P2008-15 BART and Adopt-by-Reference

FORM #1

FORM FOR PETITIONING THE STATE ENVIRONMENTAL COMMISSION FOR ADOPTION, FILING AMENDMENTS OR REPEAL OF COMMISSION REGULATIONS

 Nevada Division of Environmental Protection 901 South Stewart Street, Suite 4001 Carson City, NV 89701-5249 (775) 687-4670 June 27, 2008; revised and resubmitted September 12, 2008

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- 2. The Nevada Division of Environmental Protection (NDEP) is a division of the Nevada Department of Conservation and Natural Resources of the State of Nevada. The NDEP is an environmental regulatory agency.
- 3. Nevada Revised Statutes (NRS) 445B.210 establishes the authority of the State Environmental Commission (SEC) to adopt regulations to prevent, abate and control air pollution. NRS 445B.300 establishes specific authority of the SEC regarding operating permit requirements for sources of air contaminants.

SPECIFIC CHANGES:

The NDEP is proposing to add a requirement for certain electric generating units (EGUs) to install best available retrofit technology (BART) and comply with emission limitations for NO_x , SO_2 and PM_{10} . These requirements apply to Sierra Pacific Resources' Fort Churchill and Tracy Generating Stations in the Mason Valley and Truckee River Basins, respectively; Nevada Power Company's Reid Gardner Generating Station in the California Wash northeast of Las Vegas; and Southern California Edison's Mohave Generating Station near Laughlin.

The NDEP is also proposing to update NAC 445B.221, "Adoption by reference and applicability of certain provisions of federal law and regulations." We are proposing to adopt into State regulation the May 8, 2008 amendments to Title 40 of the Code of Federal Regulations Part 51, Appendix S, and section 21 of Part 52. These amendments deal with the "Implementation of the New Source Review (NSR) Program for Particulate Matter Less Than 2.5 Micrometers (PM2.5)."

4. NEED FOR AND PURPOSE:

The proposed BART regulation is necessary to comply with the federal *Regional Haze Regulations* (RHR) promulgated in July 1999 (64FR35714). The RHR requires states to establish emission reduction strategies for improving visibility in all 156 mandatory Class I national parks and wilderness areas in the United States. One of the strategies required by the RHR (and found in the Clean Air Act) is the application of BART to certain existing sources. The Clean Air Act defines the sources potentially subject to BART as major stationary sources, including reconstructed sources, from one of 26 identified source categories which have the potential to emit 250 tons per year or more of any air pollutant, and which were placed into operation between August 1962 and August 1977. States must determine which sources in their state are subject to the requirement to install BART, impose that requirement and show that it is enforceable. NDEP has determined that the sources identified in the proposed regulation are subject to BART. BART analyses were conducted to determine the required control technologies and emission limits.

With respect to NAC 445B.221, the proposed amendments are necessary so that NDEP can implement the delegated major New Source Review program in Nevada for $PM_{2.5}$. This will allow the regulated industry to continue to work with the State as opposed to the EPA.

- 5. ECONOMIC EFFECTS:
 - (a) <u>Regulated Business/Industry</u>. In some cases, the BART regulation will require the regulated industry to install new control technologies, upgrade existing controls and/or switch to a different fuel. In other cases, BART is the same as what is required under existing permit conditions, and so the regulation will impose no additional cost. There will be no economic effects from the update of NAC 445B.221.
 - (a) <u>Public</u>. The proposed regulation will have no economic effect on the public, unless in the case of BART, the regulated industry chooses to pass the cost along to the consumer.
 - (c) Enforcing Agency. There will be no economic effects on NDEP.
- 6. The proposed BART regulation does not overlap or duplicate any regulations of other state or government agencies. The proposed amendments to NAC 445B.221 adopt federal regulations by reference.
- 7. The proposed amendments are no more stringent than what is established by federal law.
- 8. The proposed amendments do not address fees.