

CAPCOG Air Quality Staff Briefing for the CAC on Sierra Club's Cross-State Air Pollution Rule Resolution

Background

- The Cross-State Air Pollution Rule (CSAPR) requires states to reduce their “significant” contribution to ozone and particulate matter nonattainment and maintenance problems in other states by setting statewide limits on ozone-season (May – September) NO_x emissions and annual SO₂ and NO_x emissions from electrical generating units (EGUs).
- EPA defines “significant” contribution based on 1% of the air quality standard and availability of cost-effective emission reductions. It only addresses the 1997 ozone standard and the annual and daily PM_{2.5} standards, but not the 2008 ozone standard.
- EGUs can trade pollution credits among each other within each state and – to a limited extent – across state lines. EPA has proposed to begin enforcing the interstate trading limitations starting in 2014.
- EPA’s prior attempt to establish cap-and-trade programs to address interstate ozone and particulate matter transport, known as the Clean Air Interstate Rule (CAIR) and adopted in 2005, was struck down by the courts and EPA was required to correct various deficiencies in the rule.
- 12 states were modeled to be having a “significant contribution” to ozone nonattainment in Texas: Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Missouri, Mississippi, South Carolina, and Tennessee. Collectively, these states were modeled to contribute between 8 and 10 ppb in the Dallas area and between 16 and 28 ppb in the Houston area in 2012.
- Texas was modeled to have a “significant contribution” on ozone nonattainment in Louisiana, contributing 1.6 ppb to a monitor in East Baton Rouge, and to have a “significant contribution” to particulate matter levels in Illinois. Texas had previously been included in CAIR for particulate matter but not for ozone.
- Modeling for Austin’s Early Action Compact indicated that Louisiana was having a 1-4 ppb contribution to high ozone levels in 2007 and Missouri having a 0-2 ppb contribution, with Texas “attainment” areas (not including near-nonattainment areas) contributing 11-18 ppb.
- Texas emission reduction requirements for 2012 compared to 2010 emissions (based on EPA’s recent proposal) include a 5% decrease in ozone-season NO_x emissions, a 7% decrease in annual NO_x emissions, and a 32% decrease in annual SO₂ emissions.
- Ozone season emission reductions required by other states (2012 compared to 2010 emissions): Louisiana, Illinois, Mississippi: 24%; Florida: 23%; Arkansas: 16%; Kentucky: 7%; Indiana: 5%

Alternatives

1. Support the resolution as is – *this is strictly support for the ozone season NO_x reductions, not PM*
2. Do not support the resolution
3. Modify the resolution (*could entail support for ozone-reductions and opposition to PM inclusion; support for both ozone reductions and PM reductions; or qualified support of ozone reductions*)

Arguments For This Resolution

- Ozone season NO_x reductions from power plants “upwind” of Texas and the NO_x reductions required of Texas should reduce background ozone levels measured in Central Texas.
- The implementation of the emission reductions in 2012, rather than later, should help reduce the transport of ozone into the Austin area, thus contributing to the area’s continued maintenance of the 2008 ozone standard, and in absence of CSAPR, these reductions could not be counted on.
- In the absence of the Cross-State Air Pollution Rule, there would be no statewide limits on EGU emissions to reduce interstate transport since CAIR would be vacated.
- This resolution is consistent with previous resolutions, letters, and comments submitted by the CAC on the need for TCEQ and EPA to control background ozone levels and power plant emissions contributing to those background levels.
- The ozone season NO_x reductions are unrelated to the much more controversial and substantial SO₂ emission reductions that will be required because of Texas’s inclusion in the particulate matter trading program.

Arguments Against This Resolution

- TCEQ has come out in opposition to Texas’s inclusion in the rule for both ozone and particulate matter, but especially because of the inclusion for particulate matter. While the two requirements are distinct, they were part of the same rulemaking.
- ERCOT has expressed concern about the effects of the rule on electricity reliability in Texas.
- The one area (Baton Rouge) that Texas was modeled to be having a “significant” contribution ozone contribution to is now monitoring well below the 1997 standard of 84 ppb, with a 78 ppb design value in 2010, so ozone season NO_x reductions from power plants wouldn’t be necessary.
- The EPA’s “significance” threshold of 1% of the NAAQS is somewhat arbitrary; it could just as well have been 2 ppb, 2%, 5%, 0.1%, or a single modeled exceedance cause by another state and the rule does not limit the amount of reductions required by a state to eliminate its significant contribution to ozone in another state; nor does it necessarily provide sufficient reductions to eliminate all of a state’s significant contribution to ozone in another state.
- TCEQ argues that since it is a Federal Implementation Plan, CSAPR is usurping the state’s role in developing a plan to abate any significant contribution it may be having to other areas.
- TCEQ believes that EPA over-estimated the amount of cost-effective reductions achievable in Texas.
- TCEQ believes that the rule’s disincentives for coal-fired production will likely have far-reaching economic effects beyond the obvious impacts on energy consumers, and that this was not fully considered by EPA.