

# ENVIRONMENTAL BREAKFAST CLUB REGULATORY SUMMARY

August 10, 2012

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## **Final Statutes, Regulations and Guidance**

Citation	Summary	Implications	Schedule/Notes
CLIMATE CHANGE		· _	
FEDERAL Greenhouse Gas Tailoring Rule Step 3 40 CFR Part 52 77 Fed. Reg. 41051 (July 12, 2012)	<ul> <li>EPA determined not to lower the special major source thresholds for greenhouse gas (GHG) emissions under the Prevention of Significant Deterioration (PSD) and Title V operating permit programs. Because GHGs are emitted in significantly higher quantities than other pollutants, EPA adopted "tailored" GHG major source thresholds, to be implemented in several stages. During the second stage, which took effect July 1, 2011, new sources with the potential to emit 100,000 tons per year (tpy) or more of carbon dioxide equivalent (CO<sub>2</sub>e) were subject to PSD; changes at existing major sources that result in a net increase of 75,000 tpy or more CO<sub>2</sub>e also trigger PSD.</li> <li>At the time it adopted the tailoring rule, EPA committed to considering additional changes to the PSD program as applied to GHGs. After further review, EPA decided to maintain the applicability thresholds at the current levels after finding that the states lack the resources to process additional permits. EPA also revised the regulations to allow permitting authorities to issue GHG plantwide applicability limits (PALs) on either a mass basis (tpy) or CO<sub>2</sub>e basis and allow PALs to be used as an alternative approach for determining whether a project is a major modification and whether GHG emissions are subject to regulation. However, EPA decided not to finalize revisions specifically authorizing it to issue synthetic minor limitations in areas subject to a GHG PSD federal implementation plan.</li> <li>The recent GHG tailoring rule revisions can be found in the July 12, 2012 Federal Register at: www.gpo.gov/fdsys.</li> </ul>	Adoption of the tailoring rule extended the PSD program to newly constructed/modified facilities that exceed the 100,000/75,000 tpy thresholds for GHGs. Facilities that trigger PSD for GHGs must identify best available control technology to reduce GHG emissions, which typically involves energy efficiency projects. Also, new and existing sources with emissions exceeding the GHG major source thresholds must obtain a Title V permit. Pollutants regulated as GHGs under the rule are CO <sub>2</sub> , methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.	The rule takes effect August 13, 2012.



Citation	Summary	Implications	Schedule/Notes
POWER PLANT SITING	r	·	•
POWER PLANT SITING NEW YORK STATE Power Plant Siting Rules 16 NYCRR Parts 1000- 1002	<ul> <li>The New York State Board on Electric Generation Siting and the Environment (Siting Board) adopted regulations implementing the power plant siting requirements of the Power NY Act of 2011, which created a new statewide framework for siting and repowering electric generating facilities. The regulations, which are set forth at 16 NYCRR Parts 1000-1002, contain the procedures for obtaining an Article 10 Certificate of Environmental Compatibility and Public Need, covering everything from pre-application procedures through compliance filings. Key sections of the siting rules address:</li> <li><i>Public involvement</i>, including procedures for ensuring public participation throughout the review process. The regulation requires submission of a proposed public involvement program at least 150 days prior to submitting the preliminary scoping statement.</li> <li><i>Pre-application procedures</i> addressing submission of a preliminary scoping statement containing an overview of the project, its environmental impacts, and any application and content of notices, and water quality and coastal certification procedures.</li> <li><i>Creation of a fund for municipal and local parties</i> to facilitate their participation in the review process.</li> <li><i>Evidence and burden/standard of proof</i> applicable during proceedings involving contested certificates.</li> <li>The regulation also contains detailed directions on the content of the application itself, identifying a total of 41 exhibits that may need to be included with the application and their content/format. A partial list of exhibits includes: overview and public involvement, location of facilities, public health and safety, various environmental impacts, and local and state laws and regulations, among many others.</li> <li>The regulation also contains detailed directions on the content of the application itself, identifying a total of 41 exhibits that may need to be included with the application and their content/format. A partial list of exhibits incl</li></ul>	The Article 10 procedures apply to new electric generating facilities with a nameplate capacity of at least 25 MW and modified or repowered facilities. Earlier this year, DEC issued greenhouse gas emission standards and procedures for conducting environmental justice reviews in fulfillment of additional requirements of the Power NY Act.	The rules took effect August 1, 2012. The Board made "nonsubstantive" changes to the proposed regulations in response to public comment.



