
The Area Source Program – A New Way of Regulating

Yvonne W. Johnson

U.S. EPA

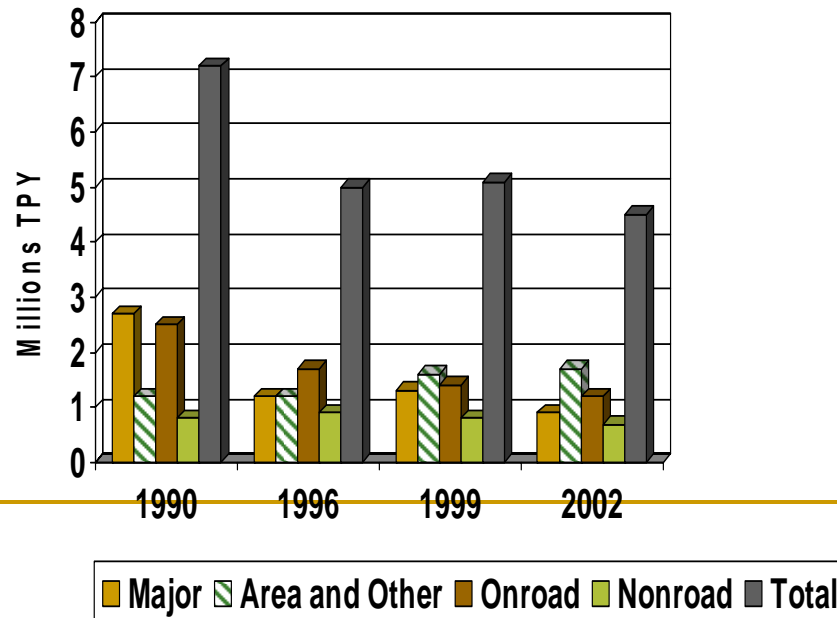
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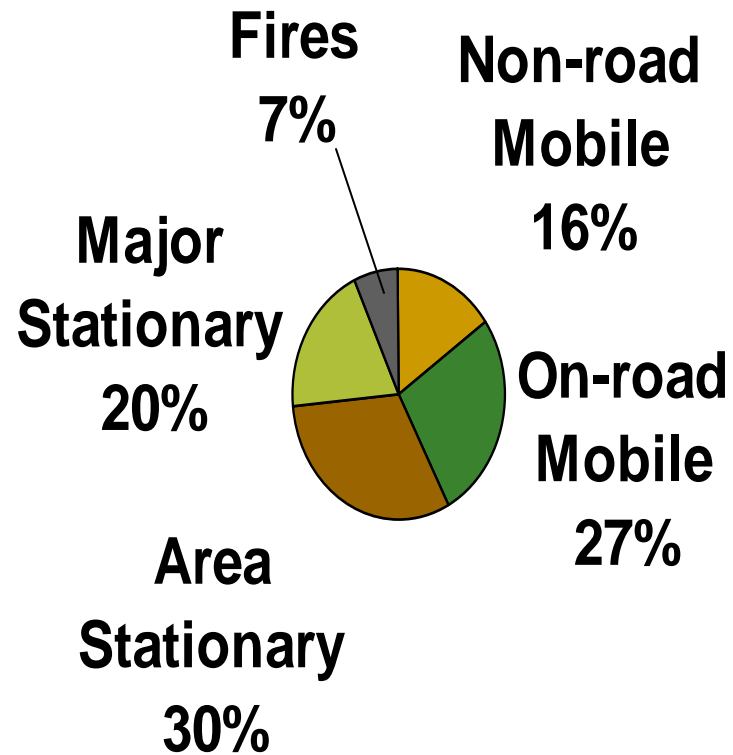
Background and Overview

Area Sources

- Smaller stationary sources with potential to emit less than 10 tpy for a single hazardous air pollutant (HAP) or less than 25 tpy for combined HAP
- While total emissions have decreased, area source emissions have continued to increase



National Air Toxics Emissions



4.7 Million Tons (2002)

112(c)(3) and 112(k) Requirements

- List area source categories representing at least 90% of the emissions of the 30 listed urban HAP
- Develop a national strategy for urban air toxics
- Subject categories to regulation and promulgate by 11/15/2000
- Achieve a 75% reduction in cancer incidence from stationary sources
- Encourage and support areawide strategies developed by State or local agencies



