



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2015-0087; FRL-9926-77-Region 9]

**Approval of Air Quality Implementation Plans; California; South
Coast Air Quality Management District; Stationary Source Permits**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is taking final action to approve Rule 1325, Federal PM_{2.5} New Source Review Program, into the South Coast Air Quality Management District (SCAQMD) portion of the California State Implementation Plan (SIP). This action was proposed in the **Federal Register** on February 17, 2015. Rule 1325 governs the issuance of permits for major stationary sources and major modifications located in areas designated as nonattainment for the PM_{2.5} NAAQS to meet Clean Air Act Part D requirements for emissions of PM_{2.5} and PM_{2.5} precursors. EPA is taking this action under the Clean Air Act obligation to take action on State submittals for inclusion in state implementation plans. The intended effect is to update the SIP with nonattainment new source review (NNSR) rules for major

stationary sources and major modifications emitting PM_{2.5} and certain PM_{2.5} precursors.

DATES: This rule is effective on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: EPA has established docket number [EPA-R09-OAR-2015-0087] for this action. Generally, documents in the docket for this action are available electronically at <http://www.regulations.gov> or in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California 94105-3901. While all documents in the docket are listed at <http://www.regulations.gov>, some information may be publicly available only at the hard copy location (e.g., copyrighted material, large maps, multi-volume reports), and some may not be available in either location (e.g., confidential business information (CBI)). To inspect the hard copy materials, please schedule an appointment during normal business hours with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section.

FOR FURTHER INFORMATION CONTACT: Laura Yannayon, EPA Region IX, by phone: (415) 972-3534 or by email at yannayon.laura@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, the terms "we," "us," and "our" refer to EPA.

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I. Proposed Action

On February 17, 2015 (80 FR 8250), EPA proposed approval of South Coast Air Quality Management District (SCAQMD) Rule 1325, Federal PM_{2.5} New Source Review Program, for inclusion in the California SIP. Rule 1325 was adopted by SCAQMD on December 5, 2014, and submitted by the California Air Resources Board on December 29, 2014.

II. Public Comment

EPA's proposed action provided a 30-day public comment period. During this time we received two comments. Only one of the comments, submitted by Earthjustice on behalf of Health Advocates¹, objected to our proposed approval of SCAQMD Rule 1325.

III. EPA Action and Response to Health Advocates Comment

¹ Health Advocates consists of Communities for a Better Environment, Physicians for Social Responsibility-Los Angeles, and Sierra Club My Generation Campaign.

The letter submitted on behalf of Health Advocates objected to EPA's proposed approval of Rule 1325 on three grounds. Below we provide a summary of our response to each of Health Advocates' comments. Please see the Response to Comments document in the docket for this final action for our complete response.

1. Approval of exclusion of ammonia as a precursor.

CAA subpart 4 includes section 189(e), which requires NNSR controls for major stationary sources of PM_{10} precursors, and hence $PM_{2.5}$ precursors, "except where the Administrator determines that *such sources* do not contribute significantly to PM_{10} levels which exceed the standard in the area." CAA section 189(e) (Emphasis added). EPA has identified ammonia as a precursor to the formation of $PM_{2.5}$. See generally 80 FR 15340, 15352 (Mar, 23, 2015) (Proposed $PM_{2.5}$ Implementation Rule). EPA proposed to approve Rule 1325 even though it does not contain NNSR requirements for ammonia emissions because SCAQMD provided information that demonstrates major stationary sources of ammonia emissions do not contribute significantly to $PM_{2.5}$ levels exceeding the $PM_{2.5}$ National Ambient Air Quality Standard (NAAQS) in the South Coast Air Basin nonattainment area. 80 FR at 8251.

Health Advocates disagreed with our proposal on three grounds, asserting that (1) EPA's determination that a contribution of 1.7 tons per day (tpd) of ammonia emissions to

the ammonia inventory is small is "unjustified"; (2) EPA has not demonstrated that ammonia emissions do not contribute significantly to PM_{2.5} NAAQS violations in the South Coast Air Basin; and (3) it was arbitrary and capricious for EPA to consider the trends and actual air quality of PM_{2.5} in the area. Earthjustice Letter at p.3.

EPA disagrees with these comments. EPA applied a weight of the evidence approach taking into account several factors to determine if SCAQMD appropriately determined that major stationary sources of ammonia emissions do not contribute significantly to PM_{2.5} nonattainment in the area.

