6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R04-OAR-2018-0020; FRL-9981-24-Region 4]

Air Plan Approval; NC: Inspection and Maintenance Program

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve a State Implementation Plan (SIP) revision submitted by the State of North Carolina on November 17, 2017, through the North Carolina Department of Environmental Quality (DEQ), Division of Air Quality (DAQ), for the purpose of removing 26 counties from North Carolina's expanded inspection and maintenance (I/M) program, which was previously approved into the SIP for use as a component of the State's Nitrogen Oxides (NOx) Budget and Allowance Trading Program. EPA has evaluated whether this SIP revision would interfere with the requirements of the Clean Air Act (CAA or Act), including EPA regulations related to statewide NOx emissions budgets. EPA is proposing to determine that North Carolina's November 17, 2017, SIP revision is consistent with the applicable provisions of the CAA.

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 ID No. EPA-R04-OAR-2018-0020 at http://www.regulations.gov. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. 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. 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, 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.

FOR FURTHER INFORMATION CONTACT: Kelly Sheckler, Air Regulatory Management Section, Air Planning and Implementation Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303-8960. The telephone number is (404) 562-9222. Ms. Sheckler can also be reached via electronic mail at sheckler.kelly@epa.gov.

SUPPLEMENTARY INFORMATION:

This preamble is organized into three parts. Section I provides an overview of what is being proposed in this SIP revision. Section II provides the background of North Carolina's SIP-approved I/M program and its relationship to the State's NOx Budget and Allowance Trading Program. Section III provides EPA's analysis of the submittal, including information submitted by North Carolina to support a non-interference demonstration. Section IV provides EPA's proposed action.

I. What is Being Proposed?

In response to a North Carolina legislative act signed by the Governor on May 4, 2017, that removed the State's I/M requirements for 26 counties,[1] the DAQ submitted a SIP revision on November 17, 2017, seeking to remove these counties from the expanded I/M program which was approved into the SIP in 2002. The expanded I/M program was approved into the SIP in 2002, for the purpose of using NOx emissions reductions generated by this expanded program as a component of the State's NOx Budget and Allowance Trading Program. *See* 67 FR 66056 (October 30, 2002). The SIP-approved I/M rules, which initially required tail-pipe emissions testing (later replaced by on-board diagnostic standards) are contained within 15A North Carolina Administrative Code (NCAC) Subchapter 2D, Section .1000 "Motor Vehicle Emissions Control Standards." The 2002 SIP-approved amendment of those rules expanded the applicability of the I/M program in North Carolina's SIP from nine counties to 48 counties. *See* 67 FR 66056. The 26 counties which are the subject of this SIP revision are part of this expanded list.

As noted above, the purpose of the 2002 I/M SIP revision was to allow North Carolina to gain credits from the I/M emissions reductions from the 26 counties, and other counties on the expanded list, as part of its NOx Budget and Allowance Trading Program. *See* 67 FR 66056. North Carolina's NOx Budget and Allowance Trading Program was submitted to EPA for approval in response to EPA's regulation entitled "Finding of Significant Contribution and

[1] Under provisions of the State legislation, Session Law 2017-10, Senate Bill 131, the removal of I/M requirements from the 26 counties is not effective until the later of the following dates: October 1, 2017 or the first day of a month that is 60 days after the Secretary of the DEQ certifies that EPA has approved the instant SIP revision. The 26 counties are: Brunswick, Burke, Caldwell, Carteret, Catawba, Chatham, Cleveland, Craven, Edgecombe, Granville, Harnett, Haywood, Henderson, Lenoir, Moore, Nash, Orange, Pitt, Robeson, Rutherford, Stanly, Stokes, Surry, Wayne, Wilkes, and Wilson.

Rulemaking for Certain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone," otherwise known as the NOx SIP Call. The I/M emissions reductions from these 26 counties are not relied upon for any other purpose in the North Carolina SIP.[2]

For the reasons discussed more fully in Section III, below, EPA is proposing to find that removal of the 26 counties from North Carolina's SIP-approved expanded I/M program (and consequently, the removal of reliance on credits gained from I/M emissions reductions from the 26 counties in the State's NOx Budget and Allowance Trading Program) will not interfere with North Carolina's obligations under the NOx SIP Call. This proposed finding is based on a number of federal rules and SIP-approved State regulations promulgated and implemented subsequent to the 2002 approval of North Carolina's NOx SIP Call submission, which have created significant NOx emissions reductions in North Carolina such that the credits gained by the 26 counties' participation in the expanded I/M program are no longer needed in order for North Carolina to meets its NOx SIP Call Statewide NOx emissions budget. North Carolina has provided an analysis which supports this proposed finding and which discusses some of these federal rules and SIP-approved State regulations.[3] *See* Section III, below.

In addition, North Carolina's SIP revision evaluates the impact that the removal of the I/M program for these 26 counties would have on the State's ability to attain and maintain the NAAQS. The SIP revision contains a technical demonstration with revised emissions calculations showing that removing the 26 counties from the expanded I/M program will not

[2] See Section II, below, for a more detailed discussion of the NOx SIP Call and North Carolina's EPA-approved response, which includes as an element, credits gained from emissions reductions resulting from implementation of its SIP-approved expanded I/M program.

[3] See Letter from Michael A. Abraczinskas, Director of the Division of Air Quality for the North Carolina Department of Environmental Quality, dated July 11, 2018. This letter is part of the Docket for this action.

interfere with North Carolina's attainment or maintenance of any NAAQS or with any other applicable requirement of the CAA. As discussed more fully in Section III, below, EPA is proposing to find that North Carolina's revised emissions calculations demonstrate that removing the 26 counties' participation in the expanded I/M program will not interfere with State's ability to attain or maintain any NAAQS.

II. What is the Background of North Carolina's I/M program and its Relationship to the NOx SIP Call and the State's NOx Budget and Allowance Trading Program?

Under sections 182(b)(4), (c) and (d) of the CAA, I/M programs are required for areas that are designated as moderate or above nonattainment for ozone. As a result, North Carolina has previously submitted, and EPA has previously approved into the SIP (in 1995), a CAA-required I/M program for nine counties.[4] *See* 60 FR 28720 (June 2, 1995). Subsequently, North Carolina expanded its State I/M program to cover 39 additional counties in order to further improve air quality in the State.[5] This expansion included the 26 counties at issue in this SIP revision, none of which were required by Section 182 of the CAA to be included in the I/M program in North Carolina's SIP.[6]

While none of the 26 counties at issue in the current action were required by the CAA to be included in the I/M program contained in the SIP, the State sought to include them in 2002 as part of an expanded I/M program in order to use credits from I/M emissions reductions from

[4] The nine counties are Mecklenburg, Wake, Cabarrus, Durham, Forsyth, Gaston, Guilford, Union, and Orange. 60 FR 28720 (June 2, 1995). However, while Orange County was included in this 1995 submittal and EPA approval, it was not designated as nonattainment for either the ozone or carbon monoxide (CO) NAAQS.
[5] North Carolina Session Law 1999-328, Section 3.1(d) and Section 3.8.
[6] All 26 of the counties subject to this proposed rulemaking were designated "unclassifiable/attainment" for the 2008 8-hour ozone NAAQS. *See* 77 FR 30088. Five (or portions thereof) of the 26 counties (i.e., Chatham, Edgecombe, Haywood (partial), Nash, and Orange) were previously designated nonattainment for the 1997 8-hour ozone standard but have since been redesignated to attainment. The remaining 21 counties were originally designated unclassifiable/attainment for the 1997 8-hour ozone NAAQS and have continued to attain the standard.

these counties as a component of the State's response to EPA's NOx SIP Call. The NOx SIP Call was designed to mitigate significant transport of NOx, one of the precursors of ozone. It required 19 states (including North Carolina) and the District of Columbia to meet statewide NOx emissions budgets during the five-month period from May 1 through September 30, called the ozone season (or control period).

In response to the NOx SIP Call, North Carolina made several SIP submittals to EPA, including one on August 7, 2002, to amend its I/M program in the SIP so that it expanded application of the SIP-approved I/M rules from nine counties to the 48 counties. As noted above, the purpose of this August 7, 2002, SIP revision was to allow North Carolina to gain credits from the emissions reductions (reduction credits) from the expanded I/M program for use as a component in its Statewide NOx emissions budget contained within its NOx SIP Call SIP submittal, which was pending before EPA at the time.[7] *See* 67 FR 66056. Approval of the I/M revision into the SIP and the amended rules contained therein allowed North Carolina to gain reduction credits ranging from 914 tons in 2004 to 4,385 tons in 2007 and beyond for use in its NOx emissions budget. These reduction credits were used by the State at the beginning of the NOx emissions budget program to allow for new growth and to help meet the overall budget cap until the affected stationary sources could install and operate controls needed to meet their emissions allowances.[8] *See* 67 FR 66056. EPA approved the August 7, 2002, I/M SIP revision on October 30, 2002, and noted that the revision and EPA's approval resolved the outstanding issues associated with the State's NOx SIP Call submittal (which EPA had proposed for approval

[7] North Carolina's Statewide NOx emissions budget is 165,022 tons per ozone season. *See* 40 CFR 51.121(g)(2)(ii).

[8] While these reduction credits were primarily used to allow for new growth during initial program implementation, a small portion (approximately 1,000 tons/ozone season) were also initially used to help meet the Statewide NOx emissions budget of 165,022 tons/ozone season. *See* 67 FR 42519, 42522 (June 24, 2002).

on June 24, 2002). *See* 67 FR 66056; 67 FR 42519. EPA subsequently approved North Carolina's NOx SIP Call submittal (*i.e.*, the North Carolina NOx Budget and Allowance Trading Program) on December 27, 2002 (67 FR 78987).[9,10]

III. What is EPA's Analysis of North Carolina's Submittal?

a. Impact on the State's NOx SIP Call obligations

North Carolina's November 17, 2017, submittal seeks to remove 26 counties from the expanded I/M program contained in the SIP. This removal consequently removes reliance on the I/M reduction credits gained from the 26 counties' participation in the expanded I/M program from the State's NOx emissions budget – a component of the State's response to the NOx SIP Call. North Carolina has indicated that it no longer needs these reduction credits in order to meet its obligations under the NOx SIP Call. For the following reasons, EPA is proposing to find that the removal of the 26 counties from the expanded I/M program will not interfere with the State's obligation under the NOx SIP Call to meets its Statewide NOx emissions budget.

