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Christopher Recchia Executive Director

444 N. Capitol St. NW Suite 638 Washington, DC 20001 (202) 508-3840 FAX (202) 508-3841 Email: ozone@otcair.org

RESOLUTION OF THE STATES OF THE OZONE TRANSPORT COMMISSION **REGARDING DEVELOPMENT OF A REGIONAL STRATEGY** FOR THE INTEGRATED CONTROL OF OZONE PRECURSORS AND OTHER POLLUTANTS OF CONCERN FROM ELECTRICAL **GENERATING UNITS (EGUs) AND OTHER LARGE SOURCES**

WHEREAS, the Ozone Transport Commission (OTC) was established under Sections 176A and 184 of the federal Clean Air Act (CAA) to ensure the development and implementation of regional strategies to reduce ground-level ozone to healthful levels; and,

WHEREAS, the member States including the District of Columbia (States) of the OTC face a pervasive problem in their efforts to attain the health-based National Ambient Air Quality Standard (NAAQS) for ozone; and,

WHEREAS, many of these same States also face challenges for the attainment of the health-based NAAQS for fine particulate matter (PM_{2.5}) and demonstration of reasonable progress for Regional Haze; and,

WHEREAS, ozone is known to cause respiratory illnesses, exacerbate or trigger asthma related episodes, increase respiratory-related emergency room and hospital admissions and compromise the immune system leading to increased incidents of other respiratory illnesses, including pneumonia and bronchitis and premature death; and,

> WHEREAS, the OTC is charged with identifying and addressing the contributions of all relevant sources of air pollution to the ozone problem, including the transport of ozone and its precursors nitrogen oxides (NO_x) and volatile organic compounds (VOCs) into as well as throughout the ozone transport region (OTR); and,

WHEREAS, numerous point sources, including but not limited to electrical generating units (EGUs) and other large sources, are significant contributors to the transport of NO_X and other pollutants of concern into our region; and,

WHEREAS, the OTC member States recognize that significant additional efforts to further reduce emissions from all sectors within and outside the region are needed to attain healthy ozone levels; and,

WHEREAS, in 1994, the States of the OTC successfully entered into a Memorandum of Understanding (MOU) for coordinated implementation of stationary source controls of nitrogen oxides, which when fully implemented reduced NOx emissions from EGUs and large Industrial boilers by approximately 70% between 1999 and 2003; and,

WHEREAS, this NOx reduction program, along with the NOx SIP call helped States in large measure attain the 1-hour ozone standard, but that standard is being replaced by the more protective 8-hour ozone health based standard; and,

WHEREAS, modeling and other studies confirm that additional NOx emission reductions will continue to be effective in reducing ozone formation and help to reduce ozone transport; and,

WHEREAS, the States seek to develop a cost-effective regional program to reduce NOx emissions, which would be implemented in conjunction with other measures (including state-specific measures, regional measures and Federal measures required under the Clean Air Act) to control ozone precursors; and,

WHEREAS, these measures, including actions to address emissions from other point, area and mobile sources, combined with measures which adequately address the transport of pollutants into the region, may enable EPA to approve State Implementation Plan revisions (SIP) and refrain from imposing sanctions that could restrict economic growth throughout the OTR; and,

WHEREAS, by 2007 to 2008, the States must submit attainment demonstrations to EPA as SIP revisions in order to meet ozone, as well as $PM_{2.5}$, and Regional Haze objectives; and

WHEREAS, the OTC approved by consensus its Multi-Pollutant Statement of Principles at its March 4, 2003 Meeting, its Multi-Pollutant Resolution on September 24, 2003 and its Multi-Pollutant position on January 27, 2004; and,

WHEREAS, on May 12, 2005 EPA Published its Final Clean Air Interstate Rule (CAIR), which is intended to address the interstate transport component of emissions from the EGU sector of NOx and SO₂; and,

WHEREAS, when fully implemented, CAIR achieves significant reductions of NOx and SO₂ emissions from the EGU sector; and,

WHEREAS, implementation of all expected controls for NOx emissions, including CAIR, are predicted by both EPA and OTC to be insufficient to enable all States in the OTR to reach attainment of the ozone standard by the dates required by law:

THEREFORE BE IT RESOLVED, that the member States will develop a regional Multi-Pollutant program to assist OTC States in attaining and maintaining the eight-hour ozone NAAQS; and,

FURTHERMORE, that the OTC States will seek to gain support from other states for a broader inter-regional attainment strategy that, in a multi-pollutant context, adequately addresses the control of emissions from contributing sources, including cost-effective reductions in transported pollutants of concern; and,

FURTHERMORE, that the States develop as expeditiously as possible but no later than June 30, 2006, and in consultation with EPA, an emissions budget and region-wide trading program based on the principles herein as may be necessary to implement their attainment objectives;

FURTHERMORE, that the States will work together to develop effective implementation mechanism(s) that, if adopted and fully implemented, would result in equitable, enforceable emission reductions of these pollutants that address these sources' contribution toward state attainment objectives; and,

FURTHERMORE, that any final emission reduction targets established for the regional multi-pollutant program reflect relevant factors, including current modeling information, attainment obligations, the costs and benefits of such reductions and the health impacts of the reduction targets; and,

FURTHERMORE, consistent with the Multi-Pollutant Development Strategy, that the OTC states will explore all feasible options to utilize the CAIR framework to accomplish these attainment objectives; and,

FURTHERMORE, that the Air Directors will develop and propose an implementation strategy to accomplish these objectives, with any appropriate implementation mechanisms, including a Memorandum of Understanding (MOU) among the states, to the OTC as expeditiously as possible but no later than June 30, 2006, with a progress report to be provided to the Commission at its Fall, 2005 meeting.

Adopted June 8, 2005

Bradley M. Campbell, Chair