

GHG Permitting & Biogenic CO2

- What is PSD and why is it a big deal?
- GHG permitting under PSD.
- The status of Biogenic CO2 issues.
- How will GHG permitting and biogenic CO2 issues shake out?
- What would happen if I have to count my Biogenic CO2 emissions?

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What is Prevention of Significant Deterioration (PSD)?

- Modeling must account for your facility, plus other nearby facilities.
- Total modeled concentration + background can't exceed the NAAQS.
 - Total impact on air quality can't exceed the allowable increment.
 - Once the increment is consumed at a particular location, there is no more room for additional emissions.



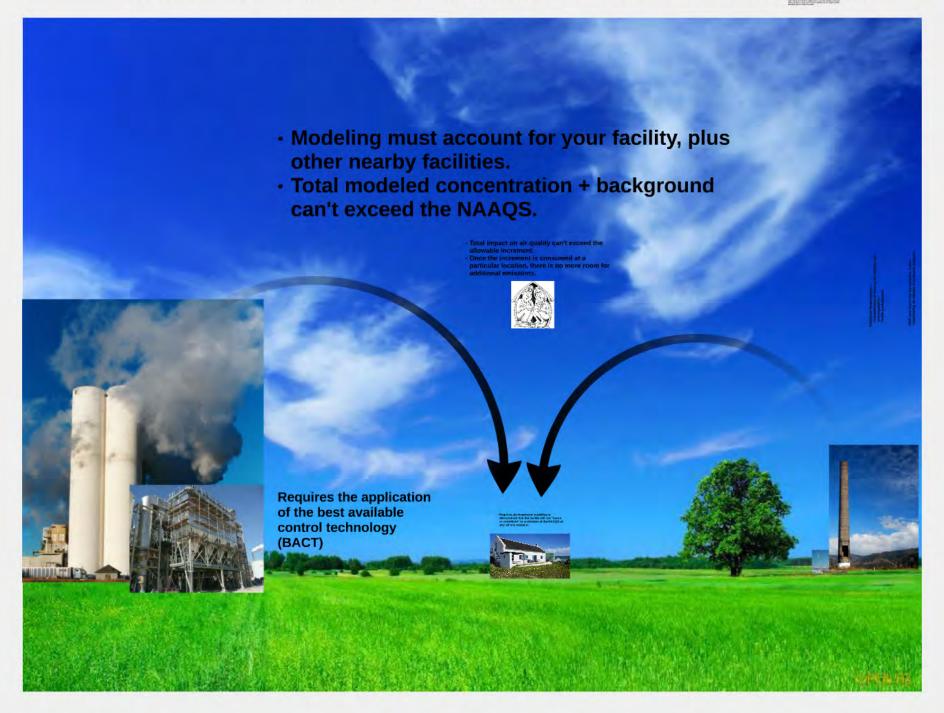


- Pre-construction permitting program for major sources and major modifications at existing major sources.
- Major source thresholds of 100/250 tons per year for traditional pollutants.
- Once a facility is a major source, future modifications are subject to PSD permitting at much lower thresholds.

What is Prevention of Significant Deterioration (PSD)?



What is Prevention of Significant Deterioration (PSD)?

