

## Clean Air Interstate Rule (CAIR) General Information

**CAIR Background** – On March 10, 2005, the United States Environmental Protection Agency (EPA) announced its final Clean Air Interstate Rule (CAIR), regulating annual NO<sub>x</sub>, SO<sub>2</sub>, and seasonal NO<sub>x</sub> emissions from units serving electric generating units (EGUs) greater than 25 MW through the use of a cap and trade program. The EPA published the CAIR rule in the *Federal Register* on May 12, 2005 (70 Fed. Reg. 25162), and subsequently made minor amendments. Affected states are required to adopt and implement EPA's CAIR requirements and submit revisions to their State Implementation Plans (SIPs) to EPA for approval. When these programs are adopted by Pennsylvania and approved by EPA as a SIP revision, EGUs in Pennsylvania will no longer be subject to the ozone season NO<sub>x</sub> Budget Trading Program or EPA's Federal Implementation Plan for CAIR. At that point, EGUs will be subject to the CAIR NO<sub>x</sub> Annual Trading Program, the CAIR NO<sub>x</sub> Ozone Season Trading Program and the CAIR SO<sub>2</sub> Trading Program. EGUs will also be subject to the Acid Rain Program, as amended by CAIR.

**The CAIR Federal Implementation Plan (FIP)** - On April 28, 2006, the EPA published the Federal Implementation Plan (FIP) for the CAIR in the *Federal Register* to ensure that annual NO<sub>x</sub> and SO<sub>2</sub>, and ozone season NO<sub>x</sub>, emission reductions occur on time. (71 Fed. Reg. 25328). Until EPA approves a SIP revision for Pennsylvania's CAIR rule, all EGUs in Pennsylvania that would be regulated by the federal CAIR model rule will be required to meet the requirements of EPA's CAIR FIP. Information concerning the CAIR FIP and other CAIR-related issues can be found at EPA's Clean Air Markets website <http://www.epa.gov/airmarkets/index.html> and <http://www.epa.gov/airmarkets/progsregs/cair/index.html> and also the following websites: <http://www.epa.gov/CAIR/technical.html> and <http://www.epa.gov/CAIR/rule.html>. For the 2009 allowance allocation year, EGUs in Pennsylvania will be regulated under the FIP for the CAIR NO<sub>x</sub> Trading Program. The Department intends to adopt a CAIR regulation supplanting the CAIR FIP in time for the Commonwealth's CAIR NO<sub>x</sub> Trading Program and CAIR SO<sub>2</sub> Trading Program to take effect for 2010 and beyond. In September 2006, EPA proposed NO<sub>x</sub> allowance allocations under the FIP and invited public comment in a Notice of Data Availability at <http://www.epa.gov/CAIR/rule.html>. Questions concerning the Federal regulations or allocation procedure can be directed to EPA at the phone number (202) 343-9150 or the following mailing address:

US EPA  
Clean Air Markets Division  
1200 Pennsylvania Avenue, NW  
Mail Code 6204J  
Washington, DC 20460

**Pennsylvania's Proposed CAIR Program** – Electric generating units will be regulated by the FIP for the CAIR NO<sub>x</sub> Annual Trading Program and CAIR NO<sub>x</sub> Ozone Season Trading Program allowance allocation year 2009. The Environmental Quality Board has proposed a CAIR rule for the Commonwealth that was published in the *Pennsylvania Bulletin* on April 28, 2007. The Department anticipates that a Pennsylvania CAIR regulation will be adopted in time to make annual and ozone season NO<sub>x</sub> allocations for 2010 and thereafter. As the Pennsylvania CAIR program develops, information will be updated under this heading. Any general questions concerning Pennsylvania's CAIR rulemaking can be directed to Randy Bordner, Air Quality Program Specialist, at 717-772-3423. If you wish to submit written comments on the proposed rulemaking, they should be made as per the instructions that will accompany the proposed CAIR rulemaking in the *Pennsylvania Bulletin*. The Commonwealth's proposed CAIR rule adopts the EPA SO<sub>2</sub> CAIR Trading Program by reference. The *Pennsylvania Bulletin* link is <http://www.pabulletin.com/secure/data/vol37/37-17/index.html>.