

DEP Update on Rulemakings and State Implementation Plan Revisions April 8, 2021 AQTAC Meeting

Rulemakings

Final-form Rulemakings

Control of Existing Sources of Emissions from the Oil and Natural Gas Industry - This rulemaking would establish RACT requirements for VOCs from existing oil and natural gas production facilities, compressor stations, processing plants, and transmission stations. It would also reduce methane emissions as a co-benefit. DEP presented the draft proposed rulemaking Annex A to AQTAC, SBCAC, and CAC PRO subcommittee on April 11, April 17 and May 7, 2019, respectively. On June 18, 2019, the CAC concurred with moving the proposed rulemaking to the EQB. DEP presented the proposed rulemaking to the EQB on December 17, 2019. The EQB adopted the proposed rulemaking. The proposed rulemaking was published for public comment in the Pennsylvania Bulletin on May 23, 2020 (50 Pa.B. 2633), and the public comment period closed July 27, 2020. The EQB received 4,509 comments from approximately 36,211 commenters, including 121 comments from oral testimony at the virtual public hearings held on June 23, 24, and 25. The Bureau of Air Quality is currently drafting a Comment and Response document. The Department currently plans to present the draft final-form Annex A to the committees and the final rulemaking package to the EQB in the third quarter 2021.

Stage I & II – This rulemaking updates control requirements relating to gasoline station fuel pumps and storage tanks to account for technological changes since the existing regulations were promulgated. The proposed rulemaking was published in the Pennsylvania Bulletin on September 26, 2020 (50 Pa.B. 5236). The public comment period closed on November 30, 2020. Virtual public hearings were held on October 27, 28, and 29, 2020. No testimony was presented at the virtual public hearings. The EQB received 5 public comments on the proposed rulemaking. IRRC's comment period closed December 30. The Board received 4 comments from IRRC. DEP plans to present the draft final-form rulemaking Annex A to AQTAC, SBCAC, and the CAC subcommittee on April 8, April 28, and April 20, 2021, respectively. The Department anticipates presenting the final-form rulemaking to the EQB in June 2021.

Regional Greenhouse Gas Initiative (RGGI) (CO2 Budget Trading Program) - On October 3, 2019, Governor Wolf [took executive action](#) instructing DEP to begin the regulatory process to participate in RGGI, a regional market-based cap and invest program that reduces greenhouse gas emissions and combats climate change while generating economic growth. DEP provided an update on the CO2 Budget Trading Program draft proposed rulemaking to AQTAC on April 16, 2020. DEP presented additional details of and concepts for Pennsylvania's regulation to AQTAC, CAC, and SBCAC on February 13, February 18 and April 22, 2020, respectively. On April 23, 2020, DEP held a special joint informational meeting with AQTAC and CAC to present the modeling results associated with Pennsylvania's future participation in RGGI. DEP presented the draft proposed rulemaking Annex A to AQTAC, CAC, and SBCAC on May 7, May 19, and July 22, 2020, respectively. By votes of 9-9-1, 4-9-1, and 3-4-0, respectively, the three advisory groups did not concur with the Department's recommendation to forward the proposed rulemaking to the EQB. The proposed rulemaking was considered by the EQB on

September 15, 2020 and was adopted by a 13-6-0 vote. The proposed rulemaking was published in the Pennsylvania Bulletin on November 7, 2020 (50 Pa.B. 6212). Ten virtual public hearings were held from December 8 through December 14, 2020, and the public comment period closed on January 14, 2021. The Department received over 14,000 comments, with a large percentage of the commenters expressing their support of RGGI participation. IRRC provided their comments to the EQB on February 16, 2021. The Department is currently reviewing the public and IRRC comments and developing the final rulemaking documents. The Department currently expects to present the final rulemaking package to advisory committees in the second quarter and to the EQB this Summer.