Area Source Characteristics

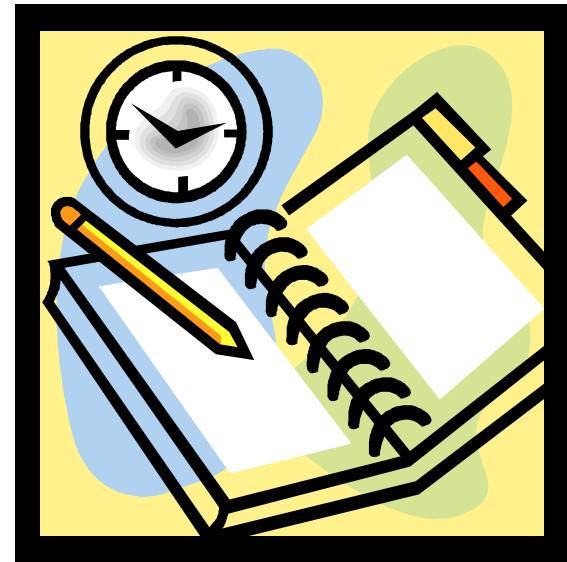
- Individually area sources are small emitters
 - Many sources emit less than 100 pounds of HAPs
- There are numerous facilities
 - Sources are difficult to locate
 - Many are small businesses
 - Many are “mom and pops” not represented of trade associations
- Many sources emit fine particulate matter, precursors for ozone, and lead
- Collectively, these sources can be important toxic contributors in urban areas

National Strategy for Urban Air Toxics

- Issued the Integrated Urban Air Toxics Strategy in July 19, 1999
 - An *integrated* framework for addressing air toxics in urban areas
 - Looks at stationary, mobile, and indoor air source emissions
 - Identified a priority list of 33 HAPs which pose the greatest threat to public health in urban areas
 - Listed area source categories to be subjected to regulation

70 Area Source Categories Listed

- 16 standards completed to date
- For the majority we have initiated rule development
 - Some are in the early stages of data gathering
- All are under consent decree
 - 4 under previous consent decree
 - Just received most recent decree



Original 4 Under Consent Decree

STANDARD	PROPOSE	PROMULGATE
Oil and Natural Gas Production	06/30/2005	12/2006
Hospital Sterilizers	10/2006	12/2007
Gasoline Distribution Stage 1	10/2006	12/2007
Stationary Internal Combustion Engines	10/2006	12/2007

Most Recent Consent Decree

December 15, 2006	Promulgate 4 categories
June 15, 2007	Promulgate 6 categories
December 15, 2007	Promulgate 10 categories
June 15, 2008	Promulgate 10 categories
December 15, 2008	Promulgate 10 categories
June 15, 2009	Promulgate 10 categories

Programmatic Challenges

- Consider the unique characteristics of sources and source categories
- Meet statutory obligation but not overburden unnecessarily
- Provide for states that need regulations but not interfere with existing programs
- EPA Regions will have to implement if states do not take delegation
- Limited resources everywhere
- Meet court ordered schedules

