



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R03-OAR-2014-0833; FRL- 9924-97-Region-3]

**Approval and Promulgation of Air Quality Implementation Plans; Maryland;
Preconstruction Requirements – Nonattainment New Source Review**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve a State Implementation Plan (SIP) revision submitted on August 22, 2013 by the Maryland Department of the Environment (MDE). This revision pertains to Maryland's major nonattainment New Source Review (NSR) program, notably preconstruction permitting requirements for sources of fine particulate matter (PM_{2.5}). This action is being taken under the Clean Air Act (CAA).

DATES: Written comments must be received on or before **[insert date 30 days from date of publication]**.

ADDRESSES: Submit your comments, identified by Docket ID Number EPA-R03-OAR-2014-0833 by one of the following methods:

- A. www.regulations.gov. Follow the on-line instructions for submitting comments.
- B. E-mail: campbell.dave@epa.gov.
- C. Mail: EPA-R03-OAR-2014-0833, David Campbell, Associate Director, Office of Permits and Air Toxics, Mailcode 3AP10, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103.

D. Hand Delivery: At the previously-listed EPA Region III address. Such deliveries are only accepted during the Docket's normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. EPA-R03-OAR-2014-0833. EPA's policy is that all comments received will be included in the public docket without change, and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through www.regulations.gov or e-mail. The www.regulations.gov website is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to EPA without going through www.regulations.gov, your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the electronic docket are listed in the www.regulations.gov index. Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted

material, is not placed on the Internet and will be publicly available only in hard copy form.

Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy during normal business hours at the Air Protection Division, U.S. Environmental Protection Agency, Region III, 1650 Arch Street, Philadelphia, Pennsylvania 19103. Copies of the State submittal are available at the Maryland Department of the Environment, 1800 Washington Boulevard, Suite 705, Baltimore, Maryland 21230.

FOR FURTHER INFORMATION CONTACT: David Talley, (215) 814-2117, or by e-mail at talley.david@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

On August 22, 2013, MDE submitted a SIP revision request to EPA. This SIP revision request, if approved, would revise Maryland's currently approved nonattainment NSR program by amending Regulation .01 under section 26.11.01 of the Code of Maryland Regulations (COMAR), and Regulations .01 and .02 under COMAR 26.11.17. Generally, the revisions incorporate provisions related to the 2008 "Implementation of the New Source Review (NSR) Program for Particulate Matter Less than 2.5 Micrometers (PM_{2.5})" (2008 NSR PM_{2.5} Rule). 73 FR 28321 (May 16, 2008). The 2008 NSR PM_{2.5} rule: 1) required NSR permits to address directly emitted PM_{2.5} and precursor pollutants; 2) established significant emission rates for direct PM_{2.5} and precursor pollutants (including sulfur dioxide (SO₂) and oxides of nitrogen (NO_x)); 3) established PM_{2.5} emission offsets; and 4) required states to account for gases that condense to form particles (condensables) in PM_{2.5} emission limits.

Additionally, the 2008 NSR PM_{2.5} Rule authorized states to adopt provisions in their

nonattainment NSR rules that would allow major stationary sources and major modifications locating in areas designated nonattainment for PM_{2.5} to offset emissions increases of direct PM_{2.5} emissions or PM_{2.5} precursors with reductions of either direct PM_{2.5} emissions or PM_{2.5} precursors in accordance with offset ratios contained in the approved SIP for the applicable nonattainment area. The inclusion, in whole or in part, of the interpollutant offset provisions for PM_{2.5} is discretionary on the part of the states. In the preamble to the 2008 NSR PM_{2.5} Rule, EPA included preferred or presumptive offset ratios, applicable to specific PM_{2.5} precursors, that states may adopt in conjunction with the new interpollutant offset provisions for PM_{2.5}, and for which the state could rely on the EPA's technical work to demonstrate the adequacy of the ratios for use in any PM_{2.5} nonattainment area. Alternatively, the preamble indicated that states may adopt their own ratios, subject to the EPA's approval, that would have to be substantiated by modeling or other technical demonstrations of the net air quality benefit for ambient PM_{2.5} concentrations. The preferred ratios were subsequently the subject of a petition for reconsideration, which the Administrator granted. EPA continues to support the basic policy that sources may offset increases in emissions of direct PM_{2.5} or of any PM_{2.5} precursor in a PM_{2.5} nonattainment area with actual emissions reductions in direct PM_{2.5} or PM_{2.5} precursors in accordance with offset ratios as approved in the SIP for the applicable nonattainment area. However, we no longer consider the preferred ratios set forth in the preamble to the 2008 NSR PM_{2.5} Rule to be presumptively approvable. Instead, any ratio involving PM_{2.5} precursors adopted by the state for use in the interpollutant offset program for PM_{2.5} nonattainment areas must be accompanied by a technical demonstration that shows the net air quality benefits of such ratio for the PM_{2.5} nonattainment area in which it will be applied. Maryland's August 22, 2013 submittal did not include the interpollutant offset provisions.

