



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R04-OAR-2018-0631; FRL- 10018-05-Region 4]

Air Plan Approval; Tennessee; Nitrogen Oxides SIP Call Plan

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a State Implementation Plan (SIP) revision concerning nitrogen oxides (NO_x) emissions submitted by the State of Tennessee, through the Tennessee Department of Environment and Conservation (TDEC), through a letter dated December 19, 2019, which revises the Tennessee Air Pollution Control Rule (TAPCR) titled “NO_x SIP Call Requirements for Stationary Boilers and Combustion Turbines” (TN 2017 NO_x SIP Call Rule) to correct the definition of “affected unit” and to clarify requirements related to stationary boilers and combustion turbines. EPA is also converting the conditional approval of the TN 2017 NO_x SIP Call Rule to a full approval.

DATES: This rule is effective [Insert date 30 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: EPA has established a docket for this action under Docket Identification No. EPA-R04-OAR-2018-0631. All documents in the docket are listed on the www.regulations.gov web site. Although listed in the index, some information may not be publicly available, i.e., Confidential Business Information 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 can either be retrieved electronically via www.regulations.gov or in hard copy at the Air Regulatory Management Section, Air Planning and Implementation Branch, Air and Radiation Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia

30303-8960. EPA requests that if at all possible, you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to schedule your inspection. The Regional Office's official hours of business are Monday through Friday 8:30 a.m. to 4:30 p.m., excluding Federal holidays.

FOR FURTHER INFORMATION CONTACT: Steven Scofield, Air Regulatory Management Section, Air Planning and Implementation Branch, Air and Radiation Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303-8960. The telephone number is (404) 562-9034. Mr. Scofield can also be reached via electronic mail at scofield.steve@epa.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Under Clean Air Act (CAA or Act) section 110(a)(2)(D)(i)(I), which EPA has traditionally termed the good neighbor provision, states are required to address the interstate transport of air pollution. Specifically, the good neighbor provision requires that each state's implementation plan contain adequate provisions to prohibit air pollutant emissions from within the state that will significantly contribute to nonattainment of the national ambient air quality standards (NAAQS), or that will interfere with maintenance of the NAAQS, in any other state.

In October 1998 (63 FR 57356), EPA finalized the "Finding of Significant Contribution and Rulemaking for Certain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone" ("NO_x SIP Call"). The NO_x SIP Call required eastern states, including Tennessee, to submit SIPs that prohibit excessive emissions of ozone season NO_x by implementing statewide emissions budgets.¹ The NO_x SIP Call addressed the good neighbor provision for the 1979 ozone NAAQS and was designed to mitigate the impact of transported NO_x emissions, one of the precursors of ozone. EPA developed the NO_x

¹ See 63 FR 57356 (October 27, 1998). As originally promulgated, the NO_x SIP Call also addressed good neighbor obligations under the 1997 8-hour ozone NAAQS, but EPA subsequently stayed and later rescinded the rule's provisions with respect to that standard. See 65 FR 56245 (September 18, 2000); 84 FR 8422 (March 8, 2019).

Budget Trading Program, an allowance trading program that states could adopt to meet their obligations under the NO_x SIP Call. This trading program allowed the following sources to participate in a regional cap and trade program: generally electric generating units (EGUs) with capacity greater than 25 megawatts (MW); and large industrial non-EGUs, such as boilers and combustion turbines, with a rated heat input greater than 250 million British thermal units per hour. The NO_x SIP Call also identified potential reductions from cement kilns and stationary internal combustion engines.

On January 22, 2004, EPA approved into the Tennessee SIP the State's NO_x Budget Trading Program rule.² The NO_x Budget Trading Program was implemented from 2003 to 2008. The provisions required EGUs and large non-EGUs in the state to participate in the NO_x Budget Trading Program.

In 2005, EPA published the Clean Air Interstate Rule (CAIR), which required eastern states, including Tennessee, to submit SIPs that prohibited emissions consistent with ozone season (and annual) NO_x budgets. *See* 70 FR 25162 (May 12, 2005). CAIR addressed the good neighbor provision for the 1997 ozone NAAQS and 1997 fine particulate matter (PM_{2.5}) NAAQS and was designed to mitigate the impact of transported NO_x emissions with respect to not only ozone but also PM_{2.5}. CAIR established several trading programs that EPA implemented through federal implementation plans (FIPs) for EGUs greater than 25 MW in each affected state, but not large non-EGUs; states could submit SIPs to replace the FIPs that achieved the required emission reductions from EGUs and, at their discretion, could include other types of sources as well.³ When the CAIR trading program for ozone season NO_x was implemented beginning in 2009, EPA discontinued administration of the NO_x Budget Trading Program; however, the requirements of the NO_x SIP Call continued to apply.

On August 20, 2007, EPA approved into the Tennessee SIP an abbreviated CAIR SIP

² *See* 69 FR 3015 (January 22, 2004).

