



IN REPLY REFER TO:

United States Department of the Interior
NATIONAL PARK SERVICE
Air Resources Division
P.O. Box 25287
Denver, CO 80225



N3615 (2350)

February 27, 2012

Pamela Blakley, Chief
Control Strategies Section
Air Programs Branch (AR-18J)
U.S. Environmental Protection Agency Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

EPA Docket ID: EPA-R05-OAR-2011-0329

Dear Ms. Blakley:

The National Park Service (NPS) has reviewed the Environmental Protection Agency's (EPA's) proposed "Approval and Promulgation of Air Quality Implementation Plans; Indiana; Regional Haze." We are concerned that EPA and Indiana have not been responsive to concerns that we raised in our January 2011 comments on Indiana's proposed Alternative to Best Available Retrofit Technology (BART) for Alcoa, Inc. EPA's proposed approval of the Alcoa BART Alternative is inconsistent with other EPA guidance, as discussed in our enclosed comments.

We appreciate the opportunity to work closely with the Indiana Environmental Protection Agency and EPA Region 5 to make progress toward achieving natural visibility conditions at our National Parks and Wilderness Areas. For further information regarding our comments, please contact Don Shepherd at (303) 969-2075.

Sincerely,

Susan Johnson
Chief, Policy, Planning and Permit Review Branch

Enclosure

cc:
Keith Baugues, Assistant Commissioner
Office of Air Quality
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46204-2251

**National Park Service Comments on EPA Proposed Approval of Indiana's Alternative to
Best Available Retrofit Technology for Alcoa
February 27, 2012**

As detailed below, we believe that EPA's proposed approval of Indiana's BART Alternative for Alcoa is inconsistent with its advice to Wisconsin and contrary to EPA's economic incentive program (EIP) policy. We therefore recommend that EPA disapprove the Alcoa BART Alternative.

In our January 3, 2011 comments (attached) to IDEM, we raised the issue of the validity of the Alcoa "BART Alternative."

We question whether it is valid to take credit as a BART Alternative for SO₂ and NO_x reductions that were required under New Source Performance Standards (NSPS) when Alcoa increased the capacities of Boilers 1, 2, and 3. Boilers 2 and 3 are subject to BART; Boiler 1 is not. Boiler 4 is classified as an EGU and is also subject to BART. Wet flue gas desulfurization (FGD) scrubbers were installed on all boilers in 2008. For SO₂, NSPS requires 90% control. IDEM proposes to use SO₂ reductions for Boiler 1 to offset the difference between BART (92% control) and proposed controls (90% control) for Boilers 2 and 3. IDEM credits the scrubber installed on Unit 1 as achieving significantly higher reductions in SO₂, equal to approximately 21,600 tons, than would be achieved by BART. However we understand that because Boiler 1 was required by NSPS to reduce SO₂ emissions by 90%, Alcoa can take credit in the BART Alternative for only the difference between the required 90% reduction and the proposed 91% reduction at Boiler 1. We do not believe that it is valid to use reductions that are required by permit to meet NSPS at Boiler 1 to also satisfy BART for the Boilers 2 and 3.

Alcoa and IDEM have underestimated the efficiency of scrubbers (95%) and Selective Catalytic Reduction, SCR (90%). As well, Alcoa and IDEM are also proposing to increase SO₂ and PM emissions from BART sources (potlines) above current levels. We do believe that the existing analyses support the determination that the BART Alternative is better than BART.

IDEM responded:

IDEM's approach to BART reductions has been to follow guidance from various parts of the regional haze program. In the 1999 Regional Haze Regulations, Subpart P – Protection of Visibility, it states that reductions must be surplus to required emission reductions up to the baseline date. The established baseline date is 2002. The year 2002 has been used by various states, RPOs, and the EPA regional haze modeling guidance. It is also specified by the Lydia Wegman November 18, 2002 memo, "2002 Base Year Emission Inventory SIP Planning: 8-hr Ozone, PM_{2.5} and Regional Haze Programs."

The BART Rule, 70 FR 128, 39143, states that "(2) The EPA does not believe that anything in the CAA or relevant case law prohibits a State from considering emissions reductions required to meet other CAA requirements when determining whether source by source BART controls are necessary to make reasonable progress." and "(3)...in lieu of BART programs be based on emissions reductions 'surplus to reductions resulting from measures adopted to meet requirements as of the baseline date of the SIP.' The baseline date for regional haze SIPs is 2002..." This is extracted from a discussion justifying the use of CAIR, a program used for other purposes, to substitute for BART. Therefore, it is our belief that it is valid to take credit for BART alternatives made for other purposes.