The 2008 NSR PM_{2.5} Rule (as well as the 2007 “Final Clean Air Fine Particle Implementation Rule” (2007 PM_{2.5} Implementation Rule)¹), was the subject of litigation before the United States Court of Appeals for the District of Columbia Circuit (D.C. Circuit) in *Natural Resources Defense Council v. EPA* (hereafter, *NRDC v. EPA*).² On January 4, 2013, the D.C. Circuit remanded to EPA both the 2007 PM_{2.5} Implementation Rule and the 2008 NSR PM_{2.5} Rule. The court found that in both rules EPA erred in implementing the 1997 PM_{2.5} National Ambient Air Quality Standard (NAAQS) solely pursuant to the general implementation provisions of subpart 1 of part D of title I of the CAA (subpart 1), rather than pursuant to the additional implementation provisions specific to particulate matter in subpart 4 of part D of title I (subpart 4).³ As a result, the court remanded both rules and instructed EPA “to re-promulgate these rules pursuant to subpart 4 consistent with this opinion.” Although the D.C. Circuit declined to establish a deadline for EPA’s response, EPA intends to respond promptly to the court’s remand and to promulgate new generally applicable implementation regulations for the PM_{2.5} NAAQS in accordance with the requirements of subpart 4. In the interim, however, states and EPA still need to proceed with implementation of the 1997 PM_{2.5} NAAQS in a timely and effective fashion in order to meet statutory obligations under the CAA and to assure the protection of public health intended by those NAAQS. In a June 2, 2014 final rulemaking entitled “Identification of Nonattainment Classification and Deadlines for Submission of State Implementation Plan (SIP) Provisions for the 1997 Fine Particle (PM_{2.5}) National Ambient Air Quality Standard (NAAQS) and 2006 PM_{2.5} NAAQS; Final Rule,” (79 FR 31566), EPA

¹ 72 FR 20586 (April 25, 2007).

² 706 F.3d 428 (D.C. Cir. 2013).

³ The court’s opinion did not specifically address the point that implementation under subpart 4 requirements would still require consideration of subpart 1 requirements, to the extent that subpart 4 did not override subpart 1. EPA assumes that the court presumed that EPA would address this issue of potential overlap between subpart 1 and subpart 4 requirements in subsequent actions.

identified the classification status under subpart 4 for areas currently designated nonattainment for the 1997 and 2006 PM_{2.5} NAAQS. That rulemaking also established a December 31, 2014 deadline for the submission of any additional attainment related SIP elements that may be needed to meet the applicable requirements of subpart 4.

EPA is in the process of evaluating the requirements of subpart 4 as they pertain to nonattainment NSR. In particular, subpart 4 includes section 189(e) of the CAA, which requires the control of major stationary sources of coarse particulate matter (PM₁₀) precursors (and hence under the *NRDC v. EPA* court decision, PM_{2.5} precursors) “except where the Administrator determines that such sources do not contribute significantly to PM₁₀ levels which exceed the standard in the area.” The evaluation of which precursors need to be controlled to achieve the standard in a particular area is typically conducted in the context of the state’s preparing and the EPA’s reviewing an area’s attainment plan SIP. At the time of the August 22, 2013 SIP submittal, three areas in Maryland were designated as nonattainment for the 1997 annual PM_{2.5} NAAQS: the Maryland portion of the Washington DC-MD-VA nonattainment area; the Baltimore nonattainment area; and the Maryland portion of the Martinsburg-Hagerstown, MD-WV nonattainment area.