³ CAIR had separate trading programs for annual sulfur dioxide emissions, seasonal NO_x emissions and annual NO_x emissions.

revision with allowance allocations and opt-in provisions.⁴ On November 25, 2009, EPA approved into the Tennessee SIP a further abbreviated CAIR SIP revision expanding applicability of the CAIR ozone season NO_x trading program to NO_x SIP Call non-EGUs.⁵

In 2011, EPA published the Cross-State Air Pollution Rule (CSAPR) to replace CAIR and address the good neighbor provisions for the 1997 ozone NAAQS, the 1997 PM_{2.5} NAAQS, and the 2006 PM_{2.5} NAAQS. *See* 76 FR 48208 (August 8, 2011). Through FIPs, CSAPR required EGUs in eastern states, including Tennessee, to meet annual and ozone season NO_x emission budgets and annual SO₂ emission budgets implemented through new trading programs. Implementation of CSAPR began on January 1, 2015.⁶ CSAPR also contained provisions that would sunset CAIR-related obligations on a schedule coordinated with the implementation of the CSAPR compliance requirements.

In 2016, EPA published the CSAPR Update to address the good neighbor provision for the 2008 ozone NAAQS. *See* 81 FR 74504 (October 26, 2016). Although for most covered states, EPA found the CSAPR Update may only partially address the states' good neighbor obligations for this NAAQS, EPA found the rule fully addresses Tennessee's good neighbor obligation for this NAAQS.⁷ The CSAPR Update trading program replaced the original CSAPR trading program for ozone season NO_x for most covered states. Tennessee's EGUs participate in the CSAPR Update trading program, generally also addressing the state's obligations under the NO_x SIP Call for EGUs. However, Tennessee has not chosen to expand applicability of the CSAPR Update trading program to its large non-EGUs.

Through a letter to EPA dated February 27, 2017,⁸ Tennessee provided a SIP revision to incorporate a new provision – TACPR 1200-03-27-.12, “NO_x SIP Call Requirements for

⁴ *See* 72 FR 46388.

⁵ *See* 74 FR 61535.

⁶ *See* 79 FR 71663 (December 3, 2014) and 81 FR 13275 (March 14, 2016).

⁷ *See* 81 FR at 74540. EPA notes that the aspects of the CSAPR Update affecting Tennessee were not challenged in the litigation over the rule and are not affected by the remand of the rule in *Wisconsin v. EPA*, 983 F.3d 303 (D.C. Cir. 2019).

⁸ EPA notes that it received the submittal on February 28, 2017.

Stationary Boilers and Combustion Turbines” (TN 2017 NO_x SIP Call Rule) – into the SIP. The TN 2017 NO_x SIP Call Rule established a state control program for sources that are subject to the NO_x SIP Call, but not covered under CSAPR or the CSAPR Update. The TN 2017 NO_x SIP Call Rule contains several subsections that together comprise a non-EGU control program under which Tennessee will allocate a specified budget of allowances to affected sources.

Subsequently, on May 11, 2018, and October 11, 2018, Tennessee submitted letters requesting conditional approval of the TN 2017 NO_x SIP Call Rule and committing to provide a SIP revision to EPA by December 31, 2019, to address a deficiency by revising the definition of “affected unit” to remove the unqualified exclusion for any unit that serves a generator that produces power for sale. Based on the State’s commitment to submit a SIP revision addressing the identified deficiency, EPA conditionally approved the February 27, 2017, submission. In the same action, EPA approved removal of the State’s NO_x Budget Trading Program and CAIR rules from Tennessee’s SIP. *See* 84 FR 7998 (March 6, 2019).

Tennessee submitted a SIP revision on December 19, 2019, which revised TAPCR 1200-03-27-.12, “NO_x SIP Call Requirements for Stationary Boilers and Combustion Turbines” to correct the definition of “affected unit” and to clarify requirements related to stationary boilers and combustion turbines. On June 8, 2020 (85 FR 35046), EPA published a notice of proposed rulemaking (NPRM) proposing to correct the definition of “affected unit” and to clarify requirements related to stationary boilers and combustion turbines. EPA also proposed to convert the conditional approval of the TN 2017 NO_x SIP Call Rule to a full approval. *See* EPA’s June 8, 2020 (85 FR 35046), NPRM for further detail on these changes and EPA’s rationale for approving them.

II. Response to Comment

EPA received one public comment on the June 8, 2020, NPRM. The comment is provided in the docket for this final rulemaking. EPA’s response to this comment is below.

Comment: The commenter asserts that EPA should not approve this rule and that EPA

should rescind its prior conditional approval of the TN 2017 NO_x SIP Call Rule. The commenter asserts that court rulings have found that EPA's reliance on modeling for the year 2023 was improper, and EPA must fully address upwind state's significant contribution by the applicable attainment date. The commenter further asserts that the CSAPR Update does not fully address downwind contributions under the *Wisconsin* and *New York* court decisions. The commenter also asserts that EPA cannot approve this action until it addresses the court decisions, including *Wisconsin*, *New York*, and *Maryland*.

