

## FACT SHEET

### **Pollutant-Specific Significant Contribution Finding for Greenhouse Gas Emissions from New, Modified, and Reconstructed Stationary Sources: Electric Utility Generating Units, and Process for Determining Significance of Other NSPS Source Categories**

#### **ACTION**

- On January 7, 2021, the U.S. Environmental Protection Agency (EPA) provided a framework for criteria for making a significant contribution finding (SCF) for greenhouse gas (GHG) emissions from a source category, for the purpose of regulating those emissions under section 111(b) of the Clean Air Act (CAA).
- CAA section 111(b)(1)(A) states that “[The Administrator] shall include a category of sources [for regulation] if in his judgment it causes, or contributes significantly to, air pollution which may reasonably be anticipated to endanger public health or welfare.” In an earlier rulemaking, EPA concluded that the Agency must make a pollutant-specific finding that such pollutant “contributes significantly to” air pollution that endangers public health or welfare.
- EPA’s framework sets an emissions threshold of 3 percent of total gross U.S. GHG emissions (as measured in carbon dioxide equivalent, *i.e.*, CO<sub>2</sub>e) from a stationary source category as the primary criterion in making a pollutant-specific significance determination for purposes of CAA section 111(b).
- The framework for a clear emissions threshold provides certainty regarding EPA’s process and gives regulated entities insight into EPA’s approach to making a determination of significance under this part of the CAA.
- The framework provides that source categories can only be considered to contribute significantly to dangerous air pollution due to their GHG emissions if the amount of those emissions exceeds 3 percent of total U.S. GHG emissions. For certain source categories that emit above this threshold, the framework also provides secondary criteria that can be used to further evaluate whether a source category contributes significantly.
- In this action, EPA is also determining that the electric utility generating units (EGU) source category contributes significantly to dangerous air pollution because GHG emissions from the EGU source category (which includes utility boilers, gasification units, and stationary combustion turbines) are substantially above the 3-percent threshold. The EGU source category represents over 25 percent of total U.S. GHG emissions.
- A source category’s significance determination may be reevaluated in the future as the GHG emissions and secondary criteria for that source category may change over time.
- The criteria provided in the framework only apply to GHGs in the context of EPA’s significant contribution finding under CAA section 111(b)(1)(A). This final rule does not discuss criteria for making a significant contribution finding for pollutants other than GHGs.

## **BACKGROUND**

- Section 111(b) of the CAA provides authority to address emissions from new, modified, and reconstructed power plants, recognizing different approaches are available at different stages of construction.
- In 2015, EPA issued final new source performance standards (NSPS) to regulate GHGs from new power plants under CAA section 111(b), as well as a final rule known as the Clean Power Plan (CPP) to regulate GHGs from existing power plants under CAA section 111(d).
- On March 28, 2017, President Trump signed the Energy Independence Executive Order (EO 13783) which called for, among other things, a review of the final rules to regulate GHGs from power plants and, if appropriate, reconsideration proceedings to suspend, revise, or rescind the rules.
- In August 2018, EPA proposed to repeal the CPP and replace it with the Affordable Clean Energy (ACE) Rule, which regulates GHGs from existing power plants under CAA section 111(d). EPA finalized the repeal of the CPP and promulgated ACE in July 2019.
- In December 2018, EPA proposed revisions to the GHG NSPS from new, modified, and reconstructed fossil fuel-fired power plants. EPA held one public hearing and received more than 142,000 comments on the proposal.
  - In the December 2018 proposal, EPA solicited comment on whether to make a pollutant-specific significant contribution finding for GHG emissions from EGUs, which is the subject of this final action.
  - The remainder of the 2018 proposal was dedicated to the issue of the determination of the best system of emission reduction for newly constructed, modified, and reconstructed coal-fired EGUs. EPA is not addressing that aspect of the proposal, or related comments, in this final rulemaking. These issues will be addressed in a future EPA action.
- In the 2020 Oil and Gas Rule, EPA finalized its position that the CAA requires the Agency to make a pollutant-specific significant contribution finding for a source category before setting performance standards for that pollutant, unless the Agency addressed the pollutant when it initially listed the source category.

## **FOR MORE INFORMATION**

- Interested parties can download a copy of the final rule notice from EPA's website at the following address: <https://www.epa.gov/stationary-sources-air-pollution/nsps-ghg-emissions-new-modified-and-reconstructed-electric-utility>.
- Today's action and other background information are also available electronically at <https://www.regulations.gov/>, EPA's electronic public docket and comment system. Materials for this action can be accessed using Docket ID No. EPA-HQ-OAR-2013-0495.

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