



Maryland
Department of
the Environment

AIR QUALITY PERMITS PROGRAM INTERPRECURSOR TRADING REGULATORY UPDATE KAREN IRONS

Air Quality Control Advisory Council (AQCAC)

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PURPOSE

- Purpose is to allow Interprecursor Trading (IPT) for ozone precursors
- Maryland IPT regulations presented to AQCCAC on June 19, 2017, adopted through process on April 9, 2018
- Maryland regulations submitted to EPA for incorporation into Maryland's State Implementation Plan (SIP) on May 15, 2018



CURRENT MDE REGULATION

COMAR 26.11.17.01 & .04

- Allow sources to substitute NO_x ERCs for VOC ERCs upon meeting the following requirements:
 - Submittal of a description of the air quality model(s) used to establish the appropriate ratio for the precursor substitution;
 - A proposed ratio for the precursor substitution and accompanying calculations; and
 - A demonstration substantiating that the ratio achieves an equivalent or greater air quality benefit for ozone in the nonattainment area
- Approvals will be done a case by case basis



Proposed Changes

- Code of Maryland Regulation (COMAR) 26.11.17.04F(1)

“Provided that the other requirements for such offsets are satisfied, the offset requirements of COMAR 26.11.17.03B(3) for emissions of NO_x and VOC may be satisfied through interprecursor trading by offsetting reductions of emissions of either NO_x or VOC, by submitting to the Department and ~~EPA~~ for written approval the following information:
- Code of Maryland Regulation (COMAR) 26.11.17.04F(2)

“Approvals of precursor substitutions shall be made by the Department and ~~EPA~~ on a case-by-case basis and are permit specific.”



Background

- **Why is Interprecursor Trading (IPT) Necessary?**
- **Major new sources of air emissions in Maryland must obtain Emission Reduction Credits (ERCs) to offset emission increases of ozone precursors. All of Maryland is either a moderate ozone non-attainment (Baltimore area), marginal ozone non-attainment (Washington DC area) or in the Ozone Transport Region**



More Background

- VOC ERCs have been difficult to impossible find
- NOx ERCs have been somewhat easier to obtain
- From EPA's 11/17/16 Proposed 2015 Ozone Implementation Rule- States can make it easier for new or modified major sources to satisfy the offset requirements in an area by establishing interpollutant offset substitution provisions. Such provisions create additional flexibility in meeting offset requirements by allowing NOx emission reductions to satisfy VOC offset requirements and vice versa



Why Do We Need to Change our Regulations?

- EPA approval requirement was put in Maryland's regulations in accordance with EPA rules in effect at time Maryland's rules were adopted
- Since then, EPA changed its rules (12/6/18 Federal Register) and will now not approve Maryland's regulations into the State Implementation Plan (SIP) unless Maryland deletes the requirement for EPA approval.



Why Did EPA Change its Rule?

The following is from “Implementation of the 2015 National Ambient Air Quality Standards for Ozone Nonattainment Area State Implementation Plan Requirements:

- “... air agencies will not be required to obtain EPA approval of IPT ratios when implementing a case-specific IPT program [i.e. Maryland’s program]...”



Basis for EPA Change

- “The EPA acknowledges, based on comments received, that the requirement of EPA approval of IPT ratios could impose additional burdens and result in permit delays. Hence, in the final rule, the EPA is eliminating this approval requirement for the case-specific ratios... Finally, the EPA, will, of course, also have an opportunity to review and comment on the application of any IPT ratio (default or case-specific) to a particular source or location during the public comment period afforded as part of the NNSR [Nonattainment New Source Review] permitting process.”



Timeline

- Maryland adoption process approximately 9 months
- Send SIP package to EPA that includes original adoption along with this change