Citation	Summary	Implications	Schedule/Notes
WATER			
WATER NEW YORK STATE Administrative Procedures and EBPS for Individual SPDES Permits Program Policy TOGS 1.2.2	<ul> <li>DEC's Division of Water recently announced issuance of revised Program Policy TOGS 1.2.2, Administrative Procedures and the Environmental Benefit Permit Strategy for Individual SPDES Permits, which describes the procedures for developing new, renewed and modified permits under the State Pollutant Discharge Elimination System (SPDES) permit program as implemented via DEC's Environmental Benefit Permit Strategy (EBPS). The EBPS ranks SPDES permits for full technical review based on various criteria. The review under the EBPS program occurs independent of routine SPDES permit renewals. Each year, DEC publishes the priority list for central office, which handles most major industrial SPDES permits, and for each DEC regional office. SPDES permits on the top 10 percent of the lists are scheduled for review in the coming year.</li> <li>The revised program policy: (1) identifies the wastewater discharge categories and permit classifications; (2) summarizes the criteria and process for ranking SPDES permits for technical review under the EBPS; (3) summarizes the procedures for processing new SPDES permit applications, recertifying indefinitely extended permits, renewing permits on DEC's "No Administrative Renewal List," and processing administrative permit medifications; and (4) addresses implementation of the Discharge Notification Act, which requires posting of signs at certain SPDES outfalls.</li> <li>The program policy can be found on DEC's website at: www.dec.ny.gov/regulations/2652.html.</li> </ul>	The program policy provides an overview of DEC's SPDES permit review process both generally and under the EBPS program and so is of potential interest to anyone with a SPDES permit.	DEC accepted comments on the revised draft program policy in Spring 2011. Although the final document is dated January 2012, it was not announced until August 8, 2012; the guidance becomes effective September 7, 2012 (30 days after publication of the notice in the Environmental Notice Bulletin).



Citation	Summary	Implications	Schedule/Notes
OTHER	· · · · ·	·	
FEDERAL Emergency and Hazardous Chemical Inventory Forms (Tier I and Tier II) 40 CFR Part 370 77 Fed. Reg. 41300 (July 13, 2012)	<ul> <li>EPA revised its Emergency and Hazardous Chemical Inventory</li> <li>Forms (Tier I and Tier II) issued under Section 312 of the Emergency</li> <li>Planning and Community Right-to-Know Act (EPCRA), 42 USC</li> <li>§11022. EPCRA §312 requires facilities that store chemicals covered by a material safety data sheet (MSDS) above certain threshold quantities to submit annual inventory forms to state and local emergency planning organizations and the local fire department. These forms contain information likely to be useful in a chemical-related emergency, including the types, amounts and locations of chemicals stored on-site. With this rulemaking, EPA made the following changes to the forms:</li> <li>Require facility latitude and longitude, whether location where chemicals are stored is manned, the maximum number of occupants that may be present at the facility at any one time, and facility identification numbers issued under the Toxics Release Inventory and Clean Air Act (CAA) Risk Management Plan programs;</li> <li>Require contact information for facility emergency coordinator and Tier I/II contact and e-mail addresses for owner or operator and emergency contact(s).</li> <li>Require the facility to indicate whether it is subject to the emergency planning notification requirement of EPCRA §302 or the risk management planning requirements of CAA §112(r).</li> <li>Expand the number of range codes for reporting the quantities of chemicals stored.</li> <li>Add separate data fields on the Tier II form for reporting pure chemicals and chemical mixtures.</li> <li>Require description of on-site chemical storage in place of storage codes on the Tier II form.</li> <li>Revise the Tier II form to allow facilities to provide additional information on a voluntary basis such as state/local reporting requirements and hazardous chemicals not required to be reported under EPCRA.</li> <li>The rule can be found in the July 13, 2012 Federal Register at: www.gpo.gov/fdsys.</li> </ul>	The revisions are primarily of interest to facilities that store chemicals covered by MSDS in quantities of 10,000 pounds or more (less for specific extremely hazardous substances). States have the option under EPCRA §312 of requiring submission of a Tier I or a more detailed Tier II inventory form. New York State requires submission of the Tier II form.	The revised rule takes effect January 1, 2014.



