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S. William Becker

December 28, 2009

U.S. Environmental Protection Agency  
Air and Radiation Docket and Information Center  
Attention: Docket No. OAR-2009-0517  
Mailcode: 6102T

1200 Pennsylvania Avenue, NW  
Washington, DC 20460

To Whom It May Concern:

Pursuant to the solicitation for public comment published in the *Federal Register* on October 27, 2009 (74 FR 55292), the National Association of Clean Air Agencies (NACAA) is pleased to provide the following comments on the U.S. Environmental Protection Agency's (EPA's) Tailoring Rule proposal to temporarily modify the major source applicability thresholds for greenhouse gas (GHG) emissions under the Prevention of Significant Deterioration (PSD) and Title V programs of the Clean Air Act (CAA or Act) and to set a temporary PSD significance level for GHG emissions.

**INTRODUCTION**

On April 24, 2009, EPA proposed limitations on emissions of GHGs from light-duty motor vehicles. Comments on EPA's proposal were due on November 27, 2009. On December 7, 2009, EPA issued its final "Endangerment and Cause or Contribute Findings for Greenhouse Gases under Section 202(a) of the Clean Air Act." Once EPA has issued an endangerment and cause or contribute finding with respect to a pollutant and class of motor vehicles, section 202(a) requires it to promulgate emissions standards for that pollutant and class of motor vehicles. EPA has stated that it intends to issue such standards by March 2010. Most would concede that, if adopted, these proposed limitations would clearly subject the affected pollutants to "regulation" and trigger the applicability of the PSD and Title V programs under the Act to GHG emissions. The statutory threshold for applicability of these programs is potential emissions of 100/250 tons per year (tpy) of a regulated pollutant.<sup>1</sup> EPA has estimated that under this threshold approximately 40,000 sources would be required to obtain PSD permits each year and six million sources would be required to obtain Title V permits.<sup>2</sup>

<sup>1</sup> The "major source" threshold for the Title V program is 100 tpy for all source categories except where the source is a "major source" under Title III of the CAA. For certain source categories, the major source threshold for the PSD program is 100 tpy, while for other source categories it is 250 tpy. For convenience we refer to these thresholds as "100/250 tpy." The "significance level" for modifications of major sources varies by pollutant and is a fraction of the major source threshold.

<sup>2</sup> EPA reports that approximately 300 sources apply for PSD permits each year and that 15,000 sources currently have Title V permits.

Recognizing that adding permitting requirements to this number of sources was neither wise nor workable, EPA proposed a number of provisions to “tailor” NSR and Title V requirements to substantially minimize the administrative burden of the program. On July 30, 2008, EPA published an Advance Notice of Proposed Rulemaking (ANPR), “Regulating Greenhouse Gas Emissions under the CAA.” 73 FR 44354, July 30, 2008. This notice solicited public comment on how to respond to the U.S. Supreme Court’s decision in *Massachusetts v. EPA* and discussed a number of issues relating to regulation of GHGs under the CAA. The EPA notice solicited comment on options for phasing in the PSD and Title V programs to mitigate burdens that would occur if GHGs were to be regulated under the CAA. In its comments<sup>3</sup>, NACAA supported regulation of GHG emissions, including the regulation of mobile source GHG emissions under Title II of the CAA. NACAA recommended against the adoption of a National Ambient Air Quality Standard (NAAQS) for GHGs but supported the use of a number of CAA tools, including use of the PSD program to require GHG BACT for new and modified sources, promulgation of New Source Performance Standards (NSPS) and issuance Control Technology Guidelines for existing large sources that should be employed in lieu of establishing a NAAQS. NACAA continues to support EPA’s proposed GHG mobile source rule and the Tailoring Rule that would adopt and facilitate those earlier recommendations to begin to address GHG emissions while avoiding the complications that might arise if a GHG NAAQS were established.

The Tailoring Rule proposal attempts to mitigate the substantial administrative burden that would otherwise occur as a consequence of EPA’s regulation of GHG emissions from mobile sources and thereby trigger applicability of the PSD and Title V programs to GHGs. This proposal would rely on the doctrines of “administrative necessity” and “absurd results” to temporarily increase the applicability threshold for those programs to levels that are administratively feasible while retaining the majority of the environmental benefits of those programs. Under this proposal, EPA would revisit these temporary increases in the statutory threshold after a period of five years and adjust those levels as appropriate in the sixth year. While EPA proposes this action as a permanent measure under the CAA, it is worth noting that both NACAA and EPA continue to believe that additional legislation to regulate GHG emissions will likely be required. Any such legislation should supplement rather than eliminate existing authorities under the CAA. EPA’s proposal would allow time for such a program to be adopted and implemented before any lowering of the temporary thresholds would occur.

