would trigger NSR requirements.
- The three areas that EPA is requesting public comment on are:

1. *Debottlenecking*: EPA is proposing to change how NSR applies when an owner or operator modifies one portion of a facility in such a way that production or throughput in other unchanged portions of the facility increases, thereby increasing the overall efficiency of the operation. This type of modification is known as a “debottlenecking” project.

EPA is proposing that emissions from the unchanged portions of the facility be excluded from the NSR applicability test if those emissions have already been taken into account (e.g., if the excluded portions are already covered by an air quality permit). The proposal takes comment on how best to structure these safeguards.

2. *Aggregation*: EPA is proposing to clarify how NSR applies when multiple projects are implemented at a facility. EPA is proposing that projects that are related should be treated as a single project for NSR purposes.

The current rules do not specifically address this point. EPA proposes to clarify that two (or more) projects must be considered together for NSR applicability (i.e., “aggregated”) if one of them is dependent upon another. The rule will provide more clarity about how dependence will be determined.

3. *Project Netting*: EPA is proposing to simplify the step in the calculation used to determine if NSR applies where emissions increases and decreases are added together (“netting”).

Previously, the netting calculation for a project resulted in a complex source-wide analysis of emissions increases and decreases over a five-year period, even if the net effect of the project itself would not have increased emissions significantly. EPA is proposing to eliminate the need for a source-wide netting analysis if the net effect of the project itself does not result in a significant increase.

- These improvements are the final set of recommendations from EPA's 2002 Report to the President on NSR. In that report, EPA, in consultation with other federal agencies, recommended a series of clarifications to the NSR program to improve investment in utility and refinery capacity.
- The proposed rules would improve the implementation of the NSR program by clarifying areas of confusion and by simplifying areas where complexity has hampered the program's effectiveness. It removes disincentives for owners and operators of power plants and manufacturing facilities to undertake activities that would improve the safety, reliability and efficiency of their plants.
- The Administration's NSR rules preserve the public health protections provided by the Clean Air Act. It would not allow plants to increase their emissions past their current Clean Air Act permit limits. NSR will continue to apply where a plant modification results in a significant emissions increase.
- EPA will accept comment on this rule for 60 days after publication in the *Federal Register*.

BACKGROUND

- Congress established the NSR program as part of the 1977 Clean Air Act Amendments and modified it in the 1990 Amendments. NSR is a preconstruction permitting program that serves two important purposes.
 1. First, it ensures the maintenance of air quality standards when factories, industrial boilers and power plants are modified or added. In areas that do not meet the national air quality standards, NSR ensures that new emissions do not slow progress toward cleaner air. In areas that meet the standards, especially pristine areas like national parks, NSR ensures that new emissions fall within protective air quality standards.
 2. Second, the NSR program ensures that state of the art control technology is installed at new plants or at existing plants that are undergoing a major modification.

FOR ADDITIONAL INFORMATION

- Interested parties can download information on the proposal from EPA's Web site at: www.epa.gov/nsr.
- Today's proposed action and other background information are also available either electronically in www.regulations.gov, EPA's electronic public docket and comment system, or in hard copy at EPA's Air and Radiation Docket and Information Center, Environmental Protection Agency, Room B102, 1301 Constitution Avenue, NW,

Washington, DC (Docket ID No. EPA-HQ-OAR-2003-0064). The Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Public Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation Docket and Information Center is (202) 566-1742.

- NOTE: The EPA Docket Center suffered damage due to flooding during the last week of June 2006. The Docket Center is continuing to operate. However, during the cleanup, there will be temporary changes to Docket Center telephone numbers, addresses, and hours of operation for people who wish to make hand deliveries or visit the Public Reading Room to view documents. Consult EPA's Federal Register notice at 71 FR 38147 (July 5, 2006) or the EPA website at www.epa.gov/epahome/dockets.htm for current information on docket operations, locations and telephone numbers. The Docket Center's mailing address for U.S. mail and the procedure for submitting comments to www.regulations.gov are not affected by the flooding and will remain the same.

- HOW TO COMMENT: Comments will be accepted for 60 days beginning when this proposal is published in the Federal Register. All comments should be identified by Docket ID No. EPA-HQ-OAR-2003-0064. and submitted by one of the following methods:
 - www.regulations.gov; E-mail (a-and-r-docket@epa.gov);
 - Facsimile (202) 566-1741;
 - Mail (Air and Radiation Docket and Information Center, Environmental Protection Agency, Mailcode: 6102T, 1200 Pennsylvania Avenue, NW, Washington, DC 20460); or
 - Hand delivery (Air and Radiation Docket and Information Center, Environmental Protection Agency, Room B102, 1301 Constitution Avenue, NW, Washington, DC).