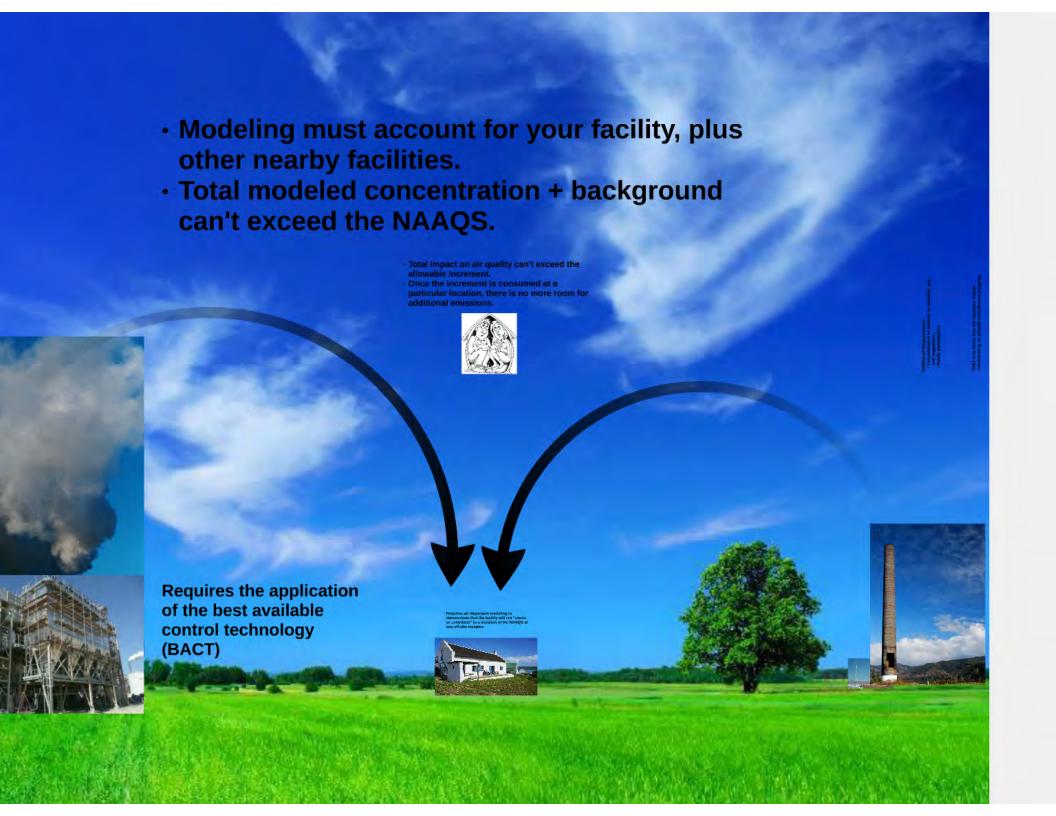




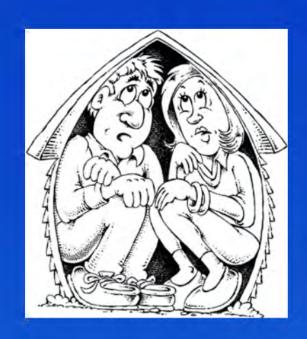


 Requires air dispersion modeling to demonstrate that the facility will not "cause or contribute" to a violation of the NAAQS at any off-site receptor.



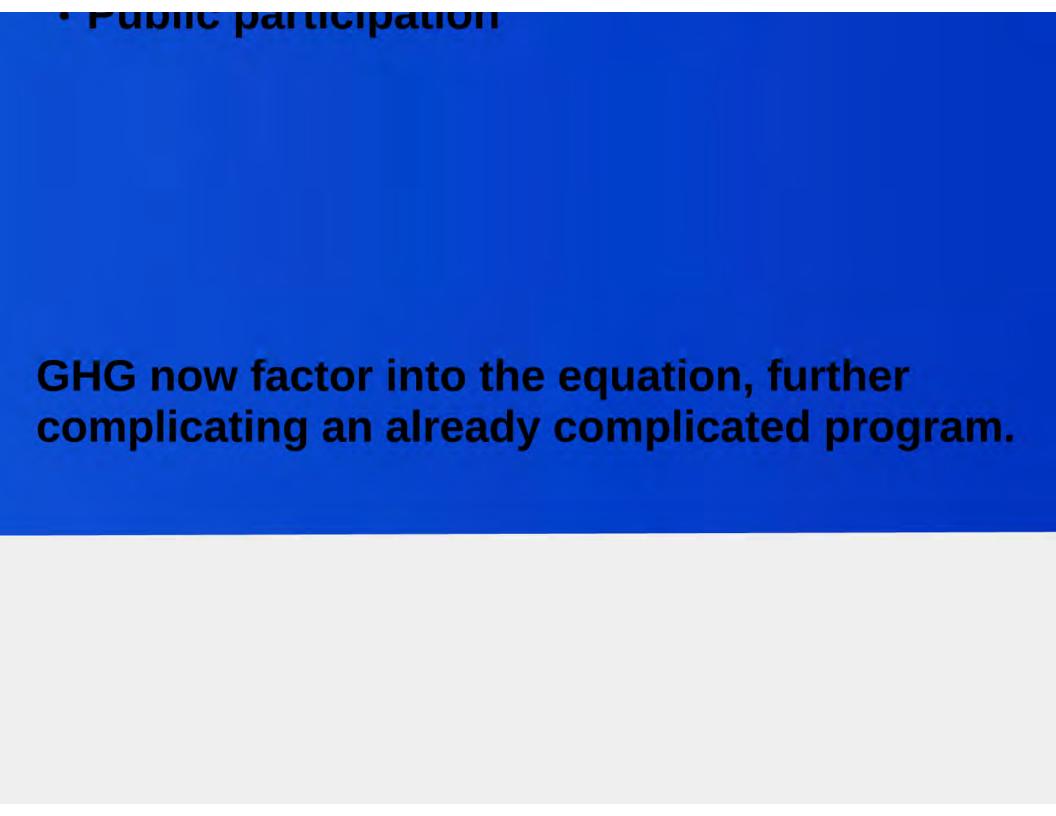


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Additional Requirements:

- Consideration of impacts to visibility, soil, and vegetation.
- Public participation



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GHG Regulatory Timeline

2005

- Petition for rulemaking for GHG emissions from motor vehicles.
- EPA said no.
- DC Circuit upheld EPA's denial.