NACAA agrees with EPA that immediately attempting to implement the PSD and Title V programs using the statutory thresholds meets the test for invoking the administrative necessity and absurd results doctrines. However, as EPA acknowledges, where an agency seeks to vary from the plain language of a statute under these doctrines, it must show that its proposed solution would be administratively feasible and would not lead to absurd results. NACAA is concerned that the current proposal may not meet this test in that (1) EPA’s proposal provides insufficient time for SIP-approved states to increase their statutory and regulatory thresholds so as to be able to reduce the administrative burden<sup>4</sup>; (2) the administrative burden of EPA’s proposal varies significantly from state to state – most states anticipate that the number of permit actions remaining under EPA’s proposed thresholds will be far greater than estimated by EPA; (3) EPA has failed to consider the administrative burden of “synthetic minor” permitting that would occur; (4) the administrative burden goes beyond the number of additional permits – EPA has failed to consider the substantive issues that will need to be resolved in the course of developing the initial PSD permits for GHG emissions; and (5) EPA has failed to adequately

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<sup>3</sup> NACAA’s comments on that notice can be found at EPA-HQ-OAR-2008-0318-1492.1.

<sup>4</sup> In addition, some states will need to modify laws applicable to state programs that are not part of the SIP.

address the issue of ensuring that sufficient administrative resources are available at the time of the anticipated increase in workload.

In a related action, on October 7, 2009, EPA published a proposed reconsideration of the December 18, 2008, interpretation by then-EPA Administrator Stephen L. Johnson of the term “subject to regulation” as used in section 165(a)(4) of Clean Air Act (the Johnson memorandum). Section 165(a)(4) requires Best Available Control Technology (BACT) for any new or modified facility for each pollutant “subject to regulation” under the Act. On December 7, 2009, NACAA provided comments on EPA’s interpretative proposal. NACAA’s comments generally supported EPA’s decision to retain the interpretation of the Johnson memorandum, but noted that the provisions in that memorandum were not sufficient to provide for an orderly implementation of GHG regulation under the PSD and Title V programs. NACAA suggested an alternative interpretation where the trigger for such regulation occurs under Title II of the CAA. This interpretation would provide an additional 15 months for state and local authorities to modify their statutes and/or rules to increase the applicability thresholds and otherwise streamline permitting as contemplated by the Tailoring Rule proposal. NACAA incorporates its Johnson memorandum comments by reference in these comments and recommends that EPA consider the two regulatory actions in concert so as to be able to develop an implementation scheme that is lawful and that provides adequate resources and time to provide for an orderly implementation of new requirements and programs under the CAA

#### **EPA’S PROPOSAL PROVIDES INSUFFICIENT TIME FOR SIP-APPROVED OR DELEGATED STATES TO INCREASE THEIR STATUTORY OR REGULATORY THRESHOLDS<sup>5</sup>**

The proposed Tailoring Rule would raise the threshold for applicability of PSD and Title V programs to levels that EPA determines are administratively feasible and that do not produce absurd results. While this will be of substantial benefit in delegated states, the majority of the states manage SIP-approved programs where state laws or regulations establish the 100/250-tpy threshold for PSD and Title V requirements. In each SIP-approved state<sup>6</sup>, the thresholds will remain at 100/250 tpy until and unless state law and/or regulations are modified. In addition, EPA’s proposed tailoring rule does not resolve this issue for all delegated states. Some delegated states may also need to revise their governing rules and/or statutes to change the thresholds in their state PSD programs. Until such time as the agency can change the state rule, the agency would be operating two PSD programs on the effective date of the tailoring rule – the federal rule with a 25,000-or-greater-tpy threshold, and the state program with the 100/250-tpy threshold.

Permitting authorities are constrained by state law and legislative session schedules, as well as by required administrative procedures (including public notice and comment periods), and cannot raise the thresholds, even by way of a state version of the Tailoring Rule, in the 75 days that would likely be available if, as EPA proposes, GHG emissions would be “subject to regulation” at the close of the review period provided by the Congressional Review Act. Thus, under EPA’s proposal and based on EPA’s estimates, tens of thousands of PSD permits will need to be issued and millions of Title V permit applications will need to be submitted by June 2011, to allow business to function normally.

