



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
RESEARCH TRIANGLE PARK, NC 27711

MAR 17 2011

OFFICE OF
AIR QUALITY PLANNING
AND STANDARDS

MEMORANDUM

SUBJECT: Approving SIP Revisions Addressing VOC RACT Requirements for Certain Coatings Categories

FROM: Scott Mathias, Interim Director *Scott Mathias*
Air Quality Policy Division (C539-01)

TO: Regional Air Division Directors

The Office of Air Quality Planning and Standards has received requests from Regional Offices for guidance on approving State Implementation Plan (SIP) revisions resulting from newly-issued Control Techniques Guidelines (CTGs) documents. These CTGs provide recommendations to inform state determinations as to what constitutes reasonably available control technology (RACT). In some cases, the newly-issued CTGs contain recommended emission limits that are less stringent than limits recommended in older CTGs covering the same industry, and may be less stringent than limits already adopted into SIPs based on the older CTGs. This is the case for industries covered by CTGs pertaining to Large Appliance Coatings, Metal Furniture Coatings, and Miscellaneous Metal and Plastic Parts Coatings.

The U. S. Environmental Protection Agency (EPA) issued new CTGs for these categories in 2007 and 2008, under authority of Clean Air Act (CAA) section 183(e), to address volatile organic compound (VOC) emissions from categories of consumer and commercial products. They replace similar CTGs issued by EPA in 1977 and 1978. The new CTGs recommend more stringent limits for general use coatings, but also include new recommendations for several "specialty use" categories that are less stringent than the general use limits established in the 1970s guidelines.

States are required to submit a SIP revision in response to any newly-issued CTGs.¹ If an existing SIP contains requirements that are not less stringent than the applicability thresholds and/or coating operations limits recommended in new CTGs, the state may choose to submit as a SIP revision a certification that the existing SIP meets RACT requirements.

¹ CAA section 182(b)(2) requires Moderate and above ozone nonattainment areas to revise SIPs when a new CTG is issued by EPA after 1990. EPA is required to set a SIP submission deadline with the issuance of each CTG. For CTGs we have issued in the past several years, we have specified a submission deadline of one year after the CTG was issued (See 72 FR 57215 Oct 9, 2007 and 73 FR 5848 Oct 7, 2008).

We anticipate that EPA Regional Offices would be able to approve the RACT determinations in these circumstances. We note that EPA's recommendations in CTGs are generally treated as "presumptive" RACT and states may demonstrate that other limits are RACT for one or more sources within the source category addressed by the CTG. Where a state has previously determined that more stringent applicability thresholds and/or control levels are RACT for one or more sources in a source category and the sources have complied with those requirements, then those existing controls should be considered RACT for such sources.

If a state chooses to revise more stringent rules that are already in the approved SIP, so that those rules reflect the less-stringent recommended limits in the new CTGs, there are additional considerations that must be factored into any EPA decision to approve the SIP revision. The state would need to first demonstrate that the SIP-approved control requirements are not reasonably available considering technological and economic feasibility, consistent with EPA's definition of RACT. *See* 44 FR 53762 (September 17, 1979). In addition, in order to comply with the SIP approval conditions of CAA section 110(l), the state would need to demonstrate that the revision to the SIP would not interfere with attainment of, or reasonable further progress toward attainment of, the National Ambient Air Quality Standards, nor interfere with any other applicable requirement of the CAA. This would be demonstrated if the stricter limits on general use coatings provide sufficient emission reductions to entirely offset any emission increase caused by adopting the less stringent limits for specialty coatings. Alternatively, the state could adopt supplemental measures that achieve additional emission reductions from another source category in another industry to offset the increased emissions from the specialty coatings. In general, if a proposed SIP revision achieves the same or greater emission reductions as the approved SIP within the same timeframe as provided under the existing plan, the Regional Office should be able to determine that the SIP revision is consistent with the approval conditions of CAA section 110(l).

The public dockets for the Large Appliance Coatings and the Metal Furniture Coatings CTGs contain information that states may find helpful in determining the reductions that can be achieved by adopting the new general use category CTG limits for these industries. According to the docketed information, the estimated reductions from the new CTGs are 30 to 35 percent greater than from the older CTGs. *See* documents EPA-HQ-OAR-2007-0329-0009 and EPA-HQ-OAR-2007-0334-0010 in dockets EPA-HQ-OAR-2007-0329 and EPA-HQ-OAR-2007-0334, respectively. The increase in emissions reductions in any specific nonattainment area may vary depending on the volume usage distribution among the general and specialty categories in that area. The dockets for the new CTGs do not contain area-specific analyses of potential emissions reductions. Generally, if a state believes the volume usage distribution among the general and specialty categories in the docket is representative of the distribution in the nonattainment area, we believe that if a state undertakes wholesale adoption of the new categorical limits in a specific CTG, the state may rely on the assessments in the docket to demonstrate that the range of new limits will result in an overall reduction in emissions from the collection of covered coatings. However, if a state adopts some specialty category limits, but not all of the new categorical limits, or determines that it has a different volume usage distribution among categories, the state may need to do an area-specific assessment of whether tighter restrictions for some coatings, coupled with

less stringent restrictions on other coatings would provide overall equal or greater emissions reductions than the set of rules based on the recommendations in the 1970s guidelines.

If you have further questions on SIP-related issues you should contact Butch Stackhouse at (919) 541-5208. If you have further technical questions on the topics covered in this memorandum you should contact Kaye Whitfield at (919) 541-2509.

cc: Robin Dunkins, SPPD
Kimber Scavo, AQP
David Orlin, OGC
Sara Schneeberg, OGC