

Ozone Transport Commission Stationary and Area Source Committee Update

OTC Annual Meeting
June 15th, 2011
Washington, DC
Wardman Park Marriott

Stationary and Area Source

NOx Measure	State(s) Rule Based On	Emissions Reduction	Cost
Oil and Gas Fired Boilers serving EGUs	DE, NJ, MA, MD, NY	139 TPD OTR	\$2,730 to \$21,800 per ton
Coal Fired Boilers serving EGUs	TBD	TBD	TBD
New Small Gas Boilers	CA, TX	53 TPD OTR	\$3,300 to \$16,000 per ton
Municipal Waste Incinerators	NJ, MD	14 TPD OTR	\$2,140 per ton (SNCR)
HEDDCT EGUs	NJ	20 TPD OTR	WI: \$44,000 per ton HEDDCT (or \$4400 seasonal)
Stationary Generator Regulation (DG)	DE, MA, MD, NJ	TBD	\$39,700 to \$79,700 per ton per day
Energy Security /Efficiency	TBD	TBD	TBD
Natural Gas Compressor Stations	TBD	TBD	TBD

Stationary and Area Source

VOC Measure	State(s) Rule Based On	Emissions Reduction	Cost
AIM Rule Update	CA	60 TPD OTR	\$2,240 per ton
Autobody Refinishing	CA	31 TPD OTR	\$2,860 per ton
Consumer Products	CA	19 TPD OTR	\$7,700 per ton
Solvent Degreasers	MD, CA	13 TPD OTR	\$1,400 per ton
Stage 1 and 2 Vapor Recovery	TBD	TBD	TBD
Large Above Ground Storage Tanks	MD, NJ	TBD	\$2,288 to \$29,000 per ton (Industry estimate: \$47,000 /ton) (BP - Carson, CA spent \$15.4 million to dome 32 tanks)

Adopted Measures

NOx Measure	Rule Basis - States	Year Adopted?	Emissions Reduction
Oil and Gas Fired Boilers serving EGUs	DE, NJ, MA, MD, NY	2010	139 TPD OTR
New Small Gas Boilers	CA, TX	2010	53 TPD OTR
HEDDCT EGUs	NJ	2010	20 TPD OTR
Stationary Generator Regulation (DG)	DE, MA, MD, NJ	2010	TBD
VOC Measure	Rule Basis - States	Year Adopted?	Emissions Reduction
AIM Rule Update	CA	2010	60 TPD OTR
MVMERR (Autobody Refinishing)	CA	2009	31 TPD OTR
Consumer Products	CA	2010	19 TPD OTR
Large Above Ground Storage Tanks	MD, NJ	2010	TBD

Committee Focus

- Research and data collection
- Stakeholder outreach
- Collaboration with other states on issues
- Completing action on remaining measures
- Revisiting and updating adopted measures
- Discussing adoption and implementation issues
- Identifying new candidate measures

Recent Committee Activity

- March 2011, OTC Committee Meeting
 - Presented Solvent Degreasers Model Rule, Paint Thinners and Multipurpose Solvents White Paper, Technical Support Documents for adopted model rules
 - Sought stakeholder comments and input
- Monthly Committee calls and numerous workgroup calls on potential measures
- Stakeholder conference calls on specific issues

