



417 Walnut Street  
Harrisburg, PA 17101-1902  
717 255-3252 / 800 225-7224  
Fax 717 255-3298  
www.pachamber.org

November 30, 2011

Air Docket  
Attention Docket ID No. EPA-HQ-OAR-2010-1059  
U.S. Environmental Protection Agency  
Mail Code 6102T  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460  
a-and-r-Docket@epa.gov

Re: Comments on Draft "Guidance for 1-Hour SO<sub>2</sub> NAAQS SIP Submissions"

Dear Air Docket Manager:

On behalf of its membership comprising thousands of businesses of all sizes and across all industry sectors, the Pennsylvania Chamber of Business and Industry appreciates the opportunity to comment on draft "Guidance for 1-Hour SO<sub>2</sub> NAAQS SIP Submissions." EPA's Offices of Air Quality Planning and Standards offered this draft Guidance for comment through a Notice of Availability and Public Comment Period published at 76 Fed.Reg. 61098 (October 3, 2011).

The appropriateness of the 2010 1-Hour SO<sub>2</sub> National Ambient Air Quality Standard ("NAAQS") is the subject of pending litigation and beyond the scope of these comments. If the 2010 NAAQS is upheld, the anticipated impacts of that NAAQS and EPA's draft implementation guidance would vary across the Chamber's membership, depending significantly on the extent to which each member's business relies on the combustion of sulfur-bearing fuels or on other process-related sources of sulfur dioxide emissions. Nevertheless, the membership as a whole can readily agree that the 2010 NAAQS can have a significant impact on numerous electric generating units ("EGUs") and industrial operations that utilize coal or oil as fuels.

EPA's plans would call for implementation of the 2010 NAAQS through an atypical approach for a NAAQS program that could lead to much tighter emission control requirements for individual sources of SO<sub>2</sub>. To begin with, the 2010 NAAQS is roughly half the numerical level of the pre-existing primary 24-hour SO<sub>2</sub> NAAQS and is less than 1/6 of the secondary 3-hour SO<sub>2</sub> NAAQS. In addition, the 2010 primary NAAQS is established in terms of a one-hour standard, as compared to the pre-existing 24-hour standard, thereby greatly increasing the practical likelihood that short-term spikes in emissions can produce a NAAQS exceedance.

Perhaps more important than any of these features, however, is USEPA's proposal to determine attainment or nonattainment of the 2010 NAAQS through modeling the impacts of emissions from existing sources on ambient SO<sub>2</sub> concentrations, even if direct monitoring already has failed to detect any exceedance of the 2010 NAAQS. Use of this approach on such a broad scale is highly atypical in the context of Clean Air Act NAAQS implementation. Moreover, EPA's proposal to employ the same modeling protocols for this purpose that already are used under the Act's Prevention of Significant Determination ("PSD") program also carries through a number of conservative assumptions on which those protocols are based.

The actual modeling of ambient SO<sub>2</sub> impacts has not yet been performed for purposes of EPA's planned approach. This presumably means that all Pennsylvania counties will be designated initially as "unclassifiable", except for the four counties in which ambient monitoring results show SO<sub>2</sub> levels to qualify as nonattainment. Nevertheless, preliminary indications suggest that emissions from any sizeable source of SO<sub>2</sub> modeled with emissions in excess of 100 tons per year, whether electric generating unit or industrial source, can be expected to have a significant possibility of showing modeled exceedances of the 2010 NAAQS. This result is expected even if emissions from EGU's are modeled assuming implementation of the recently-promulgated Cross State Air Pollution Rule and the Mercury and Air Toxics Rule now scheduled for promulgation in December 2011.

Given the substantial impacts that are likely to result from implementation of the 2010 SO<sub>2</sub> NAAQS, and the many uncertainties still to be resolved in proceeding with implementation, the Chamber believes it would be prudent for USEPA at a minimum to proceed with an implementation strategy that is as accurate and as flexible as possible. Assuring compliance with the new NAAQS for modifications of sources by using air quality dispersion modeling is significantly different from basing nonattainment determinations on modeled projections. Nonattainment designations solely based on air quality modeling without ambient monitoring confirmation of that designation's accuracy could lead to stringent emission control requirements that could threaten closing a large generating station or manufacturing facility that is in operation and not undergoing any modification.

Such overly-conservative nonattainment designations also could unnecessarily impede economic growth by imposing barriers to construction or expansion of production facilities. For example, designating a county in nonattainment could require a new or expanding facility to acquire emissions offsets from other operations within that same county or another nearby similar nonattainment area, yet these necessary emissions offsets may very well not be available from such a geographically-constrained area.

