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**Category:** 26 – Bubbling

MEMORANDUM

TO: Tom Helms  
Control Programs Operations Branch, OAQPS (MD-15)

FROM: Mike Levin, Chief  
Regulatory Reform Staff (PM-223)

RE: VOC Averaging

Last week's Emissions Trading Standing Committee indicated OAQPS is moving toward rapid resolution of the VOC Averaging issue. Accordingly, I want to register RRS's concern on two issues, raised both at the meeting and by Darryl's October 12 memo.

First, RRS believes that any emissions limit with an averaging time longer than twenty-four hours must include a daily cap. Without such a cap, no credible claim can be made that the one-hour ozone standard is being protected over the normal daily ozone cycle.

Second, RRS is concerned that one resolution suggested in Darryl's memo presupposes an answer to the "Shutdowns" notice (48 FR 39580, August 31, 1983), an answer inconsistent with the agency's definition of RACT-equivalent reductions and with the whole idea of bubbles to meet RACT.

Darryl's memo raises the issue of what kinds of reductions are creditable. In describing the principles governing use of a proposed thirty-day average, it reasserts two conditions originally contained in the "Sydnor memo" of last spring. I.e.; that:

"b. The adopted limits truly reflect emissions reductions consistent with RACT and are not simply an artificial constraint on potential emissions; [and that]

"c. Nonproduction or equipment downtime is not allowed in the limit calculation."

This effectively returns to a definition of RACT as a technology standard. But the basic principle of emissions trading is that RACT may be defined as RACT-equivalent emissions, and that RACT must necessarily be so defined if bubbles to meet RACT are to be allowed. Bubbles must be "equivalent to the original emission limits in terms of ambient impact and enforceability" (47 FR 15076). Air quality depends on the reality of a reduction, not on its source. So long as enforceable reductions from actual, historical emissions occur, it should make no difference whether those reductions come from add-on controls, process changes, or production curtailments or shutdowns.

Use of enforceable shutdowns or curtailments below actual historicals is fully consistent with RACT-equivalence. While the memo accepts this approach for use in the daily cap, it would prohibit it for meeting the thirty-day average.

This prohibition should be eliminated. It implies rolling back the definition of RACT which has become the basis of emissions trading. It also presumes a negative answer regarding the use of enforceable and otherwise creditable shutdowns. We think it would be inappropriate to make a decision now which presupposes resolution of the issues raised in the "Shutdowns" notice. This danger is particularly acute because most remaining nonattainment or "fix-it" areas will be ozone areas, and most trading in those areas will be by CTG or post-CTG sources whose control requirements raise averaging issues. Precluding enforceable reductions below historical actuals from the average would effectively bar credit for line shutdowns or production curtailments in these areas, though such reductions are just as "real" as others.

If this restriction against use of creditable alternative control strategies is eliminated, we have no objection to the use of a thirty-day average, so long as it is accompanied by a daily emissions cap to protect the one-hour ozone standard. Without a daily cap, the thirty-day average is unsatisfactory for ambient reasons. With a properly-structured daily cap, however, it seems unlikely that a thirty-day average will add much, if anything, to either the actual level of control obtained or the flexibility accorded regulated sources.

The important issue for control purposes is how the daily cap is formulated, since the daily cap effectively defines RACT-equivalence. There would seem to be four basic alternatives.

(1) Allow the plant a total daily emission limit equal to the sum of the allowable RACT emission rates for each line operating at maximum daily capacity. Such an approach would bear no relationship to either historical emission levels or any inventory or attainment demonstration, and would be unlikely to protect ambient air quality.

(2) Calculate total allowable daily emissions based on the daily average of production history for the past two years at currently required RACT control levels. This is what Massachusetts has done. It conforms to Darryl's proposed requirement that "the emissions limit reflect typical (rather than potential or allowable) production rate and operating hours." It has the disadvantage of being based on an historical period during which actual production by much of American industry was extremely depressed.

(3) Calculate the daily cap on the same basis as #2 above (historical average daily production x applicable RACT rates), but allow sources to show that a historical period different than the last two years is more genuinely representative. This would avoid accidental constraints resulting from a depressed economy, but might entail more case-by-case determinations and delay.

(4) Calculate total allowable daily emissions based on daily average of production history for the baseline inventory year for the development of the state SIP, at currently required control levels. This would be equally consistent with Darryl's memo. It would have the added advantage of being based on average production in the year on which the state's emission reduction needs were established, and of avoiding many case-by-case determinations involving "representativeness."

Either of the last three alternatives would be acceptable.

cc: Darryl Tyler;  
Brock Nicholson  
Rich Biondi  
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