

New York State Energy Planning Board

Air Regulatory Update

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2008 Ozone National Ambient Air Quality Standard (NAAQS)

- 1997 ozone NAAQS (0.08 ppm) revised to 0.075 ppm in 2008
- Air quality in NYC & Chautauqua Co. do not meet the new NAAQS
 - Designations expected by May 31st
 - Current estimates to reach attainment show steep reductions needed throughout Eastern US.
 - > 60 % reduction in NO_x emissions (EGUs, on- & non-road mobile, boilers, etc.) & > 20% reduction in VOCs
 - Will take 6 or more years to realize these reductions
- CSAPR does not address 2008 ozone NAAQS

Cross-State Air Pollution Rule (CSAPR)

- Replaces CAIR which was overturned & remanded
- EPA direct regulation of sources –
 - Phase 1 in 2012; Phase 2 in 2014.
- 28-State SO₂ and NO_x Cap-and-trade program for electricity generating units (EGUs)
- NYS Budget – DEC obtained increases (20-50%) to address reliability rules, transmission constraints and to correct errors in control assumptions.
- Emission reductions required from 2010 levels in NYS:
 - NO_x (overall/ozone season): 9%/7% (2012 and 2014)
 - SO₂: 22% (2012), 45% (2014)

Reasonably Available Control Technology for Oxides of Nitrogen (NO_x)

- Part 227: New NO_x limits for large combustion sources (including EGU boilers and turbines)
 - RACT Plans in January 1, 2012 (under review)
 - Compliance Date July 1, 2014

Mercury & Air Toxics Standards (MATS)

- **Dec 16, 2011** EPA rule to reduce toxic emissions from coal- and oil-fired power plants.
 - Power plants are the largest source of U.S. mercury emissions.
 - Reduce emissions of heavy metals --mercury, arsenic , chromium, and nickel -- and acid gases (HCl & HF)
- Existing sources - up to 4 years to comply
(3 + 1, where system reliability is a factor)
- Case-by-case evaluation of inability to meet deadline.
As SIP approved State, DEC will review.
- Requirements can be met by technology (scrubbers, fabric filters, etc.) & work practices
- DEC regulation – stricter Part 246 Hg limits for coal-fired EGUs still apply.

Part 249 – Best Available Retrofit Technology (BART)

- Requirement of Federal regional haze program to protect visibility in National Parks, Forests and Wilderness Areas
- Sources built between 1962 & 1977 need to retrofit to control SO₂, NO_x & PM
- Impacts 12 Electric Generating Facilities (LI, NYC and Hudson River)
- Controls required by January 1, 2014
- Permits being revised to meet April 2012 deadline

New Article 10 Regulations

- Power NY Act of 2011 signed by Governor Cuomo on August 4, 2011
- DEC required to promulgate regulations addressing environmental justice issues (Part 487) & CO2 performance standards (Part 251)
- DEC regulations required by August 4, 2012
 - Draft regulations were published in the State Register on January 18, 2012
 - Hearings March 5th (Albany), 6th (NYC) & 8th (Buffalo)
 - Comments due March 15, 2012

Part 487 – EJ Regulations

- Article 10 Application must include an EJ analysis if the facility may impact an EJ area.
- Proposed regs specify the analysis required:
 - A cumulative impact analysis of air quality
 - A comprehensive & comparative demographic, economic & physical description of the Impact Study Area
 - An evaluation of any significant & adverse disproportionate environmental impacts.
 - Avoidance, minimization & offset measures if necessary

Part 251 - CO₂ Performance Standards for Major Electric Generating Facilities (Article 10)

