

# Air Pollution

## *Air Quality Standards*

### **EPA Issues Phase 2 Rule for Ozone Standard, Exempts Power Plants From Some Controls**

In the second major rule to implement the eight-hour ozone standard issued in 1997, the Environmental Protection Agency on Nov. 9 established timetables for states to implement control requirements for stationary and mobile pollution sources.

A central element of the rule, called the Phase 2 regulation, allows 28 states to exclude electric power plants from source-specific pollution-control requirements known as reasonably available control technology (RACT).

The exemption was given because the 28 states already are covered by the Clean Air Interstate Rule (CAIR), which uses emissions trading, EPA said. The interstate rule will cut nitrogen oxide emissions from power plants by about half by 2015 and eventually by about 60 percent, according to the agency.

The Phase 1 rule, which was issued in April 2004, set forth guidelines for classifying eight-hour ozone nonattainment areas according to severity and established deadlines for reaching attainment (35 ER 805, 04/16/04).

At that time, EPA said 474 counties in 32 states were in violation of the new standard.

The eight-hour ozone standard and a new standard for fine particulate matter (PM-2.5) were issued at the same time in July 1997 (28 ER 550, 7/18/97).

As of June 15, the eight-hour ozone standard replaced the previous one-hour standard.

**Additional Measures Needed.** According to EPA, the interstate rule will allow most of the nonattainment areas to achieve the eight-hour standard. Some areas, however, will require additional measures such as RACT to achieve attainment.

In addition, EPA said the emissions trading under the interstate rule would be more effective than source-specific RACT controls in reducing ozone levels.

The Clean Air Act requires the agency to set RACT requirements for major stationary sources of air pollution in areas that are not in attainment of air quality standards. Generally, RACT requirements include installation of equipment such as scrubbers or other devices that burn volatile organic compounds, or reduce emissions of other ozone-forming compounds.

The Phase 2 rule leaves it to state discretion to determine whether to apply RACT requirements to power plants subject to emissions trading under the interstate rule.

In a related action, EPA proposed a rule Sept. 8 that exempts power plants in CAIR states from RACT requirements under the fine particulate matter standard. This exemption would not be subject to state discretion

but would apply to all power plants to which the emissions trading program applies.

Lydia Wegman, director of EPA's Air Quality Strategies and Standards Division, told a Nov. 3 meeting of the Ozone Transport Commission that the Phase 2 rule might include the RACT exemption for power plants.

**Other Phase 2 Requirements.** In addition to the RACT requirements, the rule sets forth schedules that states will have to follow to demonstrate reasonable further progress (RFP) toward attaining the eight-hour ozone standard.

The Phase 2 rule also sets forth requirements for states to implement reasonably available control measures (RACM) for reducing ozone pollution both from stationary sources and mobile sources. These can include vehicle emissions reduction programs, such as vehicle inspection and maintenance, carpooling programs, and reformulated gasoline requirements.

Among the provisions in the Phase 2 rule is a requirement for nonattainment areas that currently require reformulated gasoline to continue to use the fuel until they achieve attainment.

The rule also sets forth requirements for states to implement new source review for large industrial plants in nonattainment areas. New source review requires new and reconstructed stationary sources to install pollution controls and to obtain offsetting emissions reductions to compensate for any new emissions increases.

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