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<sup>5</sup> Nor does it provide an opportunity for states to revise other statutes that may be affected, but are not part of the SIP.

<sup>6</sup> The majority of states are “SIP-approved” states.

NACAA's comments on the Johnson memorandum recommended that EPA consider adopting an interpretation of "subject to regulation" under the CAA that, for Title II regulations, incorporates the Title II requirement for mandatory lead time. Under this recommendation, the GHG emissions are "subject to regulation" when the first vehicles are "subject to regulation." Following the Title II lead time requirements, EPA has proposed that vehicles will not be subject to regulation of GHG emissions until Model Year (MY) 2012. If EPA were to employ MY 2012 as the date when GHG emissions are first "subject to regulation," state and local authorities would likely<sup>7</sup> have a period of 15 months to adopt higher thresholds and other permit streamlining strategies. NACAA does not suggest that Title II must be read in accordance with its recommendation; only that it may be read in that manner. NACAA's primary interest in making recommendations concerning possible interpretations of the CAA is to facilitate implementation of these important new requirements. If EPA can provide sufficient time to implement the necessary modifications of state and local regulations by another means, it need not adopt the interpretation we offer with respect to Title II of the CAA.

Further, EPA's proposed legal rationales for the Tailoring Rule – administrative necessity and the avoidance of absurd results – require the agency to design an interpretation of the CAA that is feasible and that avoids the absurd results associated with the plain reading of the Act. This would seem to require an outcome that GHG emissions are not subject to regulation until SIP-approved states have had a reasonable opportunity to adopt regulations and/or laws that raise state and local thresholds for applicability of these programs.

NACAA's comments on EPA's reconsideration of the Johnson memorandum observe that under prior EPA precedent, applicability thresholds for different programs do not need to be the same. Given the limited environmental benefit associated with adding GHG provisions to existing Title V permits, EPA should consider a longer schedule for implementation of that portion of the overall program.

### **THE ADMINISTRATIVE BURDEN ASSOCIATED WITH EPA'S PROPOSED THRESHOLD VARIES WIDELY FROM STATE TO STATE AND IN MANY STATES IS LIKELY TO BE SUBSTANTIALLY LARGER THAN ESTIMATED BY EPA**

#### **EPA Should Reevaluate Its Estimate of the Number of Permits That Would Need to Be Processed**

State and local authorities have continued to evaluate the potential resource impacts associated with EPA's proposed thresholds since the close of the comment period on the ANPR. NACAA has encouraged states to provide their updated information to EPA as part of their individual comments on the proposed Tailoring Rule. While some states have reported that they believe that the additional burden associated with the proposed threshold is consistent with EPA's projections in their states and will lead to a significant, but feasible, increase in workload, a substantial number of other states with a different mix of industrial sources project permitting burdens that are far greater than those estimated by EPA.

EPA's estimate of the permitting burden assumes that the "actual emissions" from sources in the past are the same as their "potential to emit" under CAA regulations. For many sources this assumption is clearly wrong. As the regulatory threshold is based on a source's

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<sup>7</sup> The "Model Year" commences at the discretion of the manufacturer and can occur as early as January 2, 2011. Based on historical practice, it is anticipated that the first MY 2012 vehicles would be certified and produced in summer 2011.

potential to emit, this assumption understates the number of sources that are likely to require permits. Some number of sources whose potential GHG emissions are above EPA's Tailoring Rule thresholds will obtain the requisite major source permits. However, past practice suggests that the majority of sources in this category, including, for example, sources that only use space heating in the winter, may seek to avoid classification as major GHG emitters by obtaining "synthetic minor"<sup>8</sup> permits under state and local permit programs. Whichever course is chosen by the source, a permitting action must be conducted by state or local permit authorities. For most states, synthetic minor permitting actions consume as much as or more administrative resources than major source permitting. For this reason, EPA's estimate of the administrative burden should be based on the number of sources where the potential emissions exceed the agency's proposed thresholds.

