Clean Air Investment Fund & Economic Incentive Program Guidance

What does CAIF look like

- Based on FACA work
- 2 types
  - Relief valve
  - Encourage innovative methods of obtaining reductions
- Can be more than or less than $10K
- $ threshold set at marginal cost
- States still responsible for obtaining emission reductions

EIP Topics for Discussion

- EIP's for VOC toxics
- Consistency with existing SIP
- Environmental benefit
- Protocol approvals
- Class I protection

EIP's for VOC toxics

- Goal: Protect the health and environment of local communities from negative impacts of air toxic emissions that could arise as a result of EIP's that include VOC emissions
- Given: Toxic requirements are met
- 3 required components
  - program review and mitigation where needed
  - public participation in program design, implementation & evaluation
  - Sufficient information must be made available for meaningful review & participation

Consistency with existing SIP

- To get an EIP approved, a State must show that the EIP is not going to interfere with existing plans for attainment

- Concern: EIP's shift emissions over time & space which does not occur in traditional control approaches

- Issue: What does a State need to do to prove that its EIP is consistent?
  - level of detail
  - how much certainty
  - statistical analysis

Environmental Benefit

- What type of environmental benefit is needed?
- Possible Options
  - 10% discount
  - real emission caps (not emission rates like RACT)
  - lower emission limits
  - nothing
  - other?
- Is this dependent on EIP type?
  - EIP's that reduce emissions (e.g., emission fees)
  - EIP's that focus on flexibility (e.g., emissions trading)

Protocol approvals

- Should EIP's only be able to use EPA approved emission measurement protocols or should States have more flexibility?
  - For example, each State could approve protocols based on EPA evaluation criteria
- Does this depend on the sources involved?
  - source categories
  - pollutants
  - locations
- Does this depend on whether the EIP crosses jurisdictional boundaries?

Class I protection

- Should EIP's provide special protection for Class I areas?
- What should this protection be?
- Is this dependent on the EIP?
  - location of sources
  - certainty of program
  - etc.