## **Proposed Statutes, Regulations and Guidance**

Citation	Summary	Implications	Schedule/Notes
AIR			
NEW YORK STATE Air Permitting Regulations 6 NYCRR Part 201	<ul> <li>DEC proposed major revisions to New York's air permitting regulations, which have not been significantly revised since 1996 when DEC sought to implement the CAA's Title V permitting requirements. Key changes to 6 NYCRR Part 201 under consideration include:</li> <li>Requiring facilities operating under pre-1996 certificates to operate to submit a state facility permit or registration application.</li> <li>Revising the applicability provisions relating to registrations and state facility permits, including deleting language requiring all facilities with new emission sources that are subject to New Source Performance Standards and/or emit any hazardous air pollutants to obtain a state facility permit.</li> <li>Revising the list of exempt and trivial activities, including adding an exemption for gasoline stations registered under New York's petroleum bulk storage program, limiting an exemption for the greenhouse gases carbon dioxide and methane to emissions that are not specifically regulated, and making other additions/changes.</li> <li>Extending the exemption for "temporary" emission sources to all facilities (not just those subject to Title V permits) and revising the rules governing operation of such sources.</li> <li>Requiring more information from facility owners/operators on permit application forms (e.g., more detailed emissions calculations, information about physical parameters of emission points, etc.).</li> <li>Revising the cap-by-rule provisions to eliminate outdated fuel usage thresholds, relocate the cap-by-rule language.</li> <li>Establishing a 10-year permit term for registrations and state facility permits, which are currently issued for an indefinite period.</li> <li>Requiring facilities emitting any of 62 listed persistent, bioaccumulative and toxic (PBT) compounds from non-exempt emission sources other than combustion installations to register or obtain a permit to construct from DEC.</li> <li>The proposed revisions can be found on DEC's website at: www.dec.ny.gov/regulations/propregul</li></ul>	The proposed revisions are potentially of interest to any facility required to obtain an air registration or permit from DEC. As previously noted, DEC has not significantly revised the Part 201 regulations since 1996. Since that time, DEC has identified various provisions that require clarification or correction. Moreover, certain developments under the Clean Air Act have expanded the scope of the air permitting program in ways not anticipated by DEC. With the current rulemaking, DEC hopes to simplify/clarify the air permitting rules and eliminate outdated provisions. DEC's proposal to require facilities that emit listed PBTs to obtain a registration or state facility permit is designed to provide the Department with regulatory and emissions information on facilities that emit PBTs but would not otherwise be required to obtain a permit.	DEC is accepting comments on the proposed revisions until <b>September 27, 2012</b> . A public hearing is scheduled for 2:00 p.m. on September 19, 2012 at DEC's headquarters in Albany (with additional hearings scheduled in Avon and Long Island City).



Citation	Summary	Implications	Schedule/Notes		
ENVIRONMENTAL R	ENVIRONMENTAL REVIEW				
<b>ENVIRONMENTAL R</b> NEW YORK STATE Scoping in Advance of Revisions to State Environmental Quality Review Act Regulations 6 NYCRR Part 617		The SEQRA process has been widely criticized for being too long and complicated. Per DEC, the planned revisions to the SEQRA regulations are intended to streamline the review process "without sacrificing meaningful environmental review." In general, the changes are intended to: (1) better target projects for environmental review by updating the list of Type I and Type II actions; (2) improve the focus of the SEQRA process by targeting those issues that, in fact, have the potential to result in a significant adverse environmental impact by requiring scoping for all EISs and improving the scoping process; and (3) improving the timeliness of SEQRA decisionmaking by providing more guidance on determining the adequacy of a draft EIS and establishing more meaningful timeframes for completing the final EIS.	DEC is accepting comments on the draft scope until August 10, 2012.		



#### **Other Recent Developments (Final)**

## AIR

FEDERAL: EPA is **extending for one year the deadline for issuing initial area designations for the primary sulfur dioxide (SO<sub>2</sub>) national ambient air quality standard** (NAAQS) adopted in June 2010. The 2010 rulemaking deleted the annual and 24-hour primary (health-based) SO<sub>2</sub> NAAQS and replaced them with a single one-hour standard of 75 ppb. Since then, EPA has struggled to develop an approach for identifying nonattainment areas using a combination of monitoring data and modeling. Following expiration of the June 3, 2012 statutory deadline for issuing initial designations, EPA received a notice of intent to sue from environmental groups, prompting the agency to publish the notice extending the area designation deadline one year to June 3, 2013 under CAA §107 on the ground that it lacks sufficient data to make the designations. Where data is available, EPA plans to make its designations sooner. For example, EPA indicated that it will endeavor to issue final designations for areas with monitored violations of the SO<sub>2</sub> NAAQS by the end of 2012. The extension notice can be found in the August 3, 2012 Federal Register at: <u>www.gpo.gov/fdsys</u>.

<u>Implications</u>: Preliminary data show that only one monitoring station in New York (located in Tonawanda) exceeded the 75 ppb SO<sub>2</sub> NAAQS at any time during the relevant period.