Proposed Rulemakings

RACT III – This rulemaking will establish presumptive emission limits on certain sources subject to RACT III applicability as set forth in federal regulations. In addition, it establishes a “case-by-case” control evaluation requirement for certain sources. On October 17, 2019, and February 13, 2020, DEP presented initial RACT III rulemaking concepts to AQTAC. Draft proposed rulemaking language was discussed with AQTAC on April 16, 2020. The draft proposed rulemaking language was discussed with SBCAC on April 22, 2020. SBCAC voted 7-0-0 (yes-no-abstain) to concur with DEP’s recommendation to move the proposed rulemaking forward to the EQB. The draft proposed rulemaking was presented to AQTAC on May 7, 2020, for action. AQTAC voted 17-2-0 to concur with DEP’s recommendation to move the proposed rulemaking forward to the EQB, with the understanding that DEP would revise the definition for “natural gas compression and transmission facility VOC air contamination source.” The draft proposed rulemaking language was discussed with the CAC PRO on May 8, 2020. The CAC discussed the draft proposal on May 19, 2020, and concurred with DEP’s recommendation to move the proposal forward to the EQB for consideration.

The Third Circuit Court of Appeals issued its Opinion in *Sierra Club v EPA* on August 27, 2020. Sierra Club challenged the EPA’s approval of Pennsylvania’s 2016 RACT II regulation. The Court vacated three aspects pertaining to coal-fired power plants with selective catalytic reduction (SCR) controls and remanded EPA’s approval. No other provisions in the 2016 RACT II regulation were affected. This decision impacts the Department’s current RACT III proposed rulemaking effort. The Department is evaluating the Third Circuit’s Opinion and is assessing the ramifications of the Court’s decision on the RACT III proposed rulemaking. DEP anticipates bringing the proposed rulemaking to the EQB in the 2nd or 3rd quarter of 2021.

Large Petroleum Dry Cleaners, Shipbuilding and Repair Coatings Operations, and SOCMR Reactors, Distillation, and Air Oxidation Processes – These VOC emission requirements address certain control technique guideline categories for which the Department currently does not have regulations: ship building and ship repair surface coating operations; synthetic organic chemical manufacturing air oxidation, distillation, and reactor processes; and large petroleum solvent dry cleaning operations. DEP discussed proposed rulemaking concepts with AQTAC on August 13, 2020. DEP presented the draft proposed rulemaking Annex A to AQTAC, SBCAC, and CAC PRO on October 15, 28, and November 9, 2020, respectively. On November 9, 2020, the CAC PRO concurred with moving the proposed rulemaking to the EQB. DEP anticipates presenting the proposed rulemaking to the EQB in the 2nd quarter 2021.

Proposed Amendments to the Pennsylvania Clean Vehicles (PCV) Program – The Bureau of Air Quality has begun developing amendments to the PCV Program (Chapter 126, Subchapter D) that would: 1) adopt the California Air Resource Board (CARB) Zero Emission Vehicle (ZEV) program beginning for model year 2025 and 2) require automakers to demonstrate compliance with the already adopted CARB greenhouse gas (GHG) fleet average requirement based on Pennsylvania sales and not California sales. The Department anticipates presenting the draft proposed Annex A to AQTAC in the second quarter and the proposed rulemaking package to the EQB in the third quarter 2021.

Hydrofluorocarbon (HFC) Phasedown Update – DEP presented HFC rulemaking concepts to AQTAC on April 16, 2020, and to the SBCAC on April 22, 2020. In December 2020, the American Innovation and Manufacturing (AIM) Act of 2020 was finalized. Because the federal regulations to be developed by the EPA in accordance with the AIM Act will be more comprehensive, DEP is suspending the development of a Pennsylvania-specific HFC rulemaking until EPA finalizes their rules. At that time, DEP will evaluate whether development of a Pennsylvania-specific HFC rulemaking would fill any gaps left by EPA’s rules.

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 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). To date, EPA has issued 11 proposed approval actions, with five of those, having received final approvals.

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 is working on submitting the SIP revision package to EPA in the near future.

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 is preparing to submit the final-form regulation to the EPA as a revision to the Pennsylvania SIP or an amendment to the Part 70 Title V Operating Permit Program, as appropriate.