2006

• Supreme Court agrees to hear the case.

2007

- Mass. v. EPA
- EPA must go make an "endangerment finding"



- EPA makes endangerment finding
- EPA must regulate GHG emissions from motor vehicles.

2010

- EPA interprets "air pollutant" under Title II of the CAA to mean "regulated NSR pollutant" under the PSD rules.
- EPA promulgates the "Tailoring Rule" to avoid absurd results of applying statutory thresholds to GHG.

2011

• PSD permitting requirements for GHG take effect.

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Biogenic CO2 Regulatory Timeline

2011

- EPA promulgates the Deferral Rule, deferring regulation of biogenic CO2 under PSD until July 21, 2014.
- EPA publishes a draft biogenic CO2 accounting framework.

• SAB comments on EPA's draft biogenic CO2 accounting framework.

2013

- The Deferral Rule is vacated.
- Vacature is appealed by EPA.
- Supreme Court decides to hear UARG vs. EPA.
- Appeal period is extended until UARG vs. EPA is decided. Thus, the Deferral Rule is left intact.

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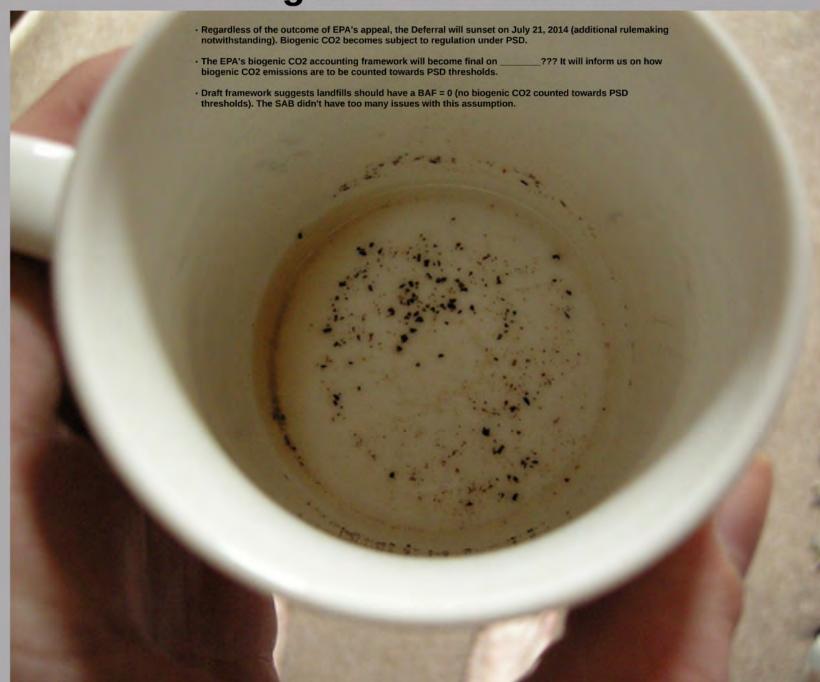
(and beyond)



GHG Permitting, In General

- UARG vs. EPA will be decided in the coming weeks:
 - Question: Was it permissible for EPA to determine that regulation of GHG under Title II of the CAA (motor vehicles) required them to regulate GHG emissions under PSD?
- If UARG wins, GHG permitting under PSD will go away.
- If EPA wins, GHG permitting will continue under PSD (nail in the coffin).

Biogenic CO2 and PSD



Biogenic CO2 and PSD

- Regardless of the outcome of EPA's appeal, the Deferral will sunset on July 21, 2014 (additional rulemaking notwithstanding). Biogenic CO2 becomes subject to regulation under PSD.
- The EPA's biogenic CO2 accounting framework will become final on _____??? It will inform us on how biogenic CO2 emissions are to be counted towards PSD thresholds.
- Draft framework suggests landfills should have a BAF = 0 (no biogenic CO2 counted towards PSD thresholds). The SAB didn't have too many issues with this assumption.

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Example Landfill

- 16 MM ton (capacity)
- Two 2,500 scfm flares
- Currently not a major source under PSD for GHG (<100,000 tpy CO2e) or traditional NSR pollutants (<250 tpy).
- Biogenic CO2 becomes "subject to regulation" on July 21, 2014, the landfill is now a major source under PSD for GHG (>100,000 tpy CO2e).
- Future projects that may require PSD permitting:
 - Addition of one 2,500 scfm flare (major modification for CO and GHG).
 - Addition of one 2,500 hp LFG-fired engine (major for CO).