FEDERAL: EPA issued a **three-month stay of key provisions of its controversial Mercury and Air Toxics Standards (MATS)**, which established limits on emissions of mercury and other pollutants from coal and oil-fired power plants under the National Emission Standards for Hazardous Air Pollutants (NESHAP) program. EPA adopted the MATS after a federal circuit court invalidated EPA's earlier mercury cap-and-trade program, which it adopted instead of a NESHAP. EPA recently announced that it plans to reconsider the standards for new coal and oil-fired power plants and issued the stay to provide it with additional time to conduct its review of the standards. The stay expires November 2, 2012. However, EPA anticipates that it will not complete its review by then and has indicated to the court hearing the judicial challenge to the MATS that it is amenable to a judicial stay of the new source standards. The announcement of the stay can be found in the August 2, 2012 Federal Register at: www.gpo.gov/fdsys.

<u>Implications</u>: The stay is primarily of interest to companies constructing new coal or oil-fired power plants.

NEW YORK STATE: DEC adopted an **emergency rule extending the ban on burning brush through October 10, 2012** in recognition of the unusually dry conditions this summer. Under 6 NYCRR Part 215, open burning is banned in cities, villages and towns with a population of 20,000 or more. However, the regulation ordinarily allows open burning of downed limbs and branches in towns of less than 20,000 between May 15<sup>th</sup> and March 15<sup>th</sup> of the following year. Because of the high fire risk, DEC extended the ban on open burning of downed limbs through October 10<sup>th</sup> of this year. The notice announcing the emergency rule can be found in the July 25, 2012 Environmental Notice Bulletin at: <u>www.dec.ny.gov/regulations/propregulations.html</u>.

Implications: The rule is primarily of interest to rural homeowners.

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#### REMEDIATION

FEDERAL: EPA published a **memorandum providing an overview of the applicable rules governing demolition of asbestoscontaining structures**. In December 2011, the EPA Office of Inspector General issued a report which found that EPA had authorized unapproved asbestos demolition methods and recommended that EPA more clearly communicate to its field offices the rules governing demolition of asbestos-containing structures. In response to that report, EPA issued a memorandum entitled *U.S. Environmental Protection Agency's Notification of Rules and Regulations Regarding the Demolition of Asbestos-Containing Structures*, which summarizes demolition practices under the asbestos NESHAP, 40 CFR Part 61, subpart M, focusing on applicability, work practice standards (both generally and as applied to asbestos-containing cement materials), and procedures for approving alternative work practices. The memorandum also discusses the application of the asbestos NESHAP to removal/remedial actions under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as well as relevant worker safety standards. The memorandum highlights the difficulties associated with obtaining approval of alternative work practices under the NESHAP as well as the status of the NESHAP as an applicable or relevant and appropriate requirement (ARAR) under CERCLA, including the process of obtaining ARAR waivers. The memorandum can be found on EPA's website at: www.epa.gov/asbestos/pubs/structures.pdf.

<u>Implications</u>: This memorandum is potentially of interest to individuals engaged in the demolition of asbestos-containing structures, particularly at federal Superfund sites.

#### **OTHER**

NEW YORK STATE: DEC announced **expansion of its Eco-Quality program to select environmental justice (EJ) communities statewide**. The ECO-Quality program seeks to increase environmental compliance in EJ communities through a combination of increased public outreach, consultation, and environmental community policing activities. DEC implemented a pilot program in 2010 in three communities in Westchester County and is now expanding it statewide to select communities in New York City, Long Island, Buffalo and Albany. In conjunction with the program, DEC will conduct diesel truck emission checks to assess compliance with state diesel exhaust and vehicle idling standards. In addition, DEC staff will conduct community patrols in the selected neighborhoods to determine the compliance status of businesses in the area. During the pilot program, DEC targeted dry cleaners and auto-related businesses, including autobody shops, gas stations, and auto dealers. Staff visited the facilities, identified problems and gave owners an opportunity to address any compliance problems identified; enforcement tools used included verbal warnings and citations, depending on the circumstances. Information about the ECO-Quality program can be found on DEC's website at: www.dec.ny.gov/public/83550.html.

<u>Implications</u>: The announcement is primarily of interest to owners of dry cleaning, auto-related and other small environmentally-significant businesses located in areas targeted by DEC under the ECO-Quality program; it is also of interest to owners/operators of truck fleets that travel through targeted EJ communities.