One factor we considered is that there are only four existing major stationary sources of ammonia and these four sources' emissions are only a small percentage (1.7%) of the total ammonia inventory for the South Coast PM_{2.5} nonattainment area. Health Advocates did not submit any information or provide an explanation to show that 1.7% is not a small percentage. Health Advocates did not indicate what percentage would be justified as being small. For reasons explained fully in our Response to Comments, EPA continues to consider the 1.7% contribution of ammonia emissions from the four existing stationary sources to be relatively small compared to the rest of the ammonia inventory.

A second factor we considered is whether major stationary sources of ammonia contribute significantly to levels exceeding the PM_{2.5} NAAQS in the area, and whether potential new major stationary sources would be expected to contribute significantly to levels exceeding the PM_{2.5} NAAQS in the area. The SCAQMD provided information showing that a regional increase of 10 tpd of ammonia (more than five times the amount currently emitted by all major stationary sources) would result in a 0.22 microgram per cubic meter ($\mu\text{g}/\text{m}^3$) increase in annual PM_{2.5} concentrations. This estimated increase in annual PM_{2.5} concentration would be 1.5% of the 15 $\mu\text{g}/\text{m}^3$ 1997 PM_{2.5} annual standard. SCAQMD submitted additional information showing that decreasing ammonia emissions by 2.9 tpd near the Mira Loma monitor would result in a reduction of 0.16 $\mu\text{g}/\text{m}^3$ at that monitor.² This estimated increase in 24-hr PM_{2.5} concentration would be 0.46% of the 35 $\mu\text{g}/\text{m}^3$ 1997 PM_{2.5} 24-hr standard. Based on these data, one can reasonably conclude that the current ambient contribution (in $\mu\text{g}/\text{m}^3$) of the four existing major stationary sources (with emissions of 1.7 tpd) and the ambient contributions from a new major source, to PM_{2.5} levels that exceed the standard are likely to be less than the estimated changes in PM_{2.5} concentrations indicated in the analyses cited above (which evaluated emission changes of 10 tpd and 2.9 tpd, respectively). Thus, EPA determined that existing and new major

² Draft Supplement to the 24-Hour PM_{2.5} State Implementation Plan for the South Coast Air Basin dated January 2015 at E-1.

stationary sources of ammonia would make a relatively minor contribution to levels exceeding the 1997 or 2006 PM_{2.5} NAAQS in the area.

A third factor we considered was the progress the SCAQMD has made and the overall severity of the PM_{2.5} nonattainment problem in the South Coast Air Basin. Health Advocates contends it was arbitrary and capricious to consider the past progress and current air quality and asserts that our evaluation of the air quality is flawed. We disagree with both points. EPA's General Preamble in 1992 noted that determinations under CAA section 189(e) are case-by-case and depend on a variety of information that is specific to the area. See 57 FR 13498, 13538-42 (April 16, 1992). EPA's proposed PM_{2.5} Implementation Rule recently reiterated that application of section 189(e) should be case-specific and focused on location, including a weight of the evidence approach considering, among other factors, the severity of the nonattainment problem in the area. 80 FR at 15359. Therefore, it is appropriate to consider this factor.

Health Advocates also asserted that EPA's discussion of the air quality in the South Coast Air Basin was misleading, contending that there were violations of both the 1997 and 2006 PM_{2.5} NAAQS. Earthjustice Letter at p. 3-4. EPA acknowledges one monitor (Mira Loma) has recorded PM_{2.5} emissions exceeding the

level of the 2006 24-hour $PM_{2.5}$ NAAQS based on 2011-2013 air quality data. However, Health Advocates failed to provide any information to support its claims that there are any current violations of the 1997 $PM_{2.5}$ NAAQS. The information Health Advocates cited to support its allegations of additional violations of the 2006 $PM_{2.5}$ NAAQS at the Mira Loma monitor is from a combination of both federal and non-federal reference method monitors. In addition the data is preliminary, uncertified and has not been quality assured.

Based on the weight of the evidence, EPA concludes that it was appropriate for SCAQMD to exclude ammonia as a precursor pursuant to CAA section 189(e).

2. Regulation of VOCs by SCAQMD NNSR Rule 1303 rather than Rule 1325.

Health Advocates also disagreed with EPA's proposal to approve Rule 1325 without requiring VOC emissions to be included in the Rule's requirements. Id at p. 4. Health Advocates contends our proposal is inconsistent with CAA section 189(e).