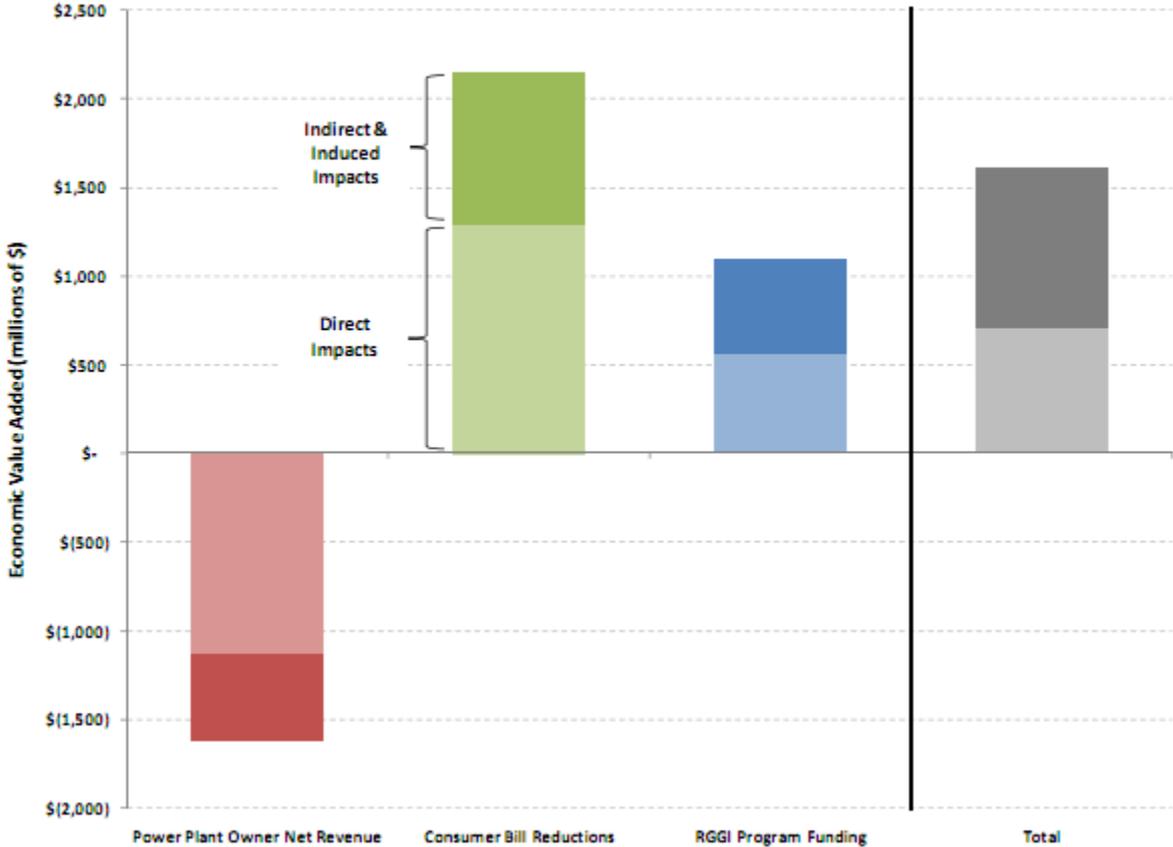
- Applies to new and modified EGUs (boilers, turbines, or stationary internal combustion engines firing gaseous and/or liquid fuel)
 - New major EGUs > 25 MW that commence construction after the regulation's effective date
 - Existing EGUs that increase capacity by at least 25 MW after effective date
- Sets emission limits:
 - Based on combined cycle natural gas and efficient simple cycle turbines.
 - Some back-up oil burning allowed
- Sources not subject to a specific emission limit:
 - Biomass, WTE etc.
 - Case-specific emission limit to be approved by DEC that is representative of best practices by similar sources

Regional Greenhouse Gas Initiative (RGGI)

- First compliance period completed (2009-11)
- Emissions approximately 30% below the cap
- Investments in New York:
 - Green Jobs, Green New York
 - Cleaner Greener Communities
- Analysis Group Report
 - Independent analysis of costs and benefits of first year of program
 - 16,000 jobs created; \$765 million remains in region

RGGI- Analysis Group Report

Figure 12
Net Economic Impacts for the Ten State RGGI Region



RGGI Program Review

- Participating states agreed to review all program elements after first 3 years – cap level, imports, offsets, scope etc.
- Focus is on cap level – modeling shows that emissions will remain well below cap in future.
- 1st step: retire 44 mm tons of unsold allowances
- RGGI states are modeling various cap adjustments
- Schedule:
 - 3/20 stakeholder meeting
 - May stakeholder meeting (macroeconomic modeling)
 - Agency heads meet in June

Federal Greenhouse Gas Regulation

- Tailoring Rule
 - New and modified plants only
 - In litigation
- New Source Performance Standards
 - New source standard – this month?
 - Existing sources – section 111(d)