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#### **Other Recent Developments (Proposed)**

#### AIR

FEDERAL: EPA proposed to **revise key aspects of its controversial NESHAP and NSPS for Portland cement plants**, which were adopted in 2010. Among other things, EPA proposed to change the particulate matter emission limits and monitoring requirements for existing kilns from 0.04 pounds per ton of clinker measured using continuous emission monitoring systems (CEMS) to 0.07 pounds per ton of clinker based on manual stack tests conducted once every three years plus continuous parametric monitoring. According to EPA, the change is necessary because the CEMS may not meet an important performance specification. In setting the new PM standard, EPA excluded data obtained from cement kilns that burn nonhazardous waste consistent with the court's opinion in *Portland Cement Association v. EPA*, which criticized EPA for including emissions from these units when setting the NESHAP. As part of the rulemaking, EPA also proposed to increase the emission limits for organic air toxics, an alternative to total hydrocarbons, and allow work practices to control fugitive emissions from open clinker piles. Finally, EPA proposed to extend the NESHAP compliance date for existing cement kilns two years to September 9, 2015 after concluding that the additional time is needed to allow industry to change its control strategies based on the new PM limits. EPA is accepting comments on the proposed rule until **August 17, 2012**; it can be found in the July 18, 2012 Federal Register at: www.gpo.gov/fdsys.

Implications: The proposed rule is primarily of interest to owners/operators of cement plants.

NEW YORK STATE: DEC has proposed to adopt California's new motor vehicle standards to maintain consistency with the California program. Under the CAA, California is authorized to issue motor vehicle emission standards that are stricter than EPA's provided the state first obtains a waiver; other states may then adopt the California standards as their own. With the recent rulemaking, DEC proposed to revise 6 NYCRR Part 218 and related provisions to conform to recent changes to the California regulations. Specific standards covered by the proposal include: (1) low emission vehicle (LEV) standards, which are targeted at reducing emissions of criteria pollutants such as nitrogen oxides and particulate matter; (2) greenhouse gas emission standards; (3) zero emission vehicle (ZEV) standards, which mandate that an increasing percentage of vehicles sold in the state emit no or very low emissions; (4) rule prohibiting sale of used catalytic converters and imposing stricter emission reduction performance and durability requirements on new aftermarket catalytic converters; (5) environmental performance label standards; and (6) warranty and recall regulations for California-certified vehicles delivered for sale and registered in New York. Comments should be submitted in accordance with the schedule for the air permitting regulations discussed above.

Implications: The proposed rule is primarily of interest to motor vehicle owners and manufacturers.

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## **Upcoming Deadlines**

NOTE: This calendar contains items of general interest.

**August 10, 2012:** Deadline for submitting comments on DEC's draft scope prepared in advance of planned revisions to the SEQRA regulations. See DEC's website at <u>www.dec.ny.gov/permits/83389.html</u> for details.

August 17, 2012: Deadline for submitting comments on EPA's proposed revisions to the cement plant NESHAP and NSPS. See the July 18, 2012 Federal Register at <u>www.gpo.gov/fdsys</u> for details.

August 23, 2012: Deadline for submitting comments on EPA's draft *Permitting Guidance for Oil and Gas Hydraulic Fracturing Activities Using Diesel Fuels* (extended from July 9, 2012). See the May 10, 2012 Federal Register at <u>www.gpo.gov/fdsys</u> for details.

August 27, 2012: Deadline for submitting comments on EPA's notice seeking comment on ways to improve community engagement in the EPA permitting process. See the June 26, 2012 Federal Register at <u>www.gpo.gov/fdsys</u> for details.

August 31, 2012: Deadline for submitting comments on EPA's proposed revisions to the PM NAAQS. See the June 29, 2012 Federal Register at <u>www.gpo.gov/fdsys</u> for details.

September 19, 2012: Public hearing on DEC's proposed revisions to its air permit and motor vehicle emission standard regulations scheduled for 2:00 p.m. at DEC Headquarters, 625 Broadway, Albany. NOTE: Additional public hearings are scheduled during the same week in Avon and Long Island City.

September 24, 2012: Deadline for submitting comments on EPA's proposed national uniform air emission standards for storage vessel and transfer operations, equipment leaks, and closed vent systems and control devices (extended from June 25, 2012). See the March 26, 2012 Federal Register at <a href="https://www.gpo.gov/fdsys">www.gpo.gov/fdsys</a> for details.

September 27, 2012: Deadline for submitting comments on DEC's proposed revisions to its air permit and motor vehicle emission standard regulations. See <a href="http://www.dec.ny.gov/regulations/propregulations.html">www.dec.ny.gov/regulations/propregulations/propregulations.html</a> for details.

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