



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R06-OAR-2016-0716; FRL-9973-42-Region 6]

Approval and Promulgation of Implementation Plans; Texas; Interstate Transport Requirements for the 1997 and 2006 PM_{2.5} NAAQS

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: Pursuant to the Federal Clean Air Act (CAA or Act), the Environmental Protection Agency (EPA) is proposing to approve portions of three Texas State Implementation Plan (SIP) submittals pertaining to CAA requirements to prohibit emissions which will significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 fine particulate matter (PM_{2.5}) National Ambient Air Quality Standards (NAAQS) in other states.

DATES: Written comments must be received on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Submit your comments, identified by Docket No. EPA-R06-OAR-2016-0716, at <http://www.regulations.gov> or via email to young.carl@epa.gov. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make.

The EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, please contact Carl Young, 214-665-6645, young.carl@epa.gov. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit <http://www2.epa.gov/dockets/commenting-epa-dockets>.

Docket: The index to the docket for this action is available electronically at www.regulations.gov and in hard copy at the EPA Region 6, 1445 Ross Avenue, Suite 700, Dallas, Texas. While all documents in the docket are listed in the index, some information may be publicly available only at the hard copy location (e.g., copyrighted material), and some may not be publicly available at either location (e.g., CBI).

FOR FURTHER INFORMATION CONTACT: Carl Young, 214-665-6645, young.carl@epa.gov. To inspect the hard copy materials, please schedule an appointment with Mr. Young or Mr. Bill Deese at 214-665-7253.

SUPPLEMENTARY INFORMATION: Throughout this document wherever “we,” “us,” or “our” is used, we mean the EPA.

I. Background

A. The PM_{2.5} NAAQS and Interstate Transport of Air Pollution

Under section 109 of the CAA, we establish NAAQS to protect human health and public welfare. In 1997, we established a new annual NAAQS for PM_{2.5} of 15 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), and a new 24-hour NAAQS for PM_{2.5} of 65 $\mu\text{g}/\text{m}^3$ (62 FR 38652, July 18, 1997).

In 2006, we revised the 24-hour $PM_{2.5}$ NAAQS to $35 \mu\text{g}/\text{m}^3$ (71 FR 61144, October 17, 2006).¹ The CAA requires states to submit, within three years after promulgation of a new or revised standard, SIPs meeting the applicable “infrastructure” elements of sections 110(a)(1) and (2). One of these applicable infrastructure elements, CAA section 110(a)(2)(D)(i), requires SIPs to contain “good neighbor” provisions to prohibit certain adverse air quality effects on neighboring states due to interstate transport of pollution. There are four sub-elements within CAA section 110(a)(2)(D)(i). This action reviews how the first two sub-elements of the good neighbor provisions at CAA section 110(a)(2)(D)(i)(I) were addressed in an infrastructure SIP submission from Texas for the 1997 and 2006 $PM_{2.5}$ NAAQS. These sub-elements require that each SIP for a new or revised NAAQS contain adequate provisions to prohibit any emissions activity within the state from emitting air pollutants that will “contribute significantly to nonattainment” or “interfere with maintenance” of the applicable air quality standard in any other state.

The EPA has addressed the interstate transport requirements of CAA section 110(a)(2)(D)(i)(I) with respect to $PM_{2.5}$ in several past regulatory actions. Most recently, in 2011 we promulgated the Cross-State Air Pollution Rule (CSAPR) in order to address the obligations of states – and of the EPA when states have not met their obligations – under CAA section 110(a)(2)(D)(i)(I) to prohibit air pollution contributing significantly to nonattainment in, or interfering with maintenance by, any other state with regard to several NAAQS, including the 1997 annual and 2006 24-hour $PM_{2.5}$ NAAQS.²

¹ In 2012, we revised the annual $PM_{2.5}$ NAAQS to $12 \mu\text{g}/\text{m}^3$ (78 FR 3086, January 15, 2013). This proposal pertains to the 1997 and 2006 $PM_{2.5}$ NAAQS only.

² Federal Implementation Plans; Interstate Transport of Fine Particulate Matter and Ozone and Correction of SIP Approvals, 76 FR 48208 (August 8, 2011) (codified as amended at 40 CFR 52.38 and 52.39 and 40 CFR part 97).

CSAPR replaced the Clean Air Interstate Rule (CAIR) which was promulgated in 2005 for the 1997 PM_{2.5} and 1997 ozone NAAQS (May 12, 2005, 70 FR 25172). CAIR was remanded to the EPA by the D.C. Circuit in *North Carolina v. EPA*, 531 F.3d 896 (D.C. Cir. 2008), *modified on reh'g*, 550 F.3d 1176. For more discussion on CSAPR and CAIR, please see EPA's August 8, 2011 CSAPR final rulemaking action (76 FR 48208).