### **EPA's Estimate of Resource Demands and Its Proposed Solution Should Consider Qualitative As Well As Quantitative Issues**

EPA's analysis of the administrative burden of its proposal should go beyond merely estimating the number of new permits that may be needed and consider the nature of the issues that must be addressed, especially in the first few years, as key GHG regulatory decisions will be made by state and local permitting authorities in PSD permitting. These issues will be a mix of technical issues (e.g., what technologies are suitable and available to control CO<sub>2</sub> from a power plant or methane from an animal feeding operation?); economic issues (e.g., what is the relative cost effectiveness of available technologies?); and policy issues (e.g., to what extent may/must a BACT determination require the use of lower-emitting fuels<sup>9</sup>?). A key issue to be addressed is the cost per ton and incremental cost per ton of GHG emissions that will be used in deciding whether a particular technology must be employed to reduce GHG emissions.<sup>10</sup> Over the years, state and local permitting agencies have acquired a body of experience with sulfur dioxide, oxides of nitrogen, carbon monoxide, mercury and particulate matter control technologies and costs. However, these agencies have far less experience when addressing control cost issues associated with CO<sub>2</sub>, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons<sup>11</sup> and sulfur hexafluoride (SF<sub>6</sub>) – and with tradeoffs between emissions and emission control costs for this group of pollutants considered as carbon dioxide equivalent (CO<sub>2</sub>e).

EPA has convened a stakeholder process to develop guidance on this issue and has promised to provide such guidance to state and local authorities by March 2010. We highlight the importance of EPA fulfilling its responsibility to issue robust practical guidance – based on the work product of the stakeholder group and whatever additional data is necessary – on the promised schedule (March 2010) so that state and local permitting agencies have the technical resources they need available to them when they need them. Further, we recommend that EPA ensure that adequate financial resources be dedicated within the agency for the development of

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<sup>8</sup> A "natural" minor source is one whose emissions cannot exceed regulatory thresholds because of the physical design of the facility. A "synthetic" minor source is one whose emissions are limited by permit.

<sup>9</sup> A similarly significant question that is likely to arise is whether the permitting authority may/must require that a proposed pulverized coal-fired facility be redesigned as a supercritical pulverized coal or integrated gasification combined cycle coal-fired facility or that a proposed simple-cycle gas turbine be redesigned as a combined-cycle gas turbine.

<sup>10</sup> For example, for many combustion sources, improvements in combustion efficiency beyond a certain point will lead to a condensable plume, which would then require the use of stainless steel in the stack – a substantial cost increase when compared to conventional materials.

<sup>11</sup> It should be noted that perfluorocarbons and hydrofluorocarbons are classes of chemicals rather than individual substances. There are six different perfluorocarbons and many more hydrofluorocarbons.

the GHG database and revisions to the RACT/BACT/LAER Clearinghouse so that it can accommodate state and local data needs for BACT determinations. We note, however, that experience over the past decades suggests that, regardless of the good faith efforts of all involved, consensus on such difficult issues will be difficult. To the extent that EPA's guidance is not sufficiently specific or is not accepted by all interested parties, the state and local permitting authorities will bear the brunt of resolving these controversial issues.<sup>12</sup>

It must also be noted that there has been substantial litigation over the construction of new power plants and other large GHG emitters over the past few years. Such challenges place a substantial additional burden on the resources of state and local permitting agencies and take a long time – often several years – to resolve. One can anticipate that the pace of these PSD permit challenges will remain high in the near future as issues of first impression are decided and then challenged<sup>13</sup>. Clearly, the administrative burden of processing the first of these new permit applications will be substantially greater on a “per-permit” basis than for permits in subsequent years. EPA should design its Tailoring Rule with all of these issues in mind.

### **EPA'S RESPONSE TO THE ADMINISTRATIVE NECESSITY FOR HIGHER INITIAL THRESHOLD LEVELS MUST ADDRESS TITLE V FEE ISSUES**

EPA acknowledges that at the GHG emissions thresholds proposed in its Tailoring Rule there will be a substantial increase in permitting by state and local agencies. EPA further acknowledges that under applicable law it may only relax the statutory thresholds by the minimum amount needed to resolve the administrative necessity. Put another way, the Tailoring Rule thresholds must be as close to the statutory thresholds as possible. Lastly, EPA acknowledges that, once it relies on the doctrine of administrative necessity, it must devise a solution that is feasible. However, raising the regulatory threshold to 25,000 tpy CO<sub>2</sub>e or a higher number will not abate the predicted permitting backlog if additional permitting personnel are not in place *at the time the additional workload occurs*. In its proposal, EPA would avoid responsibility for this issue, promising only to look at Title V permit fees some years down the road to see if they have been adequate to maintain appropriate levels of support. Both as a matter of equity and a matter of law, EPA has the responsibility of ensuring that state and local permitting authorities have adequate resources in place to address the additional permitting workload that flows from the threshold EPA adopts before the threshold becomes effective.