EPA did not propose to determine that VOCs do not contribute significantly to $PM_{2.5}$ levels that exceed the $PM_{2.5}$ standards and is making no such finding in this final rule. Instead, consistent with the proposed rule, EPA is determining that the NNSR control requirements applicable under the SCAQMD SIP for major stationary sources of $PM_{2.5}$ also apply to major

stationary sources of VOCs (which are PM_{2.5} precursors), because major VOC sources are currently subject to stringent NNSR control requirements under Rule 1303. The requirements in Rule 1303³ are more stringent than those that would apply under Rule 1325 and fully satisfy the control requirements of CAA section 189(e) with respect to VOCs.⁴ Moreover, it is long-standing EPA policy to allow NNSR regulation of PM precursors via their regulation through other NNSR programs. 57 FR at 13542 ("The VOC reductions may also be realized from new or modified major stationary sources due to the implementation of NSR programs in ozone nonattainment or attainment areas").

We continue to find that the NNSR regulation of VOC emissions pursuant to Rule 1303 rather than Rule 1325 satisfies the requirements of section 189(e).

3. Consideration of attainment of the PM_{2.5} NAAQS.

Finally, Health Advocates contends that EPA cannot approve Rule 1325 because the South Coast Air Basin has not demonstrated the area is in attainment with the 1997 and 2006 PM_{2.5} NAAQS. Earthjustice Letter at p. 5.

³ SCAQMD Regulation XIII establishes the NNSR program requirements for VOC emissions from stationary sources. Rule 1303 references other SCAQMD rules in Regulation XIII. Our citation to Rule 1303 also includes any other provisions in Regulation XIII as applicable.

⁴ Section 189(e) of the CAA states that "[t]he control requirements applicable under plans in effect under this part for major stationary sources of PM₁₀ shall also apply to major stationary sources of PM₁₀ precursors," except where the Administrator makes specific findings.

There is no requirement for the area to have attained the PM_{2.5} NAAQS as a predicate for EPA to approve a new NNSR rule for PM_{2.5}. Approval of a new NNSR rule to control emissions of PM_{2.5}, including NO_x, SO₂ and VOCs⁵ emissions as precursors, in no way interferes with the SCAQMD's progress towards attaining the 1997 and 2006 PM_{2.5} NAAQS.

No comments were submitted to change our assessment of Rule 1325 as described in our proposed action. Pursuant to section 110(k) of the CAA and for the reasons provided in our proposed action, associated TSD and detailed Response to Comments document included in the docket, EPA is finalizing approval of SCAQMD Rule 1325.

IV. Incorporation by Reference.

In this rule, the EPA is finalizing regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is finalizing the incorporation by reference of the SCAQMD rules described in the amendments to 40 CFR 52.220 set forth below. The EPA has made, and will continue to make, these documents available electronically through www.regulations.gov and in hard copy at

⁵ As noted above, major stationary sources of VOC emissions are regulated pursuant to a different, more stringent NNSR rule (Rule 1303) rather than Rule 1325.

the appropriate EPA office (see the ADDRESSES section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve State choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this action merely approves State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this action:

- is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);

- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the Clean Air Act; and
- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on

tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

The Congressional Review Act, 5 U.S.C. section 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. This action is not a "major rule" as defined by 5 U.S.C. 804(2).

Under section 307(b)(1) of the Clean Air Act, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by [**INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action.

This action may not be challenged later in proceedings to enforce its requirements. (See section 307(b)(2).)

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control,
Incorporation by reference, Intergovernmental relations,
Nitrogen dioxide, Ozone, Particulate matter, Reporting and
recordkeeping requirements, Volatile organic compounds.

AUTHORITY: 42 U.S.C. 7401 *et seq.*

Dated: April 14, 2015.

Jared Blumenfeld,
Regional Administrator,
Region IX.

Part 52, chapter I, title 40 of the Code of Federal Regulations is amended as follows:

PART 52 - APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

1. The authority citation for part 52 continues to read as follows:

AUTHORITY: 42 U.S.C. 7401 *et seq.*

Subpart F - California

2. Section 52.220 is amended by adding paragraph (c)(458) to read as follows:

§52.220 Identification of plan.

* * * * *

(c) * * *

(458) New and amended regulations for the following APCDs were submitted on December 29, 2014 by the Governor's designee.

(i) Incorporation by Reference.

(A) South Coast Air Quality Management District.

(1) Rule 1325, Rule 1325, "Federal PM_{2.5} New Source Review Program" adopted on December 5, 2014.

[FR Doc. 2015-10239 Filed: 4/30/2015 08:45 am; Publication Date: 5/1/2015]