

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 335 Department or Agency Environmental Management

Rule No. 335-3-5-.25

Rule Title: Compliance with TR SO₂ Emissions Limitation

X New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? YES

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? YES

Is there another, less restrictive method of regulation available that could adequately protect the public? NO

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? YES

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? NO

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? YES

Does the proposed rule have an economic impact? YES

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of section 41-22-23, Code of Alabama 1975.

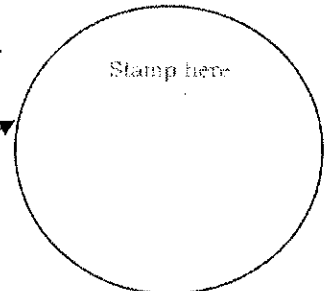
Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Maury Elliott

Date 07-20-2015

Date Filed



APA-2
11/96

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
AIR DIVISION

NOTICE OF INTENDED ACTION

AGENCY NAME: Environmental Management

RULE NO. & TITLE: Division 335-3, Air Pollution Control Program
Rule 335-3-5-.06 - TR SO₂ Trading Program – Purpose and Definitions (New)
Rule 335-3-5-.07 - TR SO₂ Trading Program – Applicability (New)
Rule 335-3-5-.08 TR SO₂ Trading Program – Retired Unit Exemption (New)
Rule 335-3-5-.09 - TR SO₂ Trading Program – Standard Requirements (New)
Rule 335-3-5-.10 - TR SO₂ Trading Program – Computation of Time (New)
Rule 335-3-5-.11 – Administrative Appeal Procedures (New)
Rule 335-3-5-.12 - SO₂ Trading Budgets and Variability Limits (New)
Rule 335-3-5-.13 - TR SO₂ Allowance Allocations (New)
Rule 335-3-5-.14 - Authorization of Designated Representative and Alternate Designated Representative (New)
Rule 335-3-5-.15 - Responsibilities of Designated Representative and Alternate Designated Representative (New)
Rule 335-3-5-.16 - Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source (New)
Rule 335-3-5-.17 - Certificate of Representation (New)
Rule 335-3-5-.18 - Objections Concerning Designated Representative and Alternate Designated Representative (New)
Rule 335-3-5-.19 - Delegation by Designated Representative and Alternate Designated Representative (New)
Rule 335-3-5-.20 – Reserved (New)
Rule 335-3-5-.21 - Establishment of Compliance Accounts, Assurance Accounts, and General Accounts (New)
Rule 335-3-5-.22 - Recordation of TR SO₂ Allowance Allocations and Auction Results (New)
Rule 335-3-5-.23 - Submission of TR SO₂ Allowance Transfers (New)
Rule 335-3-5-.24 - Recordation of TR SO₂ Allowance Transfers (New)
Rule 335-3-5-.25 - Compliance with TR SO₂ Emissions Limitation (New)
Rule 335-3-5-.26 - Compliance with TR SO₂ Assurance Provisions (New)
Rule 335-3-5-.27 – Banking (New)
Rule 335-3-5-.28 - Account Error (New)
Rule 335-3-5-.29 - Administrator’s Action on Submissions (New)
Rule 335-3-5-.30 – Reserved (New)
Rule 335-3-5-.31 - General Monitoring, Recordkeeping, and Reporting Requirements (New)
Rule 335-3-5-.32 - Initial Monitoring System Certification and Recertification Procedures (New)
Rule 335-3-5-.33 - Monitoring System Out-of-Control Periods (New)

Rule 335-3-5-.34 - Notifications Concerning Monitoring (New)
Rule 335-3-5-.35 - Recordkeeping and Reporting (New)
Rule 335-3-5-.36 - Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements (New)

INTENDED ACTION: Revise Division 3 of the ADEM Administrative Code with the adoption of Rules 335-3-5-.06 (TR SO₂ Trading Program – Purpose and Definitions), 335-3-5-.07 (TR SO₂ Trading Program – Applicability), 335-3-5-.08 (TR SO₂ Trading Program – Retired Unit Exemption), 335-3-5-.09 (TR SO₂ Trading Program – Standard Requirements), 335-3-5-.10 (TR SO₂ Trading Program – Computation of Time), 335-3-5-.11 (Administrative Appeal Procedures), 335-3-5-.12 (SO₂ Trading Budgets and Variability Limits), 335-3-5-.13 (TR SO₂ Allowance Allocations), 335-3-5-.14 (Authorization of Designated Representative and Alternate Designated Representative), 335-3-5-.15 (Responsibilities of Designated Representative and Alternate Designated Representative), 335-3-5-.16 (Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source), 335-3-5-.17 (Certificate of Representation), 335-3-5-.18 (Objections Concerning Designated Representative and Alternate Designated Representative), 335-3-5-.19 (Delegation by Designated Representative and Alternate Designated Representative), 335-3-5-.20 (Reserved), 335-3-5-.21 (Establishment of Compliance Accounts, Assurance Accounts, and General Accounts), 335-3-5-.22 (Recordation of TR SO₂ Allowance Allocations and Auction Results), 335-3-5-.23 (Submission of TR SO₂ Allowance Transfers), 335-3-5-.24 (Recordation of TR SO₂ Allowance Transfers), 335-3-5-.25 (Compliance with TR SO₂ Emissions Limitation), 335-3-5-.26 (Compliance with TR SO₂ Assurance Provisions), 335-3-5-.27 (Banking), 335-3-5-.28 (Account Error), 335-3-5-.29 (Administrator’s Action on Submissions), 335-3-5-.30 (Reserved), 335-3-5-.31 (General Monitoring, Recordkeeping, and Reporting Requirements), 335-3-5-.32 (Initial Monitoring System Certification and Recertification Procedures), 335-3-5-.33 (Monitoring System Out-of-Control Periods), 335-3-5-.34 (Notifications Concerning Monitoring), 335-3-5-.35 (Recordkeeping and Reporting), 335-3-5-.36 (Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements).

SUBSTANCE OF PROPOSED ACTION:

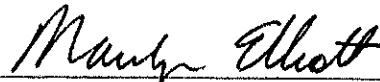
Revisions to the Division 3 Code are being proposed to add Rules 335-3-5-.06, 335-3-5-.07, 335-3-5-.08, 335-3-5-.09, 335-3-5-.10, 335-3-5-.11, 335-3-5-.12, 335-3-5-.13, 335-3-5-.14, 335-3-5-.15, 335-3-5-.16, 335-3-5-.17, 335-3-5-.18, 335-3-5-.19, 335-3-5-.20, 335-3-5-.21, 335-3-5-.22, 335-3-5-.23, 335-3-5-.24, 335-3-5-.25, 335-3-5-.26, 335-3-5-.27, 335-3-5-.28, 335-3-5-.29, 335-3-5-.30, 335-3-5-.31, 335-3-5-.32, 335-3-5-.33, 335-3-5-.34, 335-3-5-.35, 335-3-5-.36 in order to incorporate provisions for the control of sulfur dioxide emissions from specified categories as required by the Environmental Protection Agency’s Cross-State Air Pollution Rule (CSAPR) as promulgated August 8, 2011 (76 FR 48208) and revