



January 4, 2005

Ms. Janet McCabe and Mr. Greg Green, Co-Chairs
Air Quality Management Work Group
U.S. Environmental Protection Agency
Mail Code C404-04
Research Triangle Park, NC 27711

Dear Janet McCabe and Greg Green:

The Ozone Transport Commission (OTC), on behalf of its members, is writing to provide its input and views on the Air Quality Management Work Group effort that has been occurring in response to a charge from the Clean Air Act Advisory Committee (CAAAC).

The Air Quality Management (AQM) Work Group, started in August 2004, has made much good progress in this extremely short period of time. We commend this group on the development of a substantial number of recommendations in response to the National Research Council report. This work only happened as a result of diligent efforts by a number of policymakers, stakeholders and EPA staff who have given their time and thoughtful consideration to the project. It is evident that in this brief period a number of very useful ideas have been generated, some of which can be undertaken in the short term that will improve the current air quality planning process.

However, many more worthy issues raised by the NRC report could not be addressed in the time period allotted. Some simply require more thought and consideration, others are more complicated and consensus could not be easily achieved. These recommendations deserve and require a continuation of the effort to date.

Accordingly, we very much appreciate the CAAAC and AQM Work Group's commitment to the two-pronged approach discussed at the December 16th meeting, whereby the short and long term issues that needed to be deferred so far, for purposes of completing the CAAAC report to be delivered to EPA this month, will be dealt with by a new subcommittee under the CAAAC in "Phase II" of this process. We understand this new subcommittee is to comprise many of the same members as the AQM Work Group, and the OTC is interested in continuing its participation in this effort.

Connecticut

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New Hampshire

New Jersey

New York

Pennsylvania

Rhode Island

Vermont

Virginia

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Specific Comments on AQM Work Group Recommendations. We offer the following specific comments on the AQM Work Group's Recommendations to the Clean Air Act Advisory Committee to provide our views and clarification of some of the issues we raised during the discussion of the report at the December 16th meeting. We are attaching excerpts from the report with markups that reflect these comments for your reference and consideration.

In the section of the report that focuses on NRC Recommendation 2, regarding the expansion of national and multi-state control strategies, there is a chart (page 14) depicting the air emissions projected in 2010 from the source categories recommended for examination by the AQM Work Group. This chart inappropriately omits a bar depicting the emissions for the EGU source category, arguably one of the largest contributors of pollution still having significant cost-effective reductions available. Furthermore, it would be more appropriate to include two charts in this section of the report. The first should depict current air emissions for all of the source categories, and the second should depict the air emission for all of the source categories in 2010. The 2010 should reflect emissions from this sector assuming the CAA were fully implemented, but a note could be made about the change in emission levels if the first phase implementation of CAIR were completed.

Among the recommendations that have been deferred for continued assessment and development, it is important to distinguish between those that are short term in nature and those that are long term. There are a number of instances in the report where this distinction should be made with more clarity, and we provide specific language changes to those areas in the marked up excerpts we have attached to this letter.

In addition, among the short term items in Appendix C, the Summary of Deferred Issues, there needs to be a prioritization of the issues and potential recommendations based on their immediacy in terms of state implementation plan (SIP) development. The OTC advocates for placing issue and recommendation #12, "Electric Generating Units (EGUs)," as the new subcommittee's first priority, and it should appear so in the listing in the report. The NRC report had much about transport and the need to address it. Even beyond the reductions outlined in new rules and statutes under consideration by the EPA, including CAIR and the CSA, the EGU sector must go further in terms of making cost-effective emission reductions. This is particularly true considering the significant amount of pollutants that are transported into the northeast and mid-Atlantic from EGU sources outside our region. This is key to the states in our region achieving attainment and to the sector gaining the certainty it seeks. Again, we have indicated where specific language changes should be made to provide this clarity in the report

In closing, the OTC appreciates your attention to and consideration of these comments. We have appreciated the opportunity to work with the AQM Work Group to achieve the realistic and balanced set of short-term recommendations that were presented to the CAAAC, and are interested in continuing to work with you on the effort to develop and evaluate recommendations on the deferred issues and longer term options that will improve the nation's air quality management system. If you have any questions or would like further clarification on our comments, please contact Anna Garcia at (202) 508-3840, or via email at agarcia@otcair.org.

Sincerely,



Christopher Recchia
Executive Director

cc: OTC Members
Debbie Stackhouse, EPA

Excerpts from AQMWG Report for Comment

Executive Summary, pg viii

Over the past six months, the Work Group also considered a variety of other issues on which it is not prepared to make recommendations at this time, some of which are short term and others long term. Some topics were so complex, resource intensive, or controversial that the Work Group was unable to reach consensus and, therefore, has decided not to carry them forward. Additional discussion on these topics is expected in the future, with some resolution about the deferred short term issues within the next three to six months by a new subcommittee of the CAAAC.

The Work Group has also begun considering options for the air quality management system in the future. It evaluated the long-term challenges facing air quality management in the U.S. from a number of perspectives and identified several criteria that may help guide discussions on alternatives for reforming the current system in future years. To help begin this process, the Work Group outlines four approaches reflecting different views that could serve as the basis for a more complete transformation of the air quality management system. In addition, the Work Group recommends that discussion of future options and unresolved issues be continued over the next several months.

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Next Steps

The Work Group recommends that decisions on implementation of the recommendations in this report, as well as discussion of future options and unresolved issues, be continued over the next several months. These continuing discussions would also allow review and/or adjustment of the near-term recommendations if warranted. Specifically, the Work Group recommends:

- A new subcommittee of CAAAC should be established to continue the assessment and development of recommendations for long-term changes to the air quality management system and the short-term issues on which the Work Group could not reach consensus. Until this subcommittee is formed, the current Work Group should continue working to resolve additional short-term issues and continue discussion of long-term framework options. Following its establishment under the CAAAC, the subcommittee should develop a prioritization and timeline for preparing additional recommendations and provide periodic progress reports to CAAAC. Discussion of all remaining issues and options should be directed towards further strengthening the U.S. air quality management framework over the next decade. The Work Group recommends that the new subcommittee, in conjunction with existing subcommittees, also be given the responsibility for overseeing the implementation of, and any modifications to, the recommendations contained in this report.

Air emissions from the recommended categories are projected to continue to be substantial (see Figure 7). However, a variety of factors must be considered in determining whether and how a sector can be effectively regulated, including pollutant type, geographic location, dispersion patterns, multipollutant interactions, control strategy availability, emissions reduction potential, and cost-effectiveness. Some Work Group participants believe that adequate information exists to begin the regulatory process now for certain source categories, while others believe that additional data and data analyses are necessary. After extensive deliberations, the Work Group recommends that each of the sectors listed below be addressed in some fashion by EPA. This action may include, but should not be limited to, development of national and/or regional rules, control technique guidelines, other guidance, and/or further study.

Figure 7. Projected 2010 National Emissions for Key Source Categories. In developing recommendations relating to the source categories shown here, Workgroup analysts examined projected emissions of five key criteria pollutants to 2010 for a list of 40 stationary and mobile categories. Excluding natural emission sources, the categories shown comprise over XX percent of the national SOx and NOx emissions and about XX percent of the direct PM_{2.5} and VOC emissions. These projections include recognized uncertainties in the current inventory and the forecast. Due to data limitations, the assessment did not include estimates of air toxics emissions or ammonia. (Add a bar for the EGU sector to this chart, and include a second chart that displays all the same sectors for current air emissions.)

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Unresolved Issues for Further Discussions

A second potential recommendation discussed at length by the Work Group was the electricity generating unit (EGU) sector because of the large contribution that this sector makes to multiple air quality problems. Many on the Work Group believed that the active rulemaking underway on the Clear Air Interstate Rule (CAIR) provided the proper forum for considering what this sector ought to do for the next 15 years or more; others did not. Since no agreement could be reached on a recommendation regarding this sector, the Work Group recommends that discussions continue by the new CAAAC subcommittee. Regardless of the outcome of any future discussions, many of the stakeholders involved saw value in S/L/T and utilities consulting with each other after final promulgation of the CAIR (or new legislation) to share compliance plans, evaluate likely emissions reductions and their geographic distribution, and apply that information to further planning activities. (This section needs to be rewritten since CAIR will not be promulgated. It is important that the EGU sector be given highest priority in terms of the issues being addressed by the new subcommittee. Consideration of additional regulatory

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action in this sector is critical for states, localities and tribes in meeting their air quality requirements.)

Pg. 88 – Appendix C Summary of Deferred Issues

1) Electric Generating Units: Consistent with the comments we made regarding page 33 of the report, on the priority of addressing this sector through additional national/regional regulations, this should appear as the first item in a prioritized list of the issues and potential recommendations for future discussion. The AQMWG should prioritize the other 11 issues and recommendations according to their value to states, localities and tribes in meeting the immediately upcoming SIP and air quality requirements.