In its September 16, 2011 letter¹ to Wisconsin (attached), EPA advised Wisconsin regarding a proposal for a similar BART Alternative involving BART and non-BART sources:

Since the BART guidelines do not address trades that involve sources not subject to BART, issues like this must be addressed in accordance with EPA's economic incentive program (EIP) policy, particularly the guidance on emissions averaging and on single source caps. A central tenet of this policy is that credits may only be granted for surplus emission reductions.

¹ Comments on Draft Wisconsin Regional Haze Plan Dated July 1, 2011

First, as stated on page 83, the EIP policy disallows credit for “emission reductions to meet . . . MACT requirements.” We recognize that EPA has stayed the compliance date for its industrial boiler MACT, but we recommend that Wisconsin prepare its SIP based on the premise that compliance with the MACT will be required by the time compliance with BART is required, such that EPA would be unable to approve a mass cap that includes any emissions that the control equipment for the MACT would remove. We recognize further that the MACT does not expressly limit SO₂ emissions and can be met in a variety of ways that will achieve a range of reductions of SO₂ emissions. Therefore, if Wisconsin wishes to include this boiler in a multi-boiler cap, it must evaluate the SO₂ emission reductions that would be expected to result from compliance with the MACT and to reduce the baseline emissions accordingly.

Further complexity arises from requirements that will be established to meet the SO₂ air quality standard. The EIP, on page 35, states that “you may not claim programmatic EIP emission reductions that result from any emission reduction or limitation of a criteria pollutant precursor that you require to attain or maintain a NAAQS.” As stated in the preamble for the promulgation of the air quality standard (cf. 76 FR 35573, published June 22, 2010), EPA expects the infrastructure SIPs, due in June 2013, to provide enforceable emission limits that provide for attainment and maintenance of the SO₂ standards. Preliminary evidence suggests that facilities with emission levels like those of Georgia-Pacific’s Green Bay facility will generally need reductions in emissions. Therefore, depending on circumstances at the time of EPA rulemaking, inclusion of the non-BART boiler in a multi-boiler cap may necessitate conducting modeling to determine the level of emissions that provides for attainment, and then reducing the cap at most to that level.

In its January 26, 2012 proposal² to approve the Alcoa BART Alternative in Indiana, EPA states: EPA is satisfied with Indiana’s alternative strategy for Alcoa. Modeling conducted by Indiana shows that the alternative achieves greater visibility improvement than BART, equal to 75 percent more reduction in deciviews over the baseline. The alternative BART, though it achieves greater reductions in all pollutants (PM, SO₂, and NO_x); and most notably achieves significantly higher reductions in SO₂ emissions, equal to approximately 21,600 tons more than BART. The resulting emission limits are adopted by Indiana into the Indiana’s regional haze SIP submittal, and will be included in the facilities’ Part 70 permit for each unit subject to BART.

We believe that EPA’s proposed approval of the Alcoa BART Alternative is inconsistent with its advice to Wisconsin and contrary to EPA’s economic incentive program policy. We direct attention to the EIP definition of “surplus”:

Surplus. Programmatic emission reductions are surplus as long as they are not otherwise relied on in any of the following air quality-related programs:

- Your SIP.
- Your SIP-related requirements such as transportation conformity.
- Other adopted State air quality programs not in your SIP.
- Federal rules that focus on reducing precursors of criteria pollutants such as *new source performance standards* (NSPS), rules for reducing VOCs promulgated under section 183 of the CAA, and statutorily mandated mobile source requirements.

In other words, you may not claim programmatic EIP emission reductions that result from any emission reduction or limitation of a criteria pollutant precursor that you require to attain or maintain a NAAQS or satisfy other CAA requirements for criteria pollutants, such as NSR Class I protection. In the event that your EIPs programmatic emission reductions are relied on to meet new air quality-related program requirements listed above, they are no longer surplus for any future EIP you develop. Note that the programmatic surplus element only applies to programmatic reduction EIPs. - the element does not apply to compliance flexibility EIPs.

Furthermore, you may not claim programmatic EIP emission reductions that result from any emission reductions that occur because of compliance with a consent decree.

² ENVIRONMENTAL PROTECTION AGENCY 40 CFR Part 52 [EPA-R05-OAR-2011-0080; FRL-9622-7] Approval and Promulgation of Air Quality Implementation Plans; Indiana; Regional Haze ACTION: Proposed rule. Federal Register /Vol. 77, No. 17 /Thursday, January 26, 2012