NOx Measures Under Review

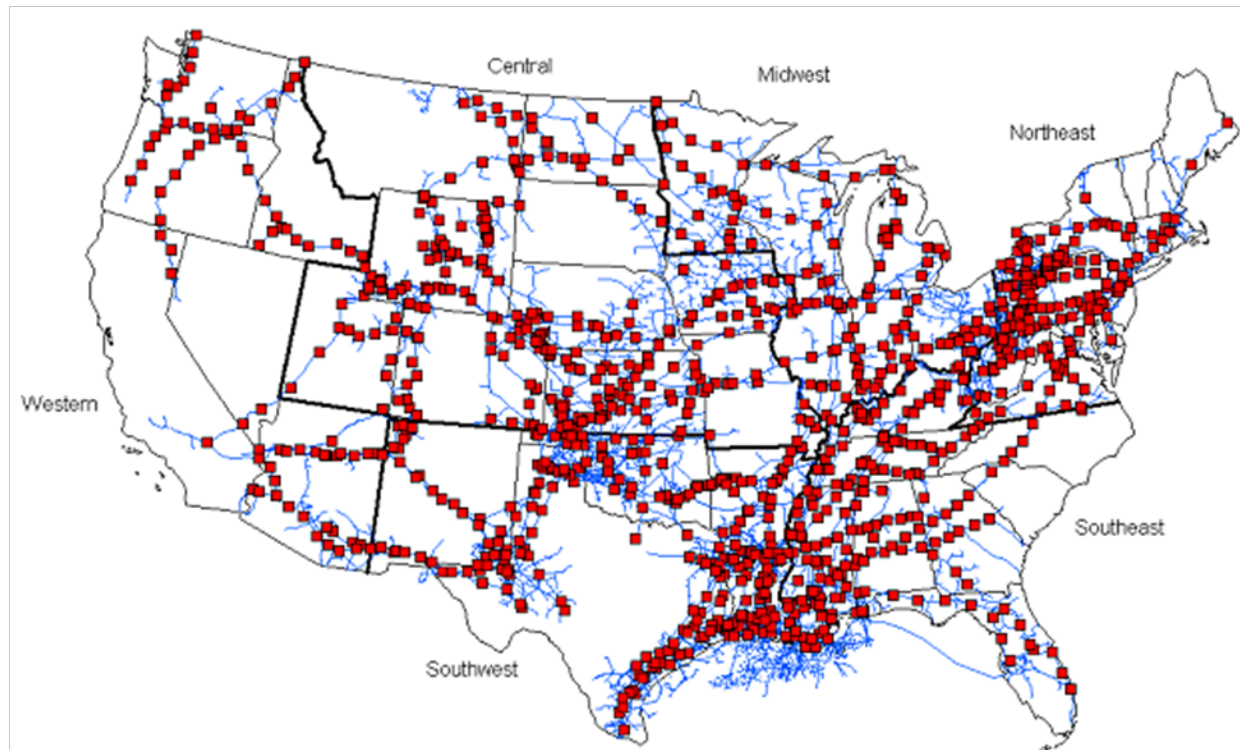
- Municipal Waste Incinerators
 - Goal to coordinate with EPA action;
 - EPA MACT delayed;
 - Committee is considering options for possible action.
- Coal Fired Boilers Serving EGUs
 - Evaluating EPA's proposals (Transport Rule, NODA);
 - On hold until after Summer.

NOx Measures Under Review

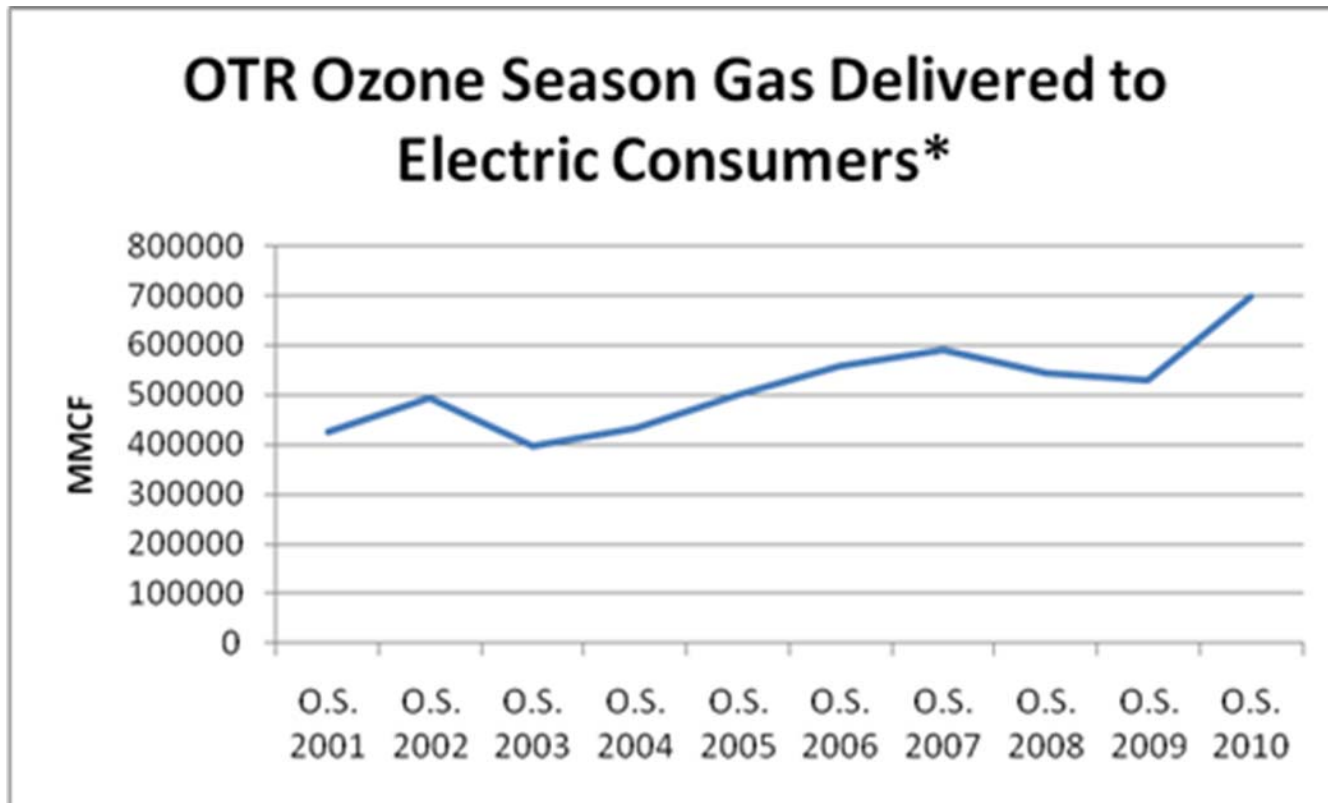
- Natural Gas Compressor Stations
 - Developed draft white paper focusing on pipeline prime movers;
 - Gathering additional information on emissions and cost;
 - Getting more educated on the industry;
 - Conducting stakeholder information calls (American Gas Association, Johnson Matthey, INGAA, GCA), and other stakeholder outreach.