Response: EPA disagrees with the comment that EPA should not approve this rule and should rescind its prior approval of the TN 2017 NO_x SIP Call Rule. As discussed above, EPA has already approved the TN 2017 NO_x SIP Call Rule, which addressed Tennessee's ongoing NO_x SIP Call obligations for existing and new large non-EGUs and which EPA conditionally approved due to a deficiency in the definition of affected unit. *See* 84 FR 7998 (March 6, 2019). In this action, EPA is approving into the Tennessee SIP changes to the TN 2017 NO_x SIP Call Rule that correct the definition of "affected unit," clarify requirements related to stationary boilers and combustion turbines, and convert the conditional approval to a full approval. *See* NPRM. EPA has evaluated these changes, has determined that the changes correct the deficiency and provide clarifying edits that are consistent with the NO_x SIP Call and the CAA, and is approving those changes into the SIP. *See id.* In this action, EPA is not approving any changes to the NO_x SIP Call or to Tennessee's obligations under the NO_x SIP Call, and did not approve any such changes through its prior approval of the TN 2017 NO_x SIP Call Rule.⁹

With respect to the commenter's assertions regarding *Wisconsin*, *New York*, *Maryland*, and 2023 modeling, EPA believes these comments to be beyond the scope of this rulemaking. Nevertheless, EPA is providing the following explanation. The NO_x SIP Call fully addressed obligations under the good neighbor provision for the 1979 1-hour ozone NAAQS. In contrast, the CSAPR Update, which was at issue in *Wisconsin v. EPA*, 938 F.3d 303, 308–37 (D.C. Cir.

⁹ EPA is not reopening its prior rulemaking actions in this action.

2019), and the CSAPR Close-out, which was at issue in *New York v. EPA*, 781 F. App'x 4 (D.C. Cir. 2019), involved obligations under the good neighbor provision for the 2008 ozone NAAQS. Further, *Maryland v. EPA*, 958 F.3d 1185 (D.C. Cir. 2020), which applied the *Wisconsin* decision in the context of EPA's denial of a petition under CAA section 126(b), included a discussion with regard to obligations for the 2015 ozone NAAQS. None of these cases bear on the approval action here, which has nothing to do with the selection of an analytic year or developing a full remedy for addressing good neighbor obligations.

III. Incorporation by Reference

In this document, EPA is finalizing regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, EPA is finalizing the incorporation by reference of TAPCR 1200-03-27-.12, “NO_x SIP Call Requirements for Stationary Boilers and Combustion Turbines,” state effective December 12, 2019, which revises Tennessee’s state control program to comply with the obligations of the NO_x SIP Call. EPA has made, and will continue to make the SIP generally available through www.regulations.gov and at the EPA Region 4 Office (please contact the person identified in the “For Further Information Contact” section of this preamble for more information). Therefore, the revised materials as stated above, have been approved by EPA for inclusion in the SIP, have been incorporated by reference by EPA into that plan, are fully federally enforceable under sections 110 and 113 of the CAA as of the effective date of the final rulemaking of EPA’s approval, and will be incorporated by reference in the next update to the SIP compilation.

IV. Final Action

EPA is approving Tennessee’s December 19, 2019, submission, which revises TAPCR 1200-03-27-.12, “NO_x SIP Call Requirements for Stationary Boilers and Combustion Turbines,” to correct the definition of “affected unit” and to clarify requirements related to stationary boilers and combustion turbines. In addition, EPA is converting the March 6, 2019, conditional approval of TAPCR 1200-03-27-.12 to a full approval. EPA has concluded that these changes

will not interfere with attainment and maintenance of the NAAQS, reasonable further progress, or any other applicable requirement of the CAA.

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. *See* 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 action:

- Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- 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, the SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications and will not impose substantial direct costs on tribal governments or preempt tribal law as specified by Executive Order 13175 (65 FR 67249, November 9, 2000).

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the *Federal Register*. A major rule cannot take effect until 60 days after it is published in the *Federal Register*. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be

filed, and shall not postpone the effectiveness of such rule or action. This action may not be challenged later in proceedings to enforce its requirements. *See* section 307(b)(2).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides.

Dated: February 23, 2021.

John Blevins,

Acting Regional Administrator,

Region 4.

For the reasons stated in the preamble, the EPA amends 40 CFR part 52 as follows:

PART 52 – APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

1. The authority citation for part 52 continues to read as follows:

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

Subpart RR – Tennessee

§ 52.2219 – [Amended].

2. Amend § 52.2219 by removing and reserving paragraph (a).

3. In § 52.2220 amend Table 1 in paragraph (c) by revising the entry for “Section 1200-3-27-.12” to read as follows:

§ 52.2220 Identification of plan.

* * * * *

(c) * * *

TABLE 1 – EPA APPROVED TENNESSEE REGULATIONS

State citation	Title/subject	State effective date	EPA approval date	Explanation
**	**	*	*	*
CHAPTER 1200-3-27 NITROGEN OXIDES				
**	**	*	*	*
Section 1200-3-27-.12	NO _x SIP Call Requirements for Stationary Boilers and Combustion Turbines	12/12/2019	[Insert date of publication in FEDERAL REGISTER], [Insert citation of publication]	

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