In order to properly resolve this issue, and ensure that its Tailoring Rule is feasible, EPA must, by modification of Part 70 rules, adopt presumptive Title V fees that are also “tailored” to the GHG program. Such a rule would provide a basis for states to develop revised Title V fees as necessary, but would not require a state to modify fees if it could show that it did not need an increase.

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<sup>12</sup> While state and local agencies expect to be able to comment on such guidance before it is issued, we note that EPA is not employing formal notice and comment procedures in developing its guidance. For this reason, it cannot be considered binding on permitting authorities, sources or the public. Thus, while issuance of EPA's guidance is essential to the implementation of this program, it will not prevent resource- and time-consuming litigation over early decisions made by state and local agencies.

<sup>13</sup> Indeed, it is likely that many of the proposals within the Tailoring Rule itself will be challenged. For example, some have commented that the use of section 110(k)(6) of the CAA to facilitate the SIP approval process is inappropriate unless it is narrowly constrained to situations where it is needed to address the administrative necessity.

## **STREAMLINING RECOMMENDATIONS**

EPA has solicited comment on various ideas to streamline the issuance of Title V and PSD permits, including permits by rule, presumptive BACT notions and similar concepts. NACAA and its members have been working on these issues with EPA for years and will continue to work with the agency as the program moves forward. NACAA will not provide specific comments here since EPA does not anticipate including specific streamlining measures in its Tailoring Rule. We do take note that EPA believes that it would take three years to implement these techniques for the large body of sources that ultimately would be subject to the program – suggesting an additional reason to provide a reasonable period of time for program implementation.

NACAA reiterates its earlier comment that of the three regulatory pathways identified in the ANPR for regulating stationary sources under the Clean Air Act, we see the most value in using the NSPS authorities in section 111 for stationary source regulation of very large GHG-emitting sources. The NSPS covers new and modified sources in the source category covered by the NSPS upon issuance of the NSPS. Thereafter, for existing sources, EPA issues guidelines that states must adopt and impose on these sources. This approach offers EPA substantial flexibility in that the agency has discretion to define the source categories covered by the NSPS, the size of sources covered and the pollutants to be regulated, as well as the Best Demonstrated Technology level of control to be required. Under this program, EPA may also establish efficiency standards and require specific work practices. Since the NSPS represents the floor in a BACT determination, a well-designed NSPS will have the effect of minimizing challenges to state and local BACT determinations for a covered source category and provide a measure of national consistency in the regulation of GHG emissions from large sources, especially in the first few years of the program when BACT and NSPS technologies are similar. We recognize that such standards will take several years to develop.

## **FORM OF REGULATION**

EPA has solicited comment on whether CAA major source thresholds must require the emission of some GHG pollutant in excess of 250 tpy as well as total GHG emissions of 25,000 tpy CO<sub>2</sub>e. While not desirable from a programmatic standpoint, it seems that the CAA requires this conclusion as the Act requires actual or potential emissions of a pollutant. CO<sub>2</sub>e is a calculation of the impact of other GHG emissions in relation to the impact of CO<sub>2</sub> and does not represent a mass emissions rate of any pollutant. Since the Global Warming Potential (GWP) factor of SF<sub>6</sub><sup>14</sup> is 23,900, a source could emit just slightly in excess of 1 tpy of all GHGs and still be included on the basis of a 25,000 tpy CO<sub>2</sub>e. Thus, there may well be a source that emits SF<sub>6</sub> or some other GHG with a high GWP, but does not emit 100/250 tpy of any GHG. Such a source would likely challenge any rule that asserted that it was a major source of any pollutant. Once a facility is subject to regulation, however, EPA would appear to have broad discretion to establish significance levels and procedures for BACT determinations. For the reasons articulated by EPA in its proposals, these factors likely could and should be based solely on CO<sub>2</sub>e.

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<sup>14</sup> Given the extremely dangerous nature of this pollutant, if it is likely to be emitted in significant quantities EPA should explore other authorities, such as section 112 or 309 of the CAA, to directly constrain emissions.

## RECOMMENDATIONS

In summary, NACAA has several recommendations for important improvements to EPA's proposed Tailoring Rule. First, we strongly urge that EPA provide state and local permitting authorities with additional time – 12 to 24 months – to increase PSD and Title V thresholds above the current 100/250-tpy levels to avoid the administrative burden and delay in issuing permits forecast by EPA and suggest the following approach as one means for doing so.