Pipeline Systems

Map of Interstate Natural Gas System Mainline Compressor Stations circa 2006



Potential Impacts During Ozone Season



*Excluding VA

Challenges Facing the Workgroup

- Lack of data on the entire engine population, and specifically with regards to small engines;
- Outdated control cost estimates;
- Overall inventory of existing stations, uncertainty on growth of the transmission system since last inventory (MARAMA 2007 point source inventory)

Anticipated Schedule

- Release initial draft white paper for June meeting; ✓
- Release updated and finalized white paper for November meeting, after data gathering for small unit population;
- Release draft model rule for November meeting or next spring for 2012 annual meeting.

VOC Measures Under Review

- Vapor Controls from Gas Stations
 - Awaiting EPA's rule on widespread use of ORVR cars [OMB 90 Day Review began March 30];
 - Gathering information from states and vendors;
 - Meeting with vendors;
 - Reviewing cost/benefit data;
 - Developing white paper draft.

VOC Measures Under Review

- Solvent Degreasing
 - Reviewing draft model rule;
 - Contacted 40 stakeholder organizations for comment on rule development, received over 23 stakeholder comments on proposal;
 - Evaluating stakeholder comments;
 - Sorting through vapor degreasing, special application issues;
 - Targeting Fall meeting for model rule finalization.

VOC Measures Under Review

- Consumer Products Update
 - Developed white paper on the potential inclusion of Paint Thinners and Multipurpose Solvents in the Consumer Products model rule;
 - Consulted with SCAQMD, sought stakeholder input;
 - Developed recommendation on Tire Shine products;
 - Packaging model rule updates for Fall meeting.

Draft Documents Issued for Comment

- Documents released prior to March 16 OTC Committee meeting:
 - Consumer Products White Paper;
 - Solvent Degreasers Model Rule;
 - Technical Support Documents for adopted model rules.
- Documents being released at June 15 OTC Annual meeting:
 - Natural Gas Compressors White Paper;
 - Updated Consumer Products White Paper;
 - Committee Recommendation on Tire Shine Products.

Measure Development Process

- Next Steps for the Committee
 - Additional sector specific calls with stakeholders;
 - Review and consider stakeholder comments, update measures as needed;
 - Develop screening modeling inputs and sharpen emission reduction estimates;
 - Continue to develop white papers and model rule language;
 - Release revised TSDs for adopted measures;
 - Assemble TSDs for measures being considered for adoption.

Measure Development Process

- Upcoming Committee Activities
 - Continue work on the remaining control measures from the list;
 - Prepare for next stakeholder meeting in September (8th?);
 - Explore new measures, continue data gathering.

Recommendations for Action

- Approve Committee Recommendation on Tire Shine Products within the Consumer Products Model Rule for states to consider in their rulemaking process
- Instruct Committee to continue work on the remaining control measures

Questions?

