

## The Area Source Program

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### Overview

### 112(c)(3) and 112(k) Requirements

- List area source categories representing at least 90% of the emissions of the 30 listed urban HAP
- Develop a national strategy for urban air toxics
- Subject categories to regulation and promulgate by 11/15/2000
- Achieve at least a 75% reduction in cancer incidence from stationary sources



### Programmatic Challenges

- Unique characteristics of source categories
- Meet statutory obligation but not overburden unnecessarily
- Provide for states that need regulations but not interfere with existing programs
- EPA Regions have to implement if states do not take delegation
- Limited resources everywhere



### Programmatic Goal

- Develop a regulatory framework with incentives so states will want to take delegation of program
- This could include:
  - User friendly and cost effective implementation options
    - Reduction in burden
    - Reduction in monitoring, reporting, and recordkeeping requirements
  - Flexibility in which controls could be applied
  - Targeted implementation
- Pursue alternative approaches for multi-category rulemaking

### Status

## Listing of Categories

- The Integrated Urban Strategy was published July 19, 1999
- 70 source categories have been listed
  - Listing completed in November 2002
  - Source categories required to be "subject to regulation"

## Status

- 16 standards have been completed
- 4 categories currently under consent decree

STANDARD	PROPOSAL	PROMULGATE
Oil and Natural Gas Production	06/30/2005	12/2006
Hospital Sterilizers	10/2006	12/2007
Gasoline Distribution Stage 1	10/2006	12/2007
Stationary Internal Combustion Engines	10/2006	12/2007

## Status of Remaining 50 Categories

- 28 source categories initiated
  - Categories w/promulgation dates of 2006-07 are active (~9 categories)
  - Remaining under resource constraints
- 22 remain unaddressed
- Schedule under litigation
  - Final brief held November 22
  - Awaiting court schedule

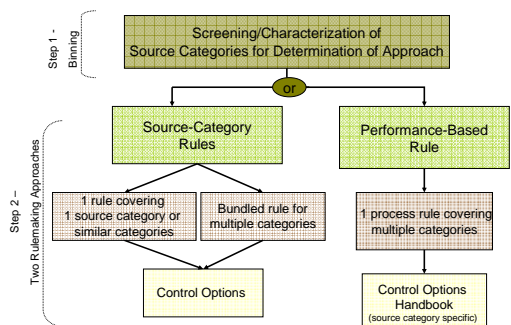


## Regulatory Approach and Options Within It

## Binning of Categories

- All remaining 50 source categories will go through an initial screening to help determine appropriate regulatory option(s)
- Ranking factors include toxicity weighting, emission levels, number of sources, and number of states impacted
- Preliminary results --
  - 16 source categories account for 90% of the 1999 NEI total HAP emissions from the remaining 50 area sources

## The Area Source Framework



## GACT versus MACT

- Focus will be on the use of Generally Available Control Technology
  - Allows for more flexibility
  - There is no floor to calculate
  - Cost effectiveness is considered

# GACT

## Source-Category Rulemaking

- One rule covering one source category or several combined categories (e.g., fabricated plate work)
- For source categories with a national level of concern
- Explore bundling common source categories and other resource-saving approaches
- Incorporate P2 approaches when applicable

## Performance-Based Rulemaking

- National applicability with targeted implementation
  - Good for source categories with low emissions, few sources, and in few states
    - Less appropriate where many sources, many states, significantly greater emissions
- One process rule covering specific number of source categories
  - Would include specific process to be followed and timetable for completing process
    - Develop appropriate requirement
    - Provide adequate compliance info
    - Incorporate in an enforceable mechanism
- If below de minimus level register and certify periodically
- Develop Control Options Handbooks for source categories

## Implementation Mechanism for Performance-Based Rule

- Specific requirements must be incorporated into an **enforceable mechanism** (e.g., permits, board orders, SIPs)
- Where states do not take delegation, rule will propose permitting mechanism that EPA Regions will use

## Performance-Based Rulemaking “Pilot”

- Developed draft regulatory outline
  - Includes emission-based and risk-based targets
- Developed draft Control Options Handbook for synthetic rubber area source category
  - Want to expand to other source categories
  - Want to begin talking to states
- Will propose rule with options that we can take comment on

## Why Do A Performance-Based Rulemaking?



- **Pros**
  - Can streamline rulemaking process
  - Maximizes flexibility for implementing authority (IA) to focus on areas of greatest need for control
  - Puts in place program for states that cannot move without a fed rule
  - Encourages states to take delegation (in whole or part)
  - Allows states with their own program to continue
- **Cons**
  - If Regions have to implement and could be more resource intensive
  - Takes more resources up front for IA to chose appropriate control
  - Could create different requirements for similar sources in different jurisdictions

## Performance-Based Rulemaking Status

- Spring 05 - Developed white paper on concept
- Summer/Fall 05 - Worked with EPA HQ, Regions, and state/local representatives
- Fall 05 - Developed an implementation plan
- Dec 05/Jan 06 – Sought management decisions
- Jan-March 06 – Develop regulatory outlines
- Summer 06 – Propose performance-based rule
- January 07 – Promulgate performance-based rule