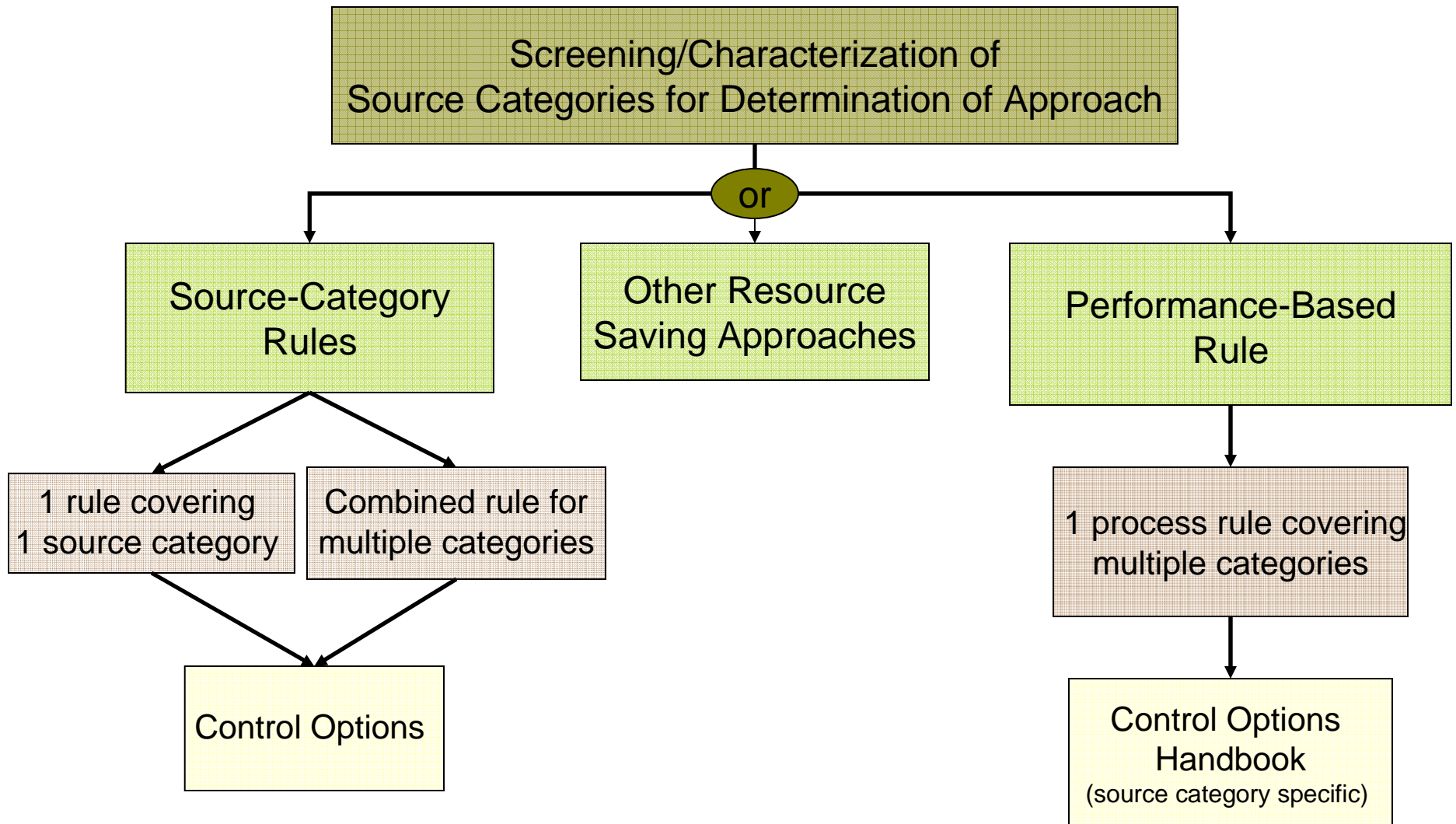


Must Look at New Ways of
Doing Things...

Programmatic Goals

- Develop a regulatory framework with incentives so states will want to take delegation of program
- Develop more flexible and adaptive approaches to reducing emissions
- This could include:
 - User friendly and cost effective implementation options
 - Reduced monitoring, reporting, and recordkeeping requirements
 - Flexibility in which controls could be applied
 - Incorporation of pollution prevention approaches
 - Targeted implementation
 - Bundled approach for similar processes

Area Source Framework



Binning of Categories

- All source categories go through an initial analysis to determine appropriate regulatory option(s)
- Ranking factors include toxicity weighting, emission levels, number of sources, and number of states impacted
- Preliminary results --
 - 16 source categories account for 90% of the 1999 NEI total HAP emissions from the remaining 50 area sources

Regulatory Approaches

- Several approaches to minimize the number of rules to be developed:
 - One rule covering one source category
 - Rules covering combined categories
 - fabricated plate work covering 8 categories
 - Performance-based approach
 - Other resource saving approaches
 - Notice of findings where rules are not needed
 - Notice that there is a need for a regulatory mechanism but one is already in place

The Performance-Based Rule

- Streamlined approach to achieve net emission reductions from small sources
 - One process rule covering specific number of source categories
 - Rule will include a process and timeline to be followed
- National applicability with targeted implementation
 - Focus on source categories with low emissions, few sources, and in few states
- Identifies criteria that affected source will satisfy to select source-specific requirement rather than establishing a precise level of control

What is an example of the process?

