

RESOLUTION OF THE STATES OF THE OZONE TRANSPORT COMMISSION
COMMENDING THE U.S. ENVIRONMENTAL PROTECTION AGENCY FOR
ITS REFERRAL OF THE FEDERAL ENERGY REGULATORY COMMISSION'S
OPEN ACCESS RULE FOR FURTHER ENVIRONMENTAL REVIEW

WHEREAS the Ozone Transport Commission was formed to coordinate ground level ozone control efforts in the Northeast and Mid-Atlantic States; and

WHEREAS concentrations of ground level ozone in the Northeast and Mid-Atlantic States has often reached levels which are detrimental to human health and the environment; and

WHEREAS the National Academy of Sciences in 1991 stressed the role of emissions of nitrogen oxides in ground level ozone formation and control; and

WHEREAS computer simulation modeling has shown the necessity of substantially reducing regional nitrogen oxides (NO_x) emissions for the purpose of reducing the transport of ozone and ozone precursors; and

WHEREAS the Ozone Transport Commission has taken numerous actions to reduce NO_x emissions within the Ozone Transport Region; and

WHEREAS the Ozone Transport Commission has supported Federal actions to control NO_x emissions, such as mitigation of NO_x emission increases due to the Federal Energy Regulatory Commission's (FERC's) open access rule in a resolution passed on February 13, 1996;

WHEREAS the OTC has supported and continues to support increased competition in the electric utility industry, and prompt implementation of FERC's open access rule; and

WHEREAS FERC has participated extensively in forums sponsored by States and State organizations to address questions regarding the open access rule; and

WHEREAS FERC adopted the open access rule on April 24, 1996, without including mechanisms for mitigation of increased NO_x emissions; and

WHEREAS the U.S. Environmental Protection Agency (EPA) on May 13, 1996, referred FERC's open access rule to the Council on Environmental Quality (CEQ) for further review, while allowing the open access rule to move forward; and

WHEREAS EPA in its letter to CEQ indicated that it may be necessary to reduce NO_x emissions to below one million tons to prevent violations of the ambient ozone standard in the eastern half of the United States; and

WHEREAS further in its letter to CEQ, EPA reiterated its intent to support and facilitate the implementation of any recommendations from the Ozone Transport Assessment Group (OTAG) to reduce the transport of ozone and ozone precursors within the eastern half of the United States;

THEREFORE be it resolved that the OTC commends the U.S. Environmental Protection Agency for its referral of the FERC open access rule to the Council of Environmental Quality; and

FURTHERMORE that the OTC is supportive of the EPA's plans to hold discussions with stakeholders this summer on the desirability and feasibility of an interim NOx cap-and-trade program; and

FURTHERMORE that the OTC is prepared to participate in these discussions;

FURTHERMORE that, consistent with EPA's letter to CEQ of May 13, 1996, the Federal government should continue to take other steps to support State efforts to reduce regional NOx emissions in the eastern half of the United States, such as OTAG; and

FURTHERMORE that the OTC appreciates FERC's willingness to discuss the open access rule and its potential air pollution impacts; and

FURTHERMORE that EPA, FERC, and the States should work cooperatively on this issue during 1996, determine appropriate next steps, and as necessary, take the actions outlined in EPA's May 13, 1996, letter to CEQ as soon as possible thereafter.

Adopted May 21, 1996