

DEP Update on Rulemakings and State Implementation Plan Revisions December 9, 2021 AQTAC Meeting

Rulemakings

Final-form Rulemakings

Control of VOC Emissions from Oil and Natural Gas Sources

On October 27, 2016, the EPA published Control Techniques Guidelines for the Oil and Natural Gas Industry (O&G CTG). The draft final-form rulemaking will adopt reasonably available control technology (RACT) requirements and RACT emission limitations for oil and natural gas sources of volatile organic compound (VOC) emissions. These sources include: storage vessels in all segments except natural gas distribution, natural gas-driven continuous bleed pneumatic controllers, natural gas-driven diaphragm pumps, reciprocating compressors, centrifugal compressors and fugitive emission components. The rulemaking was published, three virtual hearings were held, and the comment period ended in July 2020. The Department received 4,509 letters of comments from approximately 36,100 commentators and 121 oral testimonies at the public hearings. The Department anticipates advancing the draft final-form rulemaking to the advisory committees during the fourth quarter of 2021 and first quarter of 2022, including at the Air Quality Technical Advisory Committee (AQTAC) on December 9, 2021. The Department anticipates advancing the final-form rulemaking to the Environmental Quality Board (EQB) in the first quarter of 2022.

Stage II Vapor Recovery Revision

With the advent of onboard vehicle vapor recovery systems, Stage II vapor recovery at the gasoline pump has become redundant and, in some cases, counterproductive. The final-form rulemaking establishes requirements for the decommissioning of vacuum-assisted vapor recovery systems at gasoline dispensing facilities in the 5-county Philadelphia and 7-county Pittsburgh-Beaver Valley areas as well as requirements for annual leak testing, low-permeation hoses, and dripless nozzles. The proposed rulemaking was published for public comment, three virtual public hearings were held, and the public comment period ended in November 2020. DEP presented the draft final-form rulemaking to AQTAC, the Small Business Compliance Advisory Committee (SBCAC), and the Citizens Advisory Council (CAC) on April 8, May 19, 2021, and June 15, 2021, respectively. The Department presented the final rulemaking to the EQB on November 16, 2021, and the Board voted to adopt the final rulemaking 17-2.

Regional Greenhouse Gas Initiative (RGGI) (CO2 Budget Trading Program)

On October 3, 2019, Governor Wolf [took executive action](#) instructing DEP to join RGGI, a market-based collaboration among eleven Northeast and Mid-Atlantic states to reduce greenhouse gas emissions and combat climate change while generating economic growth. On September 15, 2020, the EQB adopted the proposed rulemaking by a vote of 13-6. The proposed rulemaking was published for public comment, ten virtual hearings were held and the public comment period closed on January 14, 2021. Over 14,000 comments were received. DEP presented an update to AQTAC and the CAC on April 8 and 20, 2021, respectively. DEP presented the draft final-form rulemaking to AQTAC on May 17, 2021, and the CAC and

SBCAC on May 19, 2021. By a roll-call vote, each committee voted to recommend to DEP that the final-form regulation be presented to the EQB. The EQB adopted the final-form regulation at its July 13, 2021 meeting and the Independent Regulatory Review Commission (IRRC) approved the regulation on September 1, 2021.

RACT III Major Sources of NO_x and VOC for the 2015 Ozone NAAQS

In 2015, the EPA revised the primary and secondary National Ambient Air Quality Standards (NAAQS) for ozone. A re-evaluation of RACT is required each time a revised ozone NAAQS is promulgated for nonattainment areas. Because the entire Commonwealth is in the Ozone Transport Region and is treated as a moderate nonattainment area, RACT is applicable to major sources of oxides of nitrogen (NO_x) and/or VOCs statewide. The final-form rulemaking establishes additional presumptive RACT requirements and RACT emission limitations for certain major stationary sources of NO_x and VOC emissions in existence on or before August 3, 2018, to address the 2015 8-hour ozone NAAQS. The proposed rulemaking was published in the Pennsylvania Bulletin on August 7, 2021, with a 67-day public comment period closing on October 12, 2021. Three public hearings were held on September 7, 8, and 9, and no public commentators participated. The Department anticipates presenting the draft final-form rulemaking Annex A to the committees in the second quarter of 2022.