- The source will submit an application proposing control requirements and steps to ensure compliance
 - Control Options Handbooks can help source determine appropriate control
- Implementing authority will review and if approved incorporate into an enforceable mechanism

Applicability Threshold

- Sources that can demonstrate their potential to emit emissions are below specific threshold would be subject to a lesser registration process.
 - Self-certification and/or registration program with periodic recertification
 - If a source's emissions rise above the threshold then the source would be required to select an appropriate control and submit an application

3 Types of Decision Criteria

1. **Generic Work Practice or Requirement to Achieve Net Emission Reduction**
 - ❑ Generic work practice standards or other requirements requiring a consistent minimum set of actions that would minimize emissions
 - ❑ No quantitative emission required
 - ❑ Recognizes there are many opportunities for achieving reductions, even at smaller levels

3 Types of Decision Criteria (con't)

2. Percentage Range of Emission Reduction

- ❑ Specific % reduction from baseline to be achieved
- ❑ Can take credit for reductions already achieved

3. Risk-Reduction Levels

- ❑ Determine level of control based on risk posed by emissions from individual sources
- ❑ Some state/local agencies already have existing programs

Implementation Mechanism for Performance-Based Rule

- IAs may use any type of mechanism as long as it is enforceable, provides for appropriate public notification, and is funded adequately.

 - Potential mechanisms:
 - General Permit Programs
 - Minor Source Permits
 - State Implementation Plans (SIPs)
 - Federally Enforceable State Operating Permits (FESOPs)
 - Environmental Results Program (ERP)
 - Title V Permits
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Performance-Based Rulemaking Status

- December 2006 – Publish Advanced Notice of Proposed Rulemaking (ANPR)
- June 2007– Propose performance-based rule
- December 2007 – Promulgate performance-based rule



Pollution Prevention (P2) Approaches

Exploring Feasibility of Offering P2 Options in Rules

- Initiative to explore any existing P2 measures or technologies that are appropriate for inclusion in rule
- Wanted to determine what was already out there and build upon that knowledge
- Several source categories selected as pilots:
 - Industrial boilers
 - Iron and steel foundries
 - Auto refinishing
 - Paint and allied sources
 - Metal plating and polishing

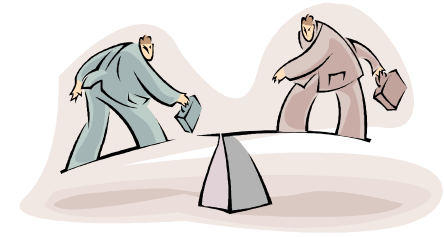
Initiative Findings

- Determined there was a lot of information out there
- Identified P2 measures or technologies which could be:
 - Incorporated into a rule
 - Used to support a rule
 - Provide for compliance alternatives (e.g., boilers)
- Found that some states already have established P2 programs in place
- As a result we are exploring -
 - If a state has a well established program which meets or exceeds the Fed requirement could potentially substitute under Section 112(l)

Looking at the Autobody Refinishing Area Source Category

- Trying to be flexible and provide as many alternatives to addressing the program as possible
 - Plan to describe concept in proposed rule and take comment
 - Looking for states which may be interested in program substitution for the Federal rule
 - Need to find out what kind of programs are out there to determine what is an “acceptable program” and what is success
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Weighing the Option



■ Pros

- If already well established constituents know the program and what to expect
- Can continue to do what already doing
- State has control of their own program
- Program is specific to addressing local problems

■ Cons

- Once a voluntary program, now federally enforceable
- Becomes a state-wide program instead of a community-based program

For More Information

- The Air Toxics Website
 - www.epa.gov/ttn/atw
- Yvonne W. Johnson
 - Johnson.yvonnew@epa.gov
 - 919-541-3921

