

## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION III

## Four Penn Center 1600 John F. Kennedy Boulevard Philadelphia, Pennsylvania 19103-2852

Secretary Patrick McDonnell
Pennsylvania Department of Environmental Protection
Office of the Secretary
16th Floor, Rachel Carson State Office Building
400 Market Street
PO Box 2063
Harrisburg, Pennsylvania 17105-2063

Via email at pmcdonnell@pa.gov

Dear Secretary McDonnell:

I am writing to alert you of two upcoming Clean Air Act (CAA) deadlines that would impose emissions offset and federal highway fund sanctions in the state of Pennsylvania. These sanctions would take effect on June 16, 2022, and December 16, 2022, respectively, unless Pennsylvania submits a state implementation plan (SIP) to the Environmental Protection Agency (EPA) addressing reasonably available control technology (RACT) requirements associated with the 2016 Oil and Gas Industry control technique guideline (CTG) for the 2008 ozone NAAQS, and EPA determines the SIP to be complete.

On October 27, 2016, EPA announced a final CTG document for reducing volatile organic compound (VOC) emissions from existing oil and natural gas industry equipment and processes (the Oil and Gas CTG). CTGs are promulgated by EPA to assist states in addressing RACT requirements under the CAA. As stated in that announcement, "[s]ection 182(b)(2)(A) of the CAA requires that for areas designated nonattainment for an ozone [National Ambient Air Quality Standard (NAAQS)]...and classified as Moderate [or above], states must revise their SIP to include provisions to implement RACT for each category of VOC sources covered by a CTG document." The CAA also imposes the same requirement on states in Ozone Transport Regions (OTR). Accordingly, Pennsylvania's SIP submission was due to EPA by October 27, 2018.

On November 16, 2020, EPA finalized a finding of failure to submit (FFS) SIP revisions in response to the Oil and Gas CTG for the 2008 Ozone NAAQS<sup>2</sup> for five states, including Pennsylvania. This notice formally triggered certain CAA deadlines for the imposition of sanctions if a state did not submit a complete SIP addressing the outstanding requirements, described below.

If EPA has not affirmatively determined that a state has made the required complete SIP submittal within 18 months of the effective date of the FFS, then, pursuant to CAA section 179(a) and (b) and 40 CFR 52.31, the offset sanction identified in CAA section 179(b)(2) will apply in the affected nonattainment area or OTR state. If EPA has not affirmatively determined that the state has made the required complete SIP submittal within 6 months after the offset sanction is imposed, then the highway funding sanction will apply in the affected nonattainment area, in accordance with CAA section 179(b)(1) and 40 CFR 52.31.<sup>3</sup> Accordingly, on June 16, 2022 offset sanctions will apply statewide in Pennsylvania and on December 16, 2022 highway sanctions will apply in the following nonattainment areas: Pittsburgh, Reading, Philadelphia, Allentown, and Lancaster. However, the sanctions will not take effect

<sup>&</sup>lt;sup>1</sup> 81 FR 74798 (October 27, 2016)

<sup>&</sup>lt;sup>2</sup> 85 FR 72963 (November 16, 2020)

<sup>&</sup>lt;sup>3</sup> For the OTR states, such highway sanctions would only apply in nonattainment areas.

if, by June 16, 2022, EPA affirmatively determines that the state has made a complete SIP submittal addressing the deficiency for which the finding was made.

To date, EPA has not received a SIP submittal from Pennsylvania addressing RACT requirements associated with the 2016 Oil and Gas Industry CTG for the 2008 ozone NAAQS. EPA has been communicating with the Bureau of Air Quality frequently on this issue, and understand that prior to formal submittal, the state rule must go to the Independent Regulatory Review Counsel (IRRC) for approval. We encourage Pennsylvania to work expeditiously to submit a complete SIP revision for the Oil and Gas CTGs in order to avoid or minimize mandatory CAA sanctions.

Thank you for your attention to this matter. If you have any questions, please feel free to contact Cristina Fernández, Air and Radiation Division Director, at 215-814-2178.

Sincerely,

Adam Ortiz Regional Administrator

## Attachment (2020 Oil and Gas FFS)

cc: Ramez Ziadeh, Executive Deputy Secretary for Programs, PADEP, <u>rziadeh@pa.gov</u>
Krishnan Ramamurthy, Deputy Secretary, PADEP, <u>kramamurth@pa.gov</u>

Mark Hammond, Director, Bureau of Air Quality, PADEP, mahammond@pa.gov

John Krueger, Assistant Director, Bureau of Air Quality, PADEP, jkrueger@pa.gov

Kirit Dalal, Chief, Air Resource Management, PADEP, kdalal@pa.gov

Sen. Jake Corman, President Pro Tempore, jcorman@pasen.gov

Sen. Kim L. Ward, Majority Leader, kward@pasen.gov

Sen. Jay Costa, Minority Leader, costa@pasenate.com

Sen. Gene Yaw, Majority Chair, eyaw@pasen.gov

Sen. Carolyn Comitta, comitta@pasenate.com

Sen. Wayne Langerholc, Jr., Majority Chair, wlangerholc@pasen.gov

Sen. Marty Flynn, Minority Chair, mflynn@pasenate.com

Rep. Bryan Cutler, Speaker, bcutler@pahousegop.com

Rep. Kerry A. Benninghoff, Majority Leader, kbenninghoff@pahousegop.com

Rep. Joanna E. McClinton, Minority Leader, jmcclinton@pahouse.net

Rep. Tim Hennessey, Majority Chair, thenness@pahousegop.com

Rep. Mike Carroll, Minority Chair, mcarroll@pahouse.net

Rep. Daryl Metcalf, Majority Chair, dmetcalf@pahousegop.com

Rep. Greg Vitali, Minority Chair, gvitali@pahouse.net

Sam Robinson, Deputy Chief of Staff, <a href="mailto:sdrobinson@pa.gov">sdrobinson@pa.gov</a>

Jack Groarke, Deputy Chief of Staff for Federal Affairs, jgroarke@pa.gov