EPA could provide all state and local permitting authorities with an extension of time based on an interpretation of “subject to regulation” under Title II of the CAA, wherein the regulation of stationary sources occurs at the same time mobile source regulations are effective. Since the calendar date for a vehicle “Model Year” may vary somewhat from year to year and those involved need to know well in advance when the stationary source “subject to regulation” requirements are effective, EPA could select one of the following:<sup>15</sup> (1) a date based on “normally anticipated” certification dates for MY 2012 (typically July or August of 2011); (2) the earliest date when MY 2012 may commence for any vehicle (January 2, 2011); or (3) the latest date when MY 2012 may commence for any vehicle (January 1, 2012). In addition, for those states and localities for which the “blanket” extension described above is still not sufficient, EPA should rely on the “administrative necessity” and “absurd results” legal theories to augment the extension. Under these legal theories, EPA could provide states further time, on a case-by-case basis, to allow for a total of up to 24 months from the date of promulgation of the mobile source GHG regulations, for those state or local authorities that demonstrate that such additional time is needed to raise their thresholds.

Second, given the inherent uncertainty in predicting both the qualitative and quantitative administrative burden in the first few years of GHG emissions being subject to regulation, NACAA recommends that, on a temporary basis, EPA raise even further the major source threshold for both the PSD and Title V programs. We suggest that EPA consider a step-down approach for these programs where the initial thresholds are set at 50,000<sup>16</sup> tpy CO<sub>2</sub>e, but are reduced after three years to 25,000 tpy CO<sub>2</sub>e, unless information obtained from EPA's new GHG reporting rule and state and local programs shows that the step down is infeasible. As part of this rulemaking, EPA would also commit to a rulemaking at the beginning of year three to reconsider a mid-course correction to the 25,000 tpy threshold. We firmly believe that ensuring that the program is practicable is of greater importance over the long term than immediately adopting inflexible thresholds that may be too low to be administered.

Third, NACAA believes that there should be a more practical and efficient means by which existing sources subject to the Title V permitting program incorporate GHG emissions into their permits. For sources that already have a Title V permit, NACAA recommends that these sources incorporate GHG references and the GHG monitoring rule requirements into their Title V permits at the time the permit is normally up for renewal. Not only is there is no environmental disbenefit to this approach, such a rolling five-year implementation schedule avoids the permitting log jam that would occur if a specific date were adopted for modification of all 15,000 existing Title V permits. Sources that become subject to Title V for the first time, by virtue of the proposed GHG regulations for mobile sources, would be required to submit an application in accordance with current law (i.e., one year after the date upon which they become

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<sup>15</sup> This selection would be based on the demonstrated need for time to raise thresholds under state law and EPA's review of mobile source regulations.

<sup>16</sup> This figure is based on our expectation of the likely results of EPA's additional review of the administrative burden based on reports provided by state and local air agencies.



“subject to regulation”). Sources that are part of the second “step down” (25,000 tpy) would be required to submit applications one year after the effective date of the step down.

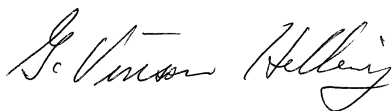
Fourth, state and local permitting agencies already face a tremendous funding shortfall. States and localities will have serious difficulty finding the additional resources that will be required to successfully fulfill the increased state and local permitting obligations associated with regulating stationary source GHG emissions, even at increased thresholds. EPA has not included in its proposal any mechanism for assessing permit fees on GHG sources. NACAA strongly encourages the agency to establish, by rule, presumptive Title V fees for GHGs that will fund the additional workload of state and local permitting agencies. EPA should also provide agencies the discretion to establish a different fee.

Finally, EPA must ensure the accuracy of its estimates regarding the administrative burden on state and local permitting agencies. Toward this end, EPA should reexamine its estimate of the number of permits that will need to be processed and the related resource demands. The agency should further ensure that it fulfills its promise to issue, by March 2010, robust practical guidance to state and local agencies on making PSD BACT determinations for GHGs.

In conclusion, NACAA believes that the long-term success of the GHG permitting program will rest on the degree to which EPA executes a well-designed initial implementation strategy. The recommendations that we offer in these comments are intended to serve as a framework for such a strategy. Although the environmental impact of our recommendations will be negligible, the practical impact they will have on ensuring that the overarching goals of this program are met without placing an impossible burden on states and localities will be tremendous. With these measures, state and local authorities can successfully implement this important new effort.

Thank you for this opportunity to provide NACAA’s comments on this proposal. If you have questions or require any further information, please contact any of us or S. William Becker, Executive Director of NACAA.

Sincerely,



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