Along these lines, the following list provides several examples where flexible approaches in the interest of accuracy would be prudent, particularly where implementation details warrant further clarification.

1. EPA has concluded that the Clean Air Act requires SO<sub>2</sub> nonattainment areas to reach attainment within five years of being designated as in nonattainment, which under EPA's proposed implementation plan would mean by August 2017. EPA proposes to apply the same timetable (i.e., by August 2017) within which states would evaluate unclassifiable areas and demonstrate by modeling and monitoring that those areas have achieved attainment. EPA does not contend, however, that this timetable is statutorily mandated for areas initially designated as unclassifiable. Given the uncertainties (including some described below) in applying the modeling process in this context, it would be prudent for EPA to exercise flexibility in administering any such schedule for areas designated as unclassifiable. This flexibility would facilitate opportunities for states to (a) complete accurate assessments of the actual attainment status of these unclassifiable areas, and (b) assign and apply appropriate control measures.

2. EPA's draft implementation guidance further proposes that demonstrations justifying redesignating an area from nonattainment or unclassifiable to attainment typically be based on both modeling and monitoring. The draft implementation guidance also proposes that areas be initially designated as nonattainment based on modeling alone. These approaches for using broad-scale modeling in addition to monitoring are highly atypical among EPA's air quality NAAQS programs. It would be prudent for EPA to exercise flexibility regarding whether or how modeling is used in making these determinations.

3. More specifically, the use of modeling for designating areas under EPA's NAAQS program on such a broad scale is unprecedented. The accurate application of modeling in this context will be highly dependent on the quality of available data (including data regarding actual or allowable source emissions, many forms of meteorological data, or physical data on structures or terrain). Even if EPA decides to employ modeling in making designations for the 2010 SO<sub>2</sub> NAAQS, it would be prudent for EPA to provide for flexibility regarding the extent or ways in which modeling is used to reflect the quality of data available to produce accurate modeling results.

4. EPA has proposed using the "Appendix W" modeling protocols from 40 CFR Part 51 for area designation purposes, as well as for the more traditional Prevention of Significant Deterioration ("PSD") permitting purposes. The standard Appendix W protocols incorporate a number of conservative assumptions. As one example, Appendix W prescribes modeling a given source's impact on ambient concentrations by adding increases projected from that new or modified source to the background concentrations and contributions from other local sources. Appendix W modeling employs this approach even though the contributions from

those other sources already can be accounted for in the monitored background concentrations. An affected source often can accommodate these conservative assumptions in the PSD permitting context through manageable design alternatives for new or modified sources. In the proposed NAAQS designation process, however, EPA would call for the evaluation of impacts from (and eventual control of) existing sources which are already designed and constructed. Indeed, Congress has frequently structured Clean Air Act regulatory programs to impose new control requirements on new or modified sources rather than on existing sources. In this context, it would be prudent for EPA to employ flexibility in the use of potentially conservative modeling protocols which could significantly impact the operation of existing sources.

5. Based on the draft EPA implementation guidance, permit authorities may be expected to adjust the SO<sub>2</sub> emission limits in a great many air quality permits to one-hour limits based on the emissions modeled for that source. Very few air quality permits, if any, presently include SO<sub>2</sub> emission limits in the form of a one-hour standard, nor would those limits be imposed even under the Cross-State Air Pollution or Mercury and Air Toxics Rules. The possibility exists that EPA may expect permitting authorities to modify permits to include one-hour SO<sub>2</sub> limits for all modeled sources, no matter how large or small the source, or whether or not the modeling results predict exceedance of the 2010 SO<sub>2</sub> NAAQS. It would be prudent from the standpoint of managing both public and private resources for EPA to provide implementation flexibility regarding the extent to which permit modifications to incorporate new one-hour limits are required.

The Chamber expects to continue to follow and participate in the implementation of the SO<sub>2</sub> NAAQS program in light of the importance of the proposed measures to its membership. Thank you once again for the opportunity to submit these comments for the Agency's consideration.

Sincerely,



Samuel Denisco  
Vice President, Government Affairs

cc: Secretary Michael Krancer  
Vince Brisini, Deputy for Waste, Air and Radiation Management  
Joyce Epps, Director, Bureau of Air Quality  
Rebecca Myers, Deputy Director for Policy and Planning  
Patrick Henderson, Energy Executive