Proposed Rulemakings

Large Petroleum Dry Cleaners, Shipbuilding and Repair Coatings Operations, and SOCMR Reactors, Distillation, and Air Oxidation Processes

This proposed RACT rulemaking is based on the EPA's Control Technique Guidelines (CTG) for these three industries. The proposed rulemaking would control VOC emissions from certain existing sources to meet requirements under the Clean Air Act and the EPA 2015 Ozone Implementation Rule. The Department presented the draft proposed rulemaking to AQTAC, SBCAC, CAC Policy and Regulatory Oversight Committee (PRO) and CAC on October 15, October 28, November 11, and November 17, 2020, respectively. The EQB adopted the proposed rulemaking on September 21, 2021. The Department anticipates publication of the proposed rulemaking and opening of the public comment period in fourth quarter 2021 or first quarter 2022.

Proposed Amendments to the Pennsylvania Clean Vehicles (PCV) Program

The Bureau of Air Quality is developing amendments to the PCV Program (Chapter 126, Subchapter D) that would adopt the California Air Resource Board (CARB) Zero Emission Vehicle (ZEV) program by adding a sales percentage requirement beginning for model year 2026 and requiring automakers to demonstrate compliance with the already adopted CARB greenhouse gas (GHG) fleet average requirement. The Department presented the draft proposed rulemaking Annex A to AQTAC on October 14, 2021, SBCAC on October 27, 2021, CAC PRO on November 2, 2021, and to the full CAC and the Environmental Justice Advisory Board

(EJAB) on November 16, 2021. The proposed rulemaking will be presented to the EQB in the first quarter of 2022.

State Implementation Plan (SIP) Revisions

Nonregulatory SIP Revisions

1997 8-hour Ozone NAAQS 2nd Maintenance Plans

In 2020, DEP submitted twelve 1997 8-hour ozone Second Maintenance Plan SIP revisions to the EPA for approval for the following areas: Altoona (Blair County); Clearfield/Indiana Area; Erie County; Franklin County; Greene County; Harrisburg-Lebanon-Carlisle Area; Johnstown (Cambria County); Scranton/Wilkes-Barre Area; State College (Centre County); Tioga County; York/Adams Area; Youngstown-Warren-Sharon Area (OH-PA). As of September 2, 2021, EPA has issued final approvals for all 12 SIP revisions.

2015 8-hour Ozone Infrastructure State Implementation Plan

The Infrastructure State Implementation Plan (I-SIP) for the 2015 Ozone 8-hour NAAQS was published in the PA Bulletin on March 14, 2020. The Department submitted the SIP revision package to the EPA on April 20, 2021. It is under review by the EPA.

Regulatory SIP Revisions

Title V Fees and Operating Permit Fees

This rulemaking increases certain existing application and permit-related fees and establishes additional application and permit-related fees. The final-form rulemaking was published in the *Pennsylvania Bulletin* on January 16, 2021. DEP submitted the SIP revision to the EPA on July 23, 2021. It is under review by the EPA.

Reasonably Available Control Technology (RACT II)

In May 2019, the EPA published conditional approval of Pennsylvania's RACT II SIP revision based on DEP's commitment to submit all remaining case-by-case RACT revisions no later than May 9, 2020. DEP successfully submitted all case-by-case SIP revisions to the EPA before May 9, 2020.

In July 2019, the Sierra Club and Earthjustice filed a petition in the US Court of Appeals for the Third Circuit challenging EPA's Conditional Approval. In August 2020, the Court vacated and remanded three aspects of EPA's approval of DEP's RACT II Rule: 1) Emission limits for coal-fired boilers equipped with selective catalytic reduction control devices; 2) SCR operating temperature-based exemptions; and 3) the SCR temperature reporting requirement.

In late November 2020, DEP and the Allegheny County Health Department issued letters to facilities with coal-fired boilers equipped with SCR requiring that they submit case-by-case RACT evaluations no later than April 1, 2021. The case-by-case evaluations are being reviewed and subsequently being published in the *Pennsylvania Bulletin*.