

US EPA ARCHIVE DOCUMENT

## FACT SHEET

### Supplemental Proposal for Reducing Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule)

#### ACTION

- On May 18, 2004, the Environmental Protection Agency proposed additional details and rule text supplementing its January 2004 proposal to reduce interstate transport of fine particulate matter and ozone.
- The proposed Clean Air Interstate Rule is an important component of EPA's efforts to implement the more protective national fine particle and 8-hour ozone air quality standards. When combined with the recently completed Clean Air Nonroad Diesel Rule and other national control programs, the reductions required by this final rule will allow most areas of the country to meet these standards without having to impose additional local controls.
- The Clean Air Interstate Rule would require 29 eastern states and the District of Columbia to significantly reduce and permanently cap emissions of sulfur dioxide (SO<sub>2</sub>) and/or nitrogen oxides (NO<sub>x</sub>). In 2015, NO<sub>x</sub> emissions from the power sector would be 65% below today's levels. SO<sub>2</sub> emissions from that sector would be 50% below current levels by 2015 and approximately 70% below current levels when fully implemented.
  - ▶ SO<sub>2</sub> and NO<sub>x</sub> contribute to the formation of fine particles and ground-level ozone, pollutants that, together, are associated with thousands of premature deaths and illnesses each year.
  - ▶ Reducing emissions of these pollutants will significantly address these health issues, in addition to improving visibility and protecting sensitive ecosystems. EPA's modeling predicts that when combined with existing emissions reduction requirements, this rule would help approximately 90% of "nonattainment areas" meet national air quality standards for ozone and particle pollution.
  - ▶ By addressing air pollutants from electric utilities in a cost-effective fashion, EPA's Clean Air Interstate Rule proposal would protect public health and the environment without interfering with the steady flow of affordable energy for American consumers and businesses.
- Each of the 29 states affected by the program and the District of Columbia must submit a plan to EPA that demonstrates it will meet its assigned statewide SO<sub>2</sub> and/or NO<sub>x</sub> emissions budget (i.e., emissions reduction requirements).
- States can meet the emissions reduction requirements by either:
  - ▶ joining the EPA-managed cap-and-trade programs for power plants, or
  - ▶ achieving reductions through other emissions control measures.

- This supplemental proposal provides additional details and rule language for implementing the Clean Air Interstate Rule. These details include specifics on EPA's model cap-and-trade program for power plants that states may adopt to achieve required emissions reductions.
- EPA will take comment on this supplemental proposal for 45 days after it is published in the *Federal Register*. EPA will hold a public hearing in Alexandria, Virginia on June 3, 2004 to hear oral testimony on the supplemental proposal.
- After carefully considering all comments received, EPA expects to complete the Clean Air Interstate Rule this year.

### **HIGHLIGHTS OF THE SUPPLEMENTAL PROPOSAL**

- EPA is proposing regulatory text for model multi-state cap and trade programs to reduce power plant emissions of SO<sub>2</sub> and NO<sub>x</sub>.
- EPA also outlines criteria which states choosing to control non-electric generators must follow.
- EPA in partnership with states would administer the region-wide cap-and-trade programs.
- States that would be subject to this rule may choose to adopt this cap and trade program – either reference it or repeat it verbatim in their state laws – to meet the proposed SO<sub>2</sub> and NO<sub>x</sub> emissions reductions from power plants in a flexible and cost-effective manner.
- States would be responsible for allocating emissions allowances and taking the lead in pursuing enforcement actions.
- EPA would be responsible for assigning the state emissions budgets, reviewing and approving state plans to achieve required reductions, and administering the emissions and allowance tracking systems.
- EPA is proposing its determination that the emissions reductions under this proposed rule, if achieved by power plants under the model cap-and-trade programs, would satisfy the best available retrofit technology (BART) requirements of the regional haze program as a “better than BART” alternative. The SO<sub>2</sub> and NO<sub>x</sub> emissions model trading programs are expected to achieve greater emission reductions from power plants and on average, greater visibility improvements in impacted Class I areas compared to source-specific BART.
- In this proposal, EPA is also clarifying unclear language and correcting minor errors from the original proposal.

## BACKGROUND

- On January 30, 2004, EPA initially proposed the Interstate Air Quality Rule (69 FR 4566), now called the Clean Air Interstate Rule (CAIR). This rule would require 29 states and the District of Columbia to develop plans to reduce sulfur dioxide (SO<sub>2</sub>) and/or nitrogen oxides (NO<sub>x</sub>) emissions from facilities that emit these pollutants.
- Sulfur dioxide is a “precursor” or pollutant that reacts in the atmosphere to form PM<sub>2.5</sub>. NO<sub>x</sub> is a precursor to both ozone and PM<sub>2.5</sub> formation. Reducing upwind precursor emissions will assist downwind PM<sub>2.5</sub> and 8-hour ozone nonattainment areas in meeting national air quality standards.
- Affected states significantly contribute to a downwind state’s inability to meet national air quality standards for fine particle pollution (PM<sub>2.5</sub>) and/or 8-hour ozone.
- The proposed Clean Air Interstate Rule would reduce SO<sub>2</sub> emissions by 5.6 million tons per year when the rules are fully implemented (approximately 70 percent below current levels). NO<sub>x</sub> emissions would be cut by 1.8 million tons annually in 2015 (about 65 percent below today's levels).
- The states that would be covered by this rule are (states listed are controlling for both particle pollution and ozone unless otherwise noted):

Alabama	Minnesota (particle pollution only)
Arkansas	Mississippi
Connecticut (ozone only)	Missouri
Delaware	New Jersey
Florida (particle pollution only)	New York
Georgia	North Carolina
Illinois	Ohio
Indiana	Pennsylvania
Iowa	South Carolina
Kansas (particle pollution only)	Tennessee
Kentucky	Texas (particle pollution only)
Louisiana	Virginia
Maryland	West Virginia
Massachusetts	Wisconsin
Michigan	District of Columbia

## ADDITIONAL INFORMATION

- For information on today’s supplemental proposal and the proposed Clean Air Interstate Rule (formerly the Interstate Air Quality Rule) issued in January 2004, visit [www.epa.gov/interstateairquality](http://www.epa.gov/interstateairquality).