

DEP Update on Rulemakings and State Implementation Plan Revisions June 10, 2021 AQTAC Meeting

Rulemakings

Final-form Rulemakings

Control of Existing Sources of Emissions from the Oil and Natural Gas Industry - This rulemaking establishes RACT requirements for VOCs from existing oil and natural gas production facilities, compressor stations, processing plants, and transmission stations. It also reduces methane emissions as a co-benefit. 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 advisory committees in the 2nd quarter of 2021, and the final rulemaking package to the EQB in the 3rd 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 on December 30, 2020. The Board received 4 comments from IRRC. DEP presented the draft final-form rulemaking Annex A to AQTAC on April 8, 2021, and to the SBCAC on May 19, 2021, which voted to concur with the Department's recommendation that the final rulemaking move forward to the EQB. The Department anticipates presenting the final-form rulemaking to the EQB in August 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. 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 presented an update to AQTAC on April 8, 2021 and updated modeling results on May 19, 2021. The Department presented these updates to the Small Business Compliance Advisory Committee and the Citizen's Advisory Council on May 19, 2021, and all three groups concurred with DEP's recommendation to move the proposal forward to the

EQB for consideration. The Department currently expects to present the final rulemaking package to the EQB this Summer.

Proposed Rulemakings

RACT III Major Sources – 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 those provisions to EPA. 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 considering the Third Circuit’s Opinion as it proceeds through the RACT III rulemaking. DEP presented the proposed rulemaking to the EQB at the meeting of May 19, 2021, and the Board voted to adopt the rulemaking.

Large Petroleum Dry Cleaners, Shipbuilding and Repair Coatings Operations, and SOCM I 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 3rd quarter 2021.
(SOCMI – *synthetic organic chemical manufacturing industry*)

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 is currently evaluating how recently-announced proposed updates to CARB's Advanced Clean Cars program would affect a rulemaking in Pennsylvania.

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 six 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 submitted the SIP revision package to EPA on April 20, 2021.

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.