Subsequent to the NOx SIP Call, a number of federal rules, as well as SIP-approved State regulations have created significant NOx emissions reductions in North Carolina (including ozone season reductions) such that any emissions reduction credits derived from the 26 counties' participation in the expanded I/M program are no longer needed in order for North Carolina to meets its Statewide NOx emissions budget. For stationary sources, including large EGUs, these

[9] Further discussion of the NOx SIP Call submittal appears in Section III. In addition, details of North Carolina's EPA-approved NOx SIP Call submittal can be found in the proposed rulemaking for that approval. *See* 67 FR 42519 (June 24, 2002).

[10] EPA also approved changes to North Carolina's I/M SIP on November 20, 2014. *See* 79 FR 69051. Those changes repealed the regulations pertaining to the tail-pipe emissions test because this test was obsolete and replaced it with the On-Board Diagnostics emissions test.

federal rules include CAIR in 2005[11] and its replacement in 2011, the Cross State Air Pollution Rule (CSAPR).[12] In addition, federal mobile source-related measures include: the Tier 2 vehicle and fuel standards;[13] nonroad spark ignition engines and recreational engine standards; heavy-duty gasoline and diesel highway vehicle standards;[14] and large nonroad diesel engine standards.[15] These mobile source measures have resulted in, and continue to result in, large reductions in NOx emissions over time due to fleet turnover (*i.e.*, the replacement of older vehicles that predate the standards with newer vehicles that meet the standards).

In 2002, North Carolina also enacted and subsequently implemented its Clean Smokestacks Act (CSA), which created system-wide annual emissions caps on actual emissions of NOx and SO_2 from coal-fired power plants within the State, the first of which became effective in 2007. The CSA required certain coal-fired power plants in North Carolina to significantly reduce annual NOx emissions by 189,000 tons (or 77 percent) by 2009 (using a

[11] CAIR created regional cap-and-trade programs to reduce sulfur dioxide (SO_2) and NOx emissions in 27 eastern states, including North Carolina, that contributed to downwind nonattainment or interfered with maintenance of the 1997 8-hour ozone NAAQS or the 1997 $PM_{2.5}$ NAAQS. CAIR was challenged in federal court and in 2008, the United States Court of Appeals for the District of Columbia (D.C. Circuit) remanded CAIR to EPA without vacatur. *North Carolina v. EPA*, 550 F.3rd 1176, 1178 (D.C. Cir. 2008).

[12] In response to the D.C. Circuit's remand of CAIR, EPA promulgated CSAPR to replace CAIR. CSAPR requires 28 eastern states, including North Carolina, to limit their statewide emissions of SO_2 and NOx in order to mitigate transported air pollution impacting other states' ability to attain or maintain four NAAQS: the 1997 ozone NAAQS, the 1997 annual $PM_{2.5}$ NAAQS, the 2006 24-hour $PM_{2.5}$ NAAQS, and the 2008 8-hour ozone NAAQS. The CSAPR emissions limitations are defined in terms of maximum statewide "budgets" for emissions of annual SO_2 and NOx, and/or ozone-season NOx by each covered state's large EGUs. The CSAPR state budgets are implemented in two phases of generally increasing stringency, with Phase I budgets applying to emissions in 2015 and 2016 and the Phase 2 budgets applying to emissions in 2017 and later years. CSAPR was challenged in the D.C. Circuit, and on August 12, 2012, it was vacated and remanded to EPA. The vacatur was subsequently reversed by the United States Supreme Court on April 29, 2014. *EPA v. EME Homer City Generation, L.P.*, 134 S.Ct. 1584 (2014). This litigation ultimately delayed implementation of CSAPR for three years.

[13] The Tier 2 standards, begun in 2004, continue to significantly reduce NOx emissions and EPA expects that these standards will reduce NOx emissions from vehicles by approximately 74 percent by 2030 (or nearly 3 million tons annually by 2030). *See* 80 FR 44873, 44876 (July 28, 2015) (citing EPA, Regulatory Announcement, EPA 420-F-99-051 (December 1999).

[14] Also begun in 2004, implementation of this rule is expected to achieve a 95 percent reduction in NOx emissions from diesel trucks and buses by 2030. *See* 80 FR 44873, 44876 (July 28, 2015).

[15] EPA estimated that compliance with this rule will cut NOx emissions from non-road diesel engines by up to 90 percent nationwide. *See* 80 FR 44873, 44876 (July 28, 2015).

1998 baseline year). This represented about a one-third reduction of the NOx emissions from all sources in North Carolina. *See* 76 FR 36468, 36470 (June 11, 2011).[16] With the requirement to meet annual emissions caps and disallowing the purchase of NOx credits to meet the caps, the CSA reduced NOx emissions beyond the requirements of the NOx SIP Call even though the Act did not limit emissions only during the ozone season. EPA approved the CSA into North Carolina's SIP on September 26, 2011 (76 FR 59250).

Together, implementation of these federal rules and SIP-approved State regulations have created significant NOx emissions reductions since North Carolina's NOx emissions budget was approved into the SIP in 2002, and for EGUs in particular, have significantly reduced ozone season NOx emissions well below the original NOx SIP Call budget. This last point is illustrated in Table 1, which compares the EGU NOx SIP Call budget to actual emissions in 2007 and 2017. Actual EGU emissions in 2007 and 2017 were 23 percent (7,274 tons) and 60 percent (18,906 tons) below the NOx SIP Call budget for EGUs, respectively. Notably, the entirety of the emissions reduction credits from the expanded I/M program (and used by the State in its NOx emissions budget) only totaled 4,385 tons, of which approximately 1,000 tons was initially needed to meet the overall budget.

Table 1. Comparison of Ozone Season NOx SIP Call Budget to

[16] North Carolina indicates that the utilities have reduced NOx emissions by 83 percent relative to the 1998 emissions levels. See Letter from Michael A. Abraczinskas, Director of the Division of Air Quality for the North Carolina Department of Environmental Quality, dated July 11, 2018.

Actual Emissions for EGUs

	2007	2017
NOx SIP Call Budget, Tons[17]	31,451	31,451
Actual Emissions, Tons	24,177	12,545
Below Budget, Tons	7,274	18,906
Below Budget, Percent	23	60

Table 2 compares the impact of the estimated ozone season NOx emissions increases due to the proposed change to the expanded I/M program on EGU reductions and NOx SIP Call I/M reduction credits. Using EPA's Motor Vehicle Emission Simulator (MOVES2014), the DAQ estimates that removing the 26 counties from the expanded I/M program will increase ozone season NOx emissions by 611 tons. As noted above, in 2017, EGU emissions were 18,906 tons (60 percent) below the NOx SIP Call budget for EGUs. The proposed change to the expanded I&M program would lower the EGU reduction by about 3 percent to 18,295 tons below the NOx SIP Call budget for EGUs.[18] Thus, based on this EGU-focused analysis, the DAQ concludes that the ozone season NOx emissions increase associated with the proposed change to the expanded I/M program has no impact on North Carolina's obligations under the NOx SIP call to meet its Statewide NOx emissions budget.

Table 2. Impact of NOx Emissions Increases due to Proposed Changes to I/M Program on EGU Reductions and NOx SIP Call I/M Credits

[17] From EPA's proposed approval of North Carolina's NOx SIP Call submission. *See* 67 FR 42519 (June 24, 2002).
[18] Table 2 also reflects DAQ's anticipated SIP submittal which will request EPA approval to revise the vehicle model year coverage for the 22 counties remaining in the expanded I/M program. This SIP submittal has not yet been made to EPA and the current action does not, and is not intended to, address it.

I/M Emissions Increase in 2018, Tons	
26 Counties	611
22 Counties	311
48 County Total I/M Increase	922
EGU Reduction in 2017 (from Table 1)	18,906
Net EGU Reduction in 2017 including I/M Increase	17,984

In light of the above, EPA is proposing to find that North Carolina's removal of the 26 counties from the expanded I/M program contained in its SIP (and the use of I/M emissions reductions generated from those counties as part of the reduction credits in the State's NOx emissions budget) will not interfere with the State's obligations under the NOx SIP Call to meet its Statewide NOx emissions budget. Subsequent promulgation and implementation of a number of federal rules and SIP-approved State regulations, and in particular those impacting EGUs, have created significant NOx emissions reductions in the State that are more than sufficient to offset the need for North Carolina's reliance on the I/M reduction credits from the 26 counties in order to meet its Statewide NOx emissions budget.

b. Overall Preliminary Conclusions Regarding North Carolina's Non-interference Analyses

Section 110(l) of the CAA requires that a revision to the SIP not interfere with any applicable requirement concerning attainment and reasonable further progress (as defined in section 171), or any other applicable requirement of the CAA. EPA evaluates section 110(l) non-interference demonstrations on a case-by-case basis considering the circumstances of each

SIP revision. EPA interprets section 110(l) as applying to all NAAQS that are in effect, including those that have been promulgated but for which EPA has not yet made designations. The degree of analysis focused on any particular NAAQS in a non-interference demonstration varies depending on the nature of the emissions associated with the proposed SIP revision. For I/M SIP revisions, the most relevant pollutants to consider are ozone precursors (*i.e.*, NOx and volatile organic compounds (VOC) and CO. In connection with this November 17, 2017, SIP revision, North Carolina submitted a non-interference demonstration, which EPA analyzes below.

As mentioned above, North Carolina's November 17, 2017, SIP revision included a non-interference demonstration to support the State's request to remove the 26 counties from North Carolina's SIP-approved expanded I/M program. This demonstration includes an evaluation of the impact that the removal of the I/M program for these counties would have on North Carolina's ability to attain or maintain any NAAQS in the State. Based on the analysis below EPA is proposing to find that removal of the 26 counties from the expanded I/M program meets the requirements of CAA Section 110(l) and will not interfere with attainment or maintenance of any NAAQS in North Carolina.[19]

[19] EPA also notes, as a transport related matter, that on October 26, 2016, it determined through the CSAPR Update (81 FR 74504) that North Carolina did not contribute to nonattainment or maintenance issues in downwind states for the 2008 8-hour ozone NAAQS. The 2016 CSAPR Update provides technical and related analysis to assist states with meeting the good neighbor requirements of the CAA for the 2008 ozone NAAQS. Specifically, the CSAPR Update includes projection modeling to determine whether individual states contribute significantly or not to nonattainment or maintenance in other states. On December 9, 2015, North Carolina provided a SIP revision addressing ozone transport requirements for the 2008 8-hour ozone standards and made the determination that the State did not contribute to nonattainment or maintenance issues in any other state. EPA approved North Carolina's submission on October 4, 2017, with the consideration of EPA's modeling conducted for the CSAPR Update. *See* 82 FR 46134. Also, most recently, EPA conducted modeling for the 2015 ozone NAAQS. That modeling preliminarily indicates that North Carolina does not contribute to nonattainment or interfere with maintenance issues in any other state for that standard.

i. Non-interference Analysis for the Ozone NAAQS

On July 18, 1997, EPA promulgated a revised 8-hour ozone standard of 0.08 parts per million (ppm). This standard was more stringent than the 1-hour ozone standard that was promulgated in 1979. On March 12, 2008, EPA revised both the primary and secondary NAAQS for ozone to a level of 0.075 ppm to provide increased protection of public health and the environment. *See* 73 FR 16436 (March 27, 2008). The 2008 ozone NAAQS retains the same general form and averaging time as the 0.08 ppm NAAQS set in 1997, but is set at a more protective level. Under EPA's regulations at 40 CFR part 50, the 2008 8-hour ozone NAAQS is attained when the 3-year average of the annual fourth highest daily maximum 8-hour average ambient air quality ozone concentrations is less than or equal to 0.075 ppm. *See* 40 CFR 50.15. On October 26, 2015, EPA published a final rule lowering the level of the 8-hour ozone NAAQS to 0.070 ppm. *See* 80 FR 65292.

North Carolina is currently designated attainment statewide for the all of the ozone NAAQS. In summary, on November 6, 2017, EPA designated the entire state of North Carolina attainment/unclassifiable for the 2015 8-hour ozone NAAQS. *See* 82 FR 54232. Additionally, all 26 of the counties subject to this proposed rulemaking were designated "unclassifiable/attainment" for the 2008 8-hour ozone NAAQS. *See* 77 FR 30088. Five (or portions thereof) of the 26 aforementioned counties (i.e., Chatham, Edgecombe, Haywood (partial), Nash, and Orange) were previously designated nonattainment for the 1997 8-hour ozone standard but have since been redesignated to attainment. The remaining 21 counties were originally designated unclassifiable/attainment for the 1997 8-hour ozone NAAQS and have continued to attain the standard.

Only seven of the 26 counties to be removed from the program have ozone monitors. The design values in part per billion (ppb) are all well below the ozone NAAQS (see Table 3).

Table 3. Design Values for Counties to be removed with Ozone Monitors

Counties to Be Removed That Have Ozone Monitors	**Ozone Design Value, ppb (2014-1016)**
Caldwell	64
Carteret	60
Edgecombe	62
Granville	64
Haywood	66
Lenoir	63
Pitt	62

DAQ's noninterference analysis utilized EPA's MOVES2014 emission modeling system to estimate emissions for mobile sources. By 2018, the NOx emissions reduction resulting from the North Carolina I/M program will be 0.25 ton per day (tpd) or less in each of the 26 counties that are being requested for removal from the I/M program. As summarized in Tables 4 and 5, below, the MOVES model predicted emission increases for only on-road vehicles. The results for 2018 show a slight increase in anthropogenic NOx emissions for each county, as shown in Table 4, ranging from 0.08 to 0.25 tpd. The present increase in total NOx emissions for a county ranges from 0.4 percent to 4.6 percent. The total increase in NOx emissions associated with removing all 26 counties from the I/M program in 2018 is 3.97 tpd[20] or 1.9 percent of total man-made emissions (205 tpd).

[20] 3.97 tpd multiplied by 154 days in the ozone season equals 611 tons per ozone season.

Table 4 – Total Anthropogenic NOx Emissions for 2018 for 26 Counties (tpd)

	On-Road			Non-Road		Point		Area		Totals		
Counties to be Removed	**I/M**	**No I/M**	**Emission increase**	**I/M**	**No I/M**	**I/M**	**No I/M**	**I/M**	**No I/M**	**I/M**	**No I/M**	**Emissions Increase**
Brunswick	2.4	2.6	0.18	4.9	4.9	6.4	6.4	0.5	0.5	14.3	14.5	0.18
Burke	2.7	2.9	0.17	0.6	0.6	0.2	0.2	0.23	0.23	3.8	3.9	0.17
Caldwell	2.1	2.2	0.15	0.5	0.5	0.3	0.3	0.29	0.29	3.2	3.4	0.15
Carteret	1.1	1.2	0.10	5.4	5.4	0.1	0.1	0.3	0.3	6.9	7.0	0.10
Catawba	3.2	3.5	0.25	1.4	1.4	35.5	35.5	0.6	0.6	40.9	41.2	0.25
Chatham	1.8	2.2	0.14	0.6	0.6	1.5	1.5	0.2	0.2	4.5	4.6	0.14
Cleveland	1.0	3.4	0.20	0.9	0.9	9.3	9.3	0.2	0.2	13.5	13.7	0.20
Craven	2.1	1.9	0.13	0.8	0.8	5.3	5.3	0.3	0.3	8.2	8.3	0.13
Edgecombe	2.4	1.1	0.08	0.8	0.8	3.4	3.4	0.2	0.2	5.5	5.6	0.08
Granville	3.0	2.2	0.11	0.6	0.6	0.1	0.1	0.1	0.1	3.0	3.1	0.11
Harnett	2.4	2.6	0.16	0.8	0.8	0.07	0.07	0.4	0.4	3.7	3.9	0.16
Haywood	3.0	3.2	0.16	0.4	0.4	8.14	8.14	0.3	0.3	11.9	12.0	0.16
Henderson	2.4	2.6	0.17	0.8	0.8	0.2	0.2	0.4	0.4	3.9	4.1	0.17
Lenoir	1.3	1.4	0.10	0.5	0.5	0.2	0.2	0.3	0.3	2.4	2.5	0.10
Moore	1.9	2	0.14	0.7	0.7	0.1	0.1	0.4	0.4	3.2	3.3	0.14
Nash	3.2	3.4	0.19	1.1	1.1	0.5	0.5	0.5	0.5	5.5	5.7	0.19
Orange	4.0	4.2	0.21	1.0	1.0	0.5	0.5	0.5	0.5	6.2	6.4	0.21
Pitt	2.4	2.6	0.19	1.3	1.3	0.4	0.4	0.7	0.7	4.9	5.1	0.19
Robeson	4.2	4.5	0.25	2.0	2.0	1.5	1.5	0.5	0.5	8.4	8.6	0.21
Rutherford	1.6	1.7	0.11	1.1	1.1	0.3	0.3	0.2	0.2	3.3	3.4	0.11
Stanly	1.6	1.7	0.11	0.6	0.6	0.5	0.5	0.2	0.2	2.9	3.1	0.11
Stokes	1.2	1.2	0.08	0.3	0.3	20.2	20.2	0.1	0.1	21.9	22.0	0.08
Surry	2.8	3	0.17	0.6	0.6	0.1	0.1	0.3	0.3	4.0	4.1	0.17
Wayne	2.2	2.3	0.16	1.0	1.0	5.5	5.5	0.6	0.6	9.3	9.5	0.16
Wilkes	2.0	2.2	0.13	0.4	0.4	0.7	0.7	0.2	0.2	3.5	3.6	0.13
Wilson	2.1	2.3	0.13	1.5	1.5	1.3	1.3	0.3	0.3	5.3	5.5	0.13
Total	**61**	**65**	**3.97**	**31**	**31**	**130**	**130**	**9.5**	**9.5**	**205**	**209**	**3.97**

Table 5 – Total Anthropogenic VOC Emissions for 2018 for 26 Counties (tpd)

	On-Road			Non-Road		Point		Area		Totals		
Counties to be Removed	**I/M**	**No I/M**	**Emission increase**	**I/M**	**No I/M**	**I/M**	**No I/M**	**I/M**	**No I/M**	**I/M**	**No I/M**	**Emissions Increase**
Brunswick	1.6	1.8	0.14	1.7	1.7	2.6	2.6	3.5	3.5	9.5	9.2	0.14
Burke	1.8	1.9	0.14	0.4	0.4	1.7	1.7	3.4	3.4	7.4	7.5	0.14
Caldwell	1.7	1.8	0.13	0.7	0.7	3.0	3.0	4.4	4.4	9.9	10	0.13
Carteret	1.0	1.1	0.10	5.6	5.6	.23	.23	1.8	1.8	8.7	8.8	0.10
Catawba	2.6	2.8	0.22	1.3	1.3	4.9	4.9	12.8	12.8	21.7	21.9	0.22
Chatham	1.3	1.4	0.11	0.5	0.5	2.2	2.2	1.7	1.7	5.9	6.0	0.11
Cleveland	2.0	2.1	0.16	0.6	0.6	0.4	0.4	3.9	3.9	7.0	7.2	0.16
Craven	1.3	1.4	0.10	1.0	1.0	3.1	3.1	3.1	3.6	8.8	8.9	0.11
Edgecombe	0.7	0.8	0.07	0.3	0.3	0.2	0.2	2.6	2.6	4.0	4.1	0.07
Granville	1.1	1.2	0.08	0.4	0.4	0.8	0.8	1.6	1.6	4.1	4.2	0.08
Harnett	1.7	1.9	0.14	0.6	0.6	0.2	0.2	3.7	3.7	6.5	6.6	0.14
Haywood	1.4	1.6	0.11	1.2	1.2	4.6	4.6	1.6	1.6	8.9	9.0	0.11
Henderson	1.7	1.8	0.14	2.8	2.8	0.9	0.9	3.7	3.7	9.3	9.4	0.14
Lenoir	0.9	1.0	0.08	0.5	0.5	0.9	0.9	3.8	3.8	5.4	5.5	0.08
Moore	1.6	1.7	0.13	0.7	0.7	0.07	0.07	2.7	2.7	5.1	5.2	0.13
Nash	1.7	1.8	0.14	0.5	0.5	0.6	0.6	4.3	4.3	7.3	7.2	0.14
Orange	2.0	2.1	0.16	1.6	1.6	0.4	0.4	3.0	3.0	7.2	7.4	0.16
Pitt	1.8	2.0	0.17	0.8	0.8	1.6	1.6	5.4	5.4	9.8	10	0.17
Robeson	2.2	2.4	0.18	0.5	0.5	0.7	0.7	5.4	5.4	9.0	9.3	0.19
Rutherford	1.3	1.4	0.10	0.7	0.7	0.4	0.4	2.2	2.2	4.6	4.7	0.10
Stanly	1.2	1.3	0.10	0.8	0.8	1.1	1.1	2.5	2.5	5.8	5.9	0.10
Stokes	0.9	1.0	0.08	0.4	0.4	0.5	0.5	1.3	1.3	3.4	3.4	0.08
Surry	1.7	1.8	0.17	0.8	0.8	1.2	1.2	3.4	3.4	7.2	7.3	0.13
Wayne	1.7	1.8	0.14	0.7	0.7	1.4	1.4	4.8	4.8	8.7	8.8	0.14
Wilkes	1.5	1.6	0.12	0.5	0.5	1.9	1.9	2.7	2.7	6.8	6.9	0.12
Wilson	1.2	1.4	0.11	0.7	0.7	1.4	1.4	3.3	3.3	6.8	6.97	0.11
Total	**40**	**44**	**3.97**	**27.5**	**27.5**	**38**	**38**	**93**	**93**	**199**	**203**	**3.29**

As shown in Table 6 below, total NOx and VOC emissions would increase 4.0 tpd (2.4 percent) and 3.3 tpd (2.8 percent), respectively.

Table 6. Summary of On-Road NOx and VOC Emissions Increases Associated with Removing 26 Counties from the I/M Program

	NOx Emissions in 2018	VOC Emissions in 2018
Total On-Road Emissions for 48 Counties in Current I/M Program	168.0	117.6
Total On-Road Emissions after Removing 26 of 48 Counties from I/M Program	172.0	120.9
Emissions Increases (TPD)	3.9	3.3
Emissions Increases (% of Total On-Road Emissions for 48 Counties)	2.4	2.8

Given the results of North Carolina's emissions analysis, EPA proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the ozone NAAQS in the State.

ii. Non-interference Analysis for the Fine Particulate Matter ($PM_{2.5}$) NAAQS

Over the course of several years, EPA has reviewed and revised the $PM_{2.5}$ NAAQS a number of times. On July 16, 1997, EPA established an annual $PM_{2.5}$ NAAQS of 15.0 micrograms per cubic meter ($\mu g/m^3$), based on a 3-year average of annual mean $PM_{2.5}$ concentrations, and a 24-hour $PM_{2.5}$ NAAQS of 65 $\mu g/m^3$, and based on a 3-year average of the 98th percentile of 24-hour concentrations. *See* 62 FR 36852 (July 18, 1997). On September 21, 2006, EPA retained the 1997 Annual $PM_{2.5}$ NAAQS of 15.0 $\mu g/m^3$ but revised the 24-hour $PM_{2.5}$ NAAQS to 35 $\mu g/m^3$, based again on a 3-year average of the 98th percentile of 24-hour concentrations. *See* 71 FR 61144 (October 17, 2006). On December 14, 2012, EPA retained the 2006 24-hour $PM_{2.5}$ NAAQS of 35 $\mu g/m^3$ but revised the annual primary $PM_{2.5}$ NAAQS to 12.0 $\mu g/m^3$, based again on a 3-year average of annual mean $PM_{2.5}$ concentrations. *See* 78 FR 3086

(January 15, 2013).

EPA promulgated designations for the 1997 Annual $PM_{2.5}$ NAAQS on January 5, 2005 (70 FR 944), and April 14, 2005 (70 FR 19844). Of the 26 counties subject to this rulemaking, only Catawba County was designated nonattainment for the 1997 Annual $PM_{2.5}$ NAAQS. This Area has since been redesignated to attainment for the 1997 Annual $PM_{2.5}$ NAAQS and continues to attain this NAAQS. *See* 76 FR 71452 (November 18, 2011). On November 13, 2009, and on January 15, 2015, EPA published notices determining that the entire state of North Carolina was unclassifiable/attainment for the 2006 daily $PM_{2.5}$ NAAQS and the 2012 Annual $PM_{2.5}$ NAAQS, respectively. *See* 71 FR 61144 and 78 FR 3086.

In North Carolina's November 17, 2017, SIP revision, the State concluded that the removal of the 26 counties from the expanded I/M program would not interfere with attainment or maintenance of the $PM_{2.5}$ NAAQS. The pollution control systems for light-duty gasoline vehicles subject to the I/M program are not designed to reduce emissions for $PM_{2.5;}$ therefore, removing counties from the program will not have any impact on ambient concentrations of $PM_{2.5}$ NAAQS. In addition, MOVES2014 modeling results indicate that removing these 26 counties from the expanded I/M program would not increase $PM_{2.5}$ emissions. EPA has evaluated the State's analysis and proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the $PM_{2.5}$ NAAQS in the State.

iii. Non-interference Analysis for the 2010 Nitrogen Dioxide (NO_2) NAAQS

The 2010 NO_2 1-hour standard is set at 100 ppb, based on the 3-year average of the 98th percentile of the yearly distribution of 1-hour daily maximum concentrations. The annual standard of 53 ppb is based on the annual mean concentration. On February 17, 2012, EPA

designated all counties in North Carolina as unclassifiable/attainment for the 2010 NO_2 NAAQS. *See* 77 FR 9532.

Based on the technical analysis in North Carolina's November 17, 2017, SIP revision, the projected increase in total anthropogenic NOx emissions (of which NO_2 is a component) associated with the removal of the 26 counties from the expanded I/M program ranges from 0.08 to 0.25 tpd in 2018. All NO_2 monitors in the State are measuring below the annual NO_2 standard, and all near road monitors are measuring well below the 1-hour NO_2 standard. Given the current unclassifiable/attainment designation and the results of North Carolina's emissions analysis which show a de minimis increase, EPA proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the 2010 NO_2 NAAQS in the State.

iv. Non-interference Analysis for the CO NAAQS

EPA promulgated the CO NAAQS in 1971 and has retained the standards since its last review of the standard in 2011. The primary NAAQS for CO include: (1) an 8-hour standard of 9.0 ppm, measured using the annual second highest 8-hour concentration for two consecutive years as the design value; and (2) a 1-hour average of 35 ppm, using the second highest 1-hour average within a given year. The 26 counties subject to this proposed action have always been unclassifiable/attainment for the CO NAAQS.

In North Carolina's November 17, 2017, SIP revision, the State concluded that the removal of the 26 counties from the expanded I/M program would not interfere with attainment or maintenance of the CO NAAQS. MOVES2014 mobile emissions modeling results show a slight increase in CO emissions for each of the 26 counties ranging from 1.0 tpd (Stakes County) to 4.3 tpd (Robeson County) in 2018. This increase is minimal and is not expected to interfere

with continued attainment of the CO NAAQS in any of the 26 counties or adjacent counties. Statewide, the current ambient air quality levels for CO are less than 20 percent of the CO NAAQS. For these reasons, EPA proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the CO NAAQS in the State.

v. Non-interference Analysis for the SO_2 NAAQS

On June 22, 2010 (75 FR 35520), EPA revised the 1-hour SO_2 NAAQS to 75 ppb which became effective on August 23, 2010. On August 5, 2013 (78 FR 47191), EPA initially designated nonattainment only in areas with violating 2009-2011 monitoring data. EPA did not designate any county in North Carolina for the 2010 1-hour SO_2 NAAQS as part of the initial designation. On March 2, 2015, a Consent Decree was issued by the United States District Court for the Northern District of California stipulating the time and method for designating the remaining areas in the Country.[21] For North Carolina, EPA designated the entire state attainment/unclassifiable for SO_2 (pursuant to a consent decree) on December 21, 2017 (effective April 9, 2018 https://www.gpo.gov/fdsys/pkg/FR-2018-01-09/pdf/2017-28423.pdf) except for the following townships/counties: Beaverdam Township (Haywood County); Limestone Township (Buncombe County); and Cunningham Township (Person County). Counties listed above deployed monitors which EPA intends to designate by December 2020. Also, a portion of Brunswick County was designated unclassifiable effective in August 2016.

Based on the technical analysis in North Carolina's November 17, 2017, SIP revision, the State concluded that removal of the 26 counties from the expanded I/M program would not

[21] Copy of the Consent Decree- http://www.epa.gov/so2designations/pdfs/201503FinalCourtOrder.pdf

interfere with attainment or maintenance of the SO_2 NAAQS. The pollution control systems for light-duty gasoline vehicles subject to the I/M program are not designed to reduce emissions for SO_2; therefore, removing counties from the program will not have any impact on ambient concentrations of SO_2. In addition, sulfur content in fuel has been significantly decreased through EPA's Tier 2 and Tier 3 rulemakings which tightened engine standards and required fuel formulations contain reduced levels of sulfur. *See* 65 FR 6698 (February 10, 2000) and 81 FR 23641 (April 22, 2016). MOVES2014 modeling results indicate that removing the 26 counties from the expanded I/M program would not increase SO_2 emissions. For these reasons, EPA proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the 2010 SO_2 NAAQS in the State.

vi. Non-Interference Analysis for 2008 Lead NAAQS

On November 12, 2008 (73 FR 66964), EPA promulgated a revised primary and secondary lead NAAQS of 0.15 µg/m^3. Under EPA's regulations at 40 CFR part 50, the 2008 lead NAAQS are met when the maximum arithmetic 3-month mean concentration for a 3-year period, as determined in accordance with Appendix R of 40 CFR part 50, is less than or equal to 0.15 µg/m^3. *See* 40 CFR 50.16. On November 8, 2011, EPA designated the entire State of North Carolina as unclassifiable/attainment for that NAAQS. *See* 76 FR 72907. North Carolina's ambient lead levels have remained well below the standard. The pollution control systems for light-duty gasoline vehicles subject to the I/M program are not designed to reduce emissions for lead; therefore, removing counties from the program will not have any impact on ambient concentrations of lead. MOVES 2014 modeling results indicate that removing 26 counties from the expanded I/M program would not increase lead emissions. For these reasons,

EPA proposes to find that removal of the 26 counties from the SIP-approved expanded I/M program would not interfere with maintenance of the 2008 lead NAAQS in the State.

IV. Proposed Action

For the reasons explained above in Section III of this proposed rulemaking, EPA is proposing to approve North Carolina's November 17, 2017, SIP revision. Specifically, EPA is proposing to approve the removal of Brunswick, Burke, Caldwell, Carteret, Catawba, Chatham, Cleveland, Craven, Edgecombe, Granville, Harnett, Haywood, Henderson, Lenoir, Moore, Nash, Orange, Pitt, Robeson, Rutherford, Stanly, Stokes, Surry, Wayne, Wilkes, and Wilson counties, from the SIP-approved expanded I/M program. Additionally, EPA is proposing to find that North Carolina's removal of the 26 counties from the SIP-approved expanded I/M program (and the removal of reliance on the I/M emissions reductions generated from those counties as part of the "credits" in North Carolina's NOx emissions budget) will not interfere with the State's obligations under the NOx SIP Call to meet its Statewide NOx emissions budget. In addition, EPA is also proposing to find that the removal of the 26 counties from the SIP-approved expanded I/M program will not interfere with continued attainment or maintenance of any applicable NAAQS or with any other applicable requirement of the CAA, and that North Carolina has satisfied the requirements of section 110(l) of the CAA.

VI. 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. *See* 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 they meet the criteria of the CAA. 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 proposed 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).

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 as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

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

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

Dated: July 16, 2018.

Onis "Trey" Glenn, III,
Regional Administrator,
Region 4.
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