To address Texas' transport obligation under CAA section 110(a)(2)(D)(i)(I) with regard to the 1997 annual PM_{2.5} NAAQS, CSAPR established Federal Implementation Plan (FIP) requirements for affected electric generating units (EGUs) in Texas, including emissions budgets that apply to the EGUs' collective annual emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x).³ In July 2015, the D.C. Circuit issued a decision on a range of challenges to CSAPR in *EME Homer City Generation, L.P. v. EPA (EME Homer City II)* denying most claims but remanding several CSAPR emissions budgets to the EPA for reconsideration, including the Phase 2 SO₂ budget for Texas.⁴ To address the Phase 2 SO₂ budget remand we issued a final rule withdrawing the FIP provisions that required affected EGUs in Texas to participate in Phase 2 of the CSAPR trading programs for annual emissions of SO₂ and NO_x (82 FR 45481, September 29, 2017). In that final rule we also determined that emissions⁵ from sources in Texas will not contribute significantly to nonattainment in, or interfere with maintenance by, any other state with regard to the 1997 PM_{2.5} NAAQS and that we therefore have no obligation to issue new FIP

³ With regard to the 2006 24-hour PM_{2.5} NAAQS, we noted in the CSAPR final rule that (1) analysis shows that Texas would significantly contribute to nonattainment of the 24-hour PM_{2.5} NAAQS in another state, but we did not promulgate a CSAPR FIP for Texas EGUs with respect to that standard; and (2) the CSAPR FIP requirements for Texas with regard to the 1997 annual standard would address the emissions in Texas that significantly contribute to nonattainment and interfere with maintenance of the 24-hour PM_{2.5} NAAQS in another state (76 FR at 48243, 48214, August 8, 2011).

⁴ *EME Homer City Generation, L.P. v. EPA (EME Homer City II)*, 795 F.3d 118, 138 (D.C. Cir. 2015). The court also remanded the Phase 2 SO₂ budgets for three other states and the Phase 2 ozone-season NO_x budgets for eleven states, including Texas. *Id.*

⁵ The term "emissions" refers to all anthropogenic emissions originating from the state, including EGU emissions.

requirements for Texas sources to address transported PM_{2.5} pollution under CAA section 110(a)(2)(D)(i)(I) with regard to that NAAQS.

B. Texas SIP Submittals Pertaining to the PM_{2.5} NAAQS and Interstate Transport of Air Pollution

Relevant to this proposed action, Texas made the following SIP submittals to address CAA requirements to prohibit emissions which will significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 PM_{2.5} NAAQS in other states: (1) an April 4, 2008 submittal stating that the State had addressed any potential CAA section 110(a)(2) infrastructure issues associated with the 1997 PM_{2.5} NAAQS, including the four sub-elements for interstate transport (CAA section 110(a)(2)(D)(i)), (2) a separate but similar May 1, 2008 submittal which discussed how the four sub-elements of the good neighbor provision were addressed with respect to the 1997 PM_{2.5} NAAQS, and (3) a November 23, 2009 submittal which addressed all the CAA section 110(a)(2) infrastructure elements, including the four sub-elements of the good neighbor provision, for the 2006 PM_{2.5} NAAQS. The SIP submittals may be accessed through the *www.regulations.gov* website (Docket EPA-R06-OAR-2016-0716). In these SIP revisions, Texas relied on its participation in the CAIR program to conclude that the State had addressed its obligation to prohibit emissions which will significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 PM_{2.5} NAAQS in other states.

For the reasons described below, this action proposes to approve the state's three SIP submittals with respect to the state's conclusions regarding the first two sub-elements of the good neighbor provisions at CAA section 110(a)(2)(D)(i)(I) for the 1997 and 2006 PM_{2.5} NAAQS. In 2011, we originally proposed to disapprove the portion of the November 23, 2009 submittal that intended to demonstrate that the SIP met the requirements of CAA section 110(a)(2)(D)(i)(I) for

the 2006 PM_{2.5} NAAQS (71 FR 20602, April 13, 2011). However, in a separate Federal Register action published in conjunction with this current proposal we are withdrawing that original proposal and in this notice we now are proposing to approve the same portion of the submittal. See Docket No. EPA-R06-OAR-2011-0335 in www.regulations.gov.

II. The EPA's Evaluation

Each of the above-referenced Texas SIP submittals relied on the State's participation in the CAIR allowance trading programs to support a conclusion that the Texas SIP had adequate provisions to prohibit emissions which will significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 PM_{2.5} NAAQS in any other state. While CAIR was still in place at the time the State submitted its SIPs, the CAIR rule had been remanded by the D.C. Circuit in 2008 based on the Court's conclusion that the rule was "fundamentally flawed" and must be replaced "from the ground up." *North Carolina*, 531 F.3d 929-30, *modified*, 550 F.3d 1176 (2008). Moreover, we began implementation of CSAPR in 2015, and therefore neither the states nor EPA are currently implementing the annual SO₂ and NO_x trading program promulgated in CAIR. Accordingly, we cannot approve the State's SIP submissions based on the implementation of CAIR that sought to address the provisions of the good neighbor provision for any NAAQS. However, more recent information discussed in detail below, provides support for our proposed approval of the conclusions in the SIP submittals that the State will not significantly contribute to nonattainment or interfere with maintenance of these NAAQS in any other state.

