GREENHOUSE GAS (GHG) REGULATION

Mandatory GHG Reporting

Does your facility meet the applicability criteria for (see 40 CFR Part 98)?

1. Does your facility fall into a listed source category with required mandatory reporting, *regardless of the quantity* of your facility GHG emissions?
2. Does your facility fall into a listed source category with a GHG emission threshold equal to or exceeding 25,000 metric tons of carbon dioxide equivalents (MT CO_2e)?
3. Independent of applicability to a listed source category, does your facility operate stationary combustion equipment with cumulative heat input capacity ≥30 MM Btu/hr, *and* emit ≥25,000 MT CO_2e?

The year 2010 deadline for GHG reporting is fast approaching.

Certificates of Representation were due **January 30, 2011**

The 2010 GHG Reports are due by **March 31, 2011**

BE AWARE…Further GHG regulatory activity is pending!

January 2011 Facilities undergoing new source review for other pollutants will be required to include GHG in their permits if they increase their emissions by at least 75,000 tons per year (TPY) of carbon dioxide equivalent.

July 2011 U.S. EPA will extend the January 2011 requirements to new construction projects that emit at least 100,000 TPY GHG and existing facilities that increase emissions by at least 75,000 TPY of carbon dioxide equivalent, even if they do not exceed their thresholds for other pollutants.

Also, sources that emit at least 100,000 TPY of GHG will be required to account for GHG emissions in their Title V Operating Permits.

BEWARE...GHG regulatory activity is a reality!

January 2011 The first Title V Permit including GHG "best available control technology" (BACT) requirements has been issued to a Louisiana facility.

WHAT IS THE PROBLEM...Unanswerable Questions

While both have been historically higher and lower than today….

- What is the correct concentration of CO_2 in the atmosphere?
- What is the correct global temperature?

To try to predict the future global climate based on just one variable (CO_2 or equivalents) in an extraordinarily complex natural system is still a question to many. The jury is still out regarding GHG (especially CO_2) emissions and the effect on global climate, but there are upcoming deadlines imposed by U.S. EPA that nevertheless need to be met.

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HOW DID THIS HAPPEN…Background

The U.S. EPA is moving aggressively forward with the development and implementation of regulations, in response to the "Endangerment Finding" for GHG in December 2009…U.S. EPA's response to a court ruling to regulate GHG.

The Endangerment Finding triggered GHG emission standards for light-duty vehicles, now in-place for future model years…but also triggered permitting requirements for GHGs from stationary sources.

Facilities across the entire national economy are or will be required to report, obtain permits for, and potentially reduce emissions of GHGs.

Electricity, petrochemical production, iron and steel, petroleum and natural gas systems, other industrial, municipal solid waste landfills…45 specified sources (see 40 CFR Part 98).

Stationary source regulation will be accomplished through regulatory mandates such as BACT, "prevention of significant deterioration" (PSD) and Title V permitting.

The U.S. EPA applied the "Tailoring Rule," that temporarily raises the GHG permitting level to 25,000 TPY, thereby limiting the applicable facilities.

Without "tailoring", the U.S. EPA estimated that ~6 million facilities would require permits for GHG.

The Small Business Assistance Office of Advocacy found that some 1,200 small entities like brick manufacturers, foundries, municipal utilities, and refineries may have to obtain Title V permits, even with the "Tailoring Rule."

U.S. EPA estimates the cost of these types of permits is between $45,350 and $84,530 per facility.

The situation is fluid, and legal and legislative challenges abound on both sides of the issue.

Future concerns over regulating GHG through the Clean Air Act are the potential to trigger GHG considerations into the "national ambient air quality standards" (NAAQS) and "new source performance standards" (NSPS). This is considered by industry and business organizations to be potentially catastrophic to the economy.

WHO CAN HELP…KU Resources Can

KU Resources' air quality expertise allows us to assist our clients navigate and understand the fluid GHG regulatory climate. KU Resources can assist you with your GHG compliance needs by providing the following services:

- Regulatory Applicability Determinations
- Develop Compliance Strategies and Tools
- Develop GHG Monitoring Plans
- Conduct a GHG Emission Inventory
- Provide GHG Emission Inventory Reporting
- Review and Verify Existing GHG Emission Inventory, Monitoring Plans, or Reports
- Monitor, Evaluate, and Report on Emerging GHG Regulations and Legislation, and Developing Comments on Draft Regulations

Contact KU Resources by phone at (412) 469-9331 or by email at info@kuresources.com.