Since the SIP submittal, EPA has taken final action to redesignate all of these areas to attainment. On October 6, 2014, EPA took final action to redesignate the Washington, DC-MD-VA area. 79 FR 60081. On December 16, 2014, EPA took final action to redesignate both the Baltimore nonattainment area and the Martinsburg-Hagerstown nonattainment area to attainment. 79 FR 75032 (Baltimore area) and 79 FR 75035 (Maryland portion of the Martinsburg-Hagerstown area). As a result, MDE is no longer obligated to submit a

nonattainment NSR SIP revision under section 189 of the CAA addressing nonattainment NSR permitting requirements for PM_{2.5}, including the requirements under subpart 4. Therefore, EPA has not evaluated the August 22, 2013 submittal for the purposes of determining compliance with the subpart 4 requirements. To the extent that any area is designated nonattainment for PM_{2.5} in Maryland in the future, MDE will have to make a submission under section 189 of the CAA addressing how its nonattainment permitting program satisfies the CAA statutory requirements as to PM_{2.5}, including subpart 4 and any applicable PM_{2.5} Federal implementation rules.

II. Summary of SIP Revision

As previously discussed, this SIP revision incorporates provisions related to the 2008 NSR PM_{2.5} Rule, which: 1) required NSR permits to address directly emitted PM_{2.5} and precursor pollutants; 2) established significant emission rates for direct PM_{2.5} and precursor pollutants (including sulfur dioxide (SO₂) and oxides of nitrogen (NO_x)); 3) established PM_{2.5} emission offsets; and 4) required states to account for gases that condense to form particles (condensables) in PM_{2.5} emission limits.

To implement these provisions, Maryland amended Regulation .01 under COMAR 26.11.01 (General Administrative Provisions) and Regulations .01 and .02 under COMAR 26.11.17 (Nonattainment Provisions for Major New Sources and Major Modifications). The general definitions at COMAR 26.11.01.01 were amended to add definitions of “PM_{2.5}” and “PM_{2.5} emissions.” COMAR 26.11.17 contains the preconstruction requirements for new major stationary sources and major modifications locating in nonattainment areas. The definitions of “regulated NSR pollutant” and “significant” under COMAR 26.11.17.01 were amended. The

amended definitions require that sources account for the condensable fraction of PM₁₀ and PM_{2.5}, require that NO_x and SO₂ be regulated as precursors to PM₁₀ and PM_{2.5}, and establish significant emission rates (SERs) for PM_{2.5} and its precursors. COMAR 26.11.17.02 was revised to specify that all of the major nonattainment NSR preconstruction requirements of the chapter are applicable to new major stationary sources and major modifications that are major for PM_{2.5} or its precursors. COMAR 26.11.17.02 was also revised to clarify that in addition to the requirements of that chapter, the Prevention of Significant Deterioration (PSD) requirements of COMAR 26.11.04.16 may also apply to sources locating in nonattainment areas.

III. Proposed Action

EPA's review of this material indicates that the proposed revisions comply with the nonattainment NSR program requirements of the CAA and its implementing regulations (including the 2008 NSR PM_{2.5} Rule) that are applicable in Maryland at this time. EPA is therefore proposing to approve MDE's August 22, 2013 submittal as a revision to the Maryland SIP. EPA is soliciting public comments on the issues discussed in this document. These comments will be considered before taking final action.

IV. Incorporation by Reference

In this proposed action, the EPA is proposing to include in a final EPA rule, regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference amendments to Regulation .01 under COMAR 26.11.01 (General Administrative Provisions) and Regulations .01 and .02 under COMAR 26.11.17 (Nonattainment Provisions for Major New Sources and Major Modifications). The EPA has made, and will continue to make, these documents generally available electronically through

www.regulations.gov and/or in hard copy at the appropriate EPA office (see the ADDRESSES section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);

- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rule, relating to Maryland's nonattainment NSR program, does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the state, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Carbon monoxide, Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Authority: 42 U.S.C. 7401 et seq.

Dated: March 9, 2015.

William C. Early, Acting,
Regional Administrator,
Region III.

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