



# SIP Revision: Clean Air Interstate Rule (CAIR), July 12, 2006

On July 12, 2006, the Texas Commission on Environmental Quality (TCEQ) adopted a State Implementation Plan (SIP) revision to address CAIR.

## Summary of the SIP Revision

**Adoption Date:** 07/12/2006

**Proposal Date:** 03/01/2006

**EPA Action:** Direct Final Approval on July 30, 2007 ([72 FR 41453](#) [Exit](#)→).

**Background:** On March 10, 2005, the EPA issued CAIR to address power plant pollution that drifts from one state to another. A cap-and-trade system was to be used to reduce the target pollutants: sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>).

**Key Changes:** The CAIR SIP revision demonstrated how the TCEQ planned to meet the emissions allowance budgets for NO<sub>x</sub> and SO<sub>2</sub> established by CAIR. Specifically, the July 12, 2006 CAIR SIP revision addressed the TCEQ's obligation for interstate transport of pollution under §110(a)(2)(D) of the Federal Clean Air Act (FCAA). To meet the federal obligations under CAIR, the CAIR SIP revision specified statewide emissions reduction requirements for NO<sub>x</sub> and SO<sub>2</sub> from electric generating units (EGUs). Fossil fuel-fired EGUs were required to participate in both of the federal NO<sub>x</sub> and SO<sub>2</sub> trading systems. The SIP revision also included an opt-in provision for other units to participate in the federal trading system, enforcement and monitoring requirements, recordkeeping and reporting requirements, changes to Title V permit requirements for NO<sub>x</sub> and SO<sub>2</sub>, and a methodology for allocating CAIR NO<sub>x</sub> allowances based on heat input and fuel type. A NO<sub>x</sub> set-aside was also created in the 2006 CAIR SIP revision to allow for the construction of new units.

## SIP Narrative and Appendices

Files linked from this page are in Portable Document Format ([PDF](#)).

### CAIR SIP Revision (Project No. 2005-048-SIP-NR)

- [Adopted CAIR SIP Revision](#)
- Appendices
  - [Appendix A: House Bill 2481, 79th Texas Legislature, 2005 Regular Session](#)
  - [Appendix B: 30 TAC Chapter 101, Subchapter H, Division 7 \(CAIR\) and Division 8 \(CAMR\)](#)
  - [Appendix C: 30 TAC Chapter 122, Subchapter A \(Definitions\); Subchapter B, Division 1 \(General Requirements\); and Subchapter E, Division 1 \(ACID RAIN\), Division 2 \(CAIR\), and Division 3 \(CAMR\)](#)
  - [Appendix D: Response to Comments Received Regarding the Clean Air Interstate Rule \(CAIR\) State Implementation Plan \(SIP\) Revision](#)