Air quality modeling conducted for the 2011 CSAPR rulemaking projected the effect of emissions on ambient air quality monitors (receptors). The modeling projected that a receptor located in Madison County, Illinois (monitor ID 171191007) would have difficulty attaining and

maintaining both the 1997 and 2006 PM_{2.5} NAAQS in 2012 (76 FR 48208, 48233 and 48235).

The modeling also showed that Texas emissions were projected to contribute more than the threshold amount of PM_{2.5} pollution necessary in order to be considered “linked” to the Madison County receptor for the 1997 and 2006 PM_{2.5} NAAQS (76 FR 48208, 48239-43). This was the only PM_{2.5} receptor with projected air quality problems to which Texas was found to be linked.

In CSAPR we used air quality projections for the year 2012, which was also the intended start year for implementation of the CSAPR Phase 1 EGU emission budgets, to identify receptors projected to have air quality problems. The CSAPR final rule record also contained air quality projections for 2014, which was the intended start year for implementation of the CSAPR Phase 2 EGU emission budgets. The 2014 modeling results projected that the Madison County receptor would have maximum “design values” of 15.02 µg/m³ for annual PM_{2.5} of and 35.3 µg/m³ for 24-hour PM_{2.5} before considering the emissions reductions anticipated from implementation of CSAPR.⁶ These values are below the values of 15.05 and 35.5 µg/m³ that we used to determine whether a particular PM_{2.5} receptor should be identified as having air quality problems that may trigger transport obligations in upwind states with regard to the 1997 annual or 2006 24-hour PM_{2.5} NAAQS, respectively (82 FR 45481, 45485-86, September 29, 2017).

As noted above, in our September 29, 2017 final rule addressing the remand for the annual SO₂ and NO_x emissions budgets we determined that emissions from Texas sources will not contribute significantly to nonattainment in, or interfere with maintenance by, any other state with regard to the 1997 PM_{2.5} NAAQS (82 FR 45481, September 29, 2017). As explained in the separate September 29, 2017 action, our 2014 base case modeling in the CSAPR final rule also

⁶ Design values are used to determine whether a NAAQS is being met. *See* projected 2014 base case maximum design values for Madison County, Illinois receptor 171191007 at pages B-41 and B-70 of the June 2011 Air Quality Modeling Final Rule Technical Support Document for CSAPR, Document ID No. EPA-HQ-OAR-2009-0491-4140, available in the docket for this proposed action.

showed that (1) the Madison County receptor was projected to no longer have air quality problems sufficient to trigger transport obligations with regard to the 2006 24-hour $PM_{2.5}$ NAAQS and (2) no other 24-hour $PM_{2.5}$ receptors with projected air quality problems were linked to Texas. Due to those findings, we now propose to determine that emissions from Texas sources will not contribute significantly to nonattainment in, or interfere with maintenance by, any other state with regard to the 2006 24-hour $PM_{2.5}$ NAAQS. Given the determination for the 1997 annual $PM_{2.5}$ NAAQS made in the September 29, 2017 final rule and our proposed determination for the 2006 24 $PM_{2.5}$ NAAQS, we are now proposing to approve the portions of three Texas SIP submittals to the extent they conclude that the state has addressed interstate transport of air pollution which will significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 $PM_{2.5}$ NAAQS in other states.

Based on our analysis of the modeling data from the 2011 CSAPR rulemaking provided above, we are proposing to approve the relevant portions of the Texas SIP submittals that Texas emissions will not significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 $PM_{2.5}$ NAAQS in other states. It should be noted, as discussed above, that we are not proposing to approve the State's analyses to the extent they rely on the State's prior participation in the CAIR allowance trading program, nor are we are proposing to approve any Texas SIP revisions that pertain to implementation of CAIR.

III. Proposed Action

We are proposing to approve portions of three Texas SIP submittals pertaining to the CAA section 110(a)(2)(D)(i)(I) requirements based on our conclusion, which is consistent with the state's ultimate conclusion, that emissions from Texas will not significantly contribute to nonattainment or interfere with maintenance of the 1997 and 2006 $PM_{2.5}$ NAAQS in other states.

Specifically, we propose to approve (1) the portions of the April 4, 2008 and May 1, 2008 SIP submittals for the 1997 PM_{2.5} NAAQS and (2) the portion of the November 23, 2009 submittal for the 2006 PM_{2.5} NAAQS, as they pertain to CAA section 110(a)(2)(D)(i)(I).

IV. Statutory and Executive Order Reviews

Under the CAA, 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, the EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely proposes to approve 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);
- Is not an Executive Order 13771 (82 FR 9339, February 2, 2017) regulatory action because SIP approvals are exempted under Executive Order 12866;
- 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 CAA; 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 proposed 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).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Particulate matter.

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

Dated: February 7, 2018.

Anne Idsal,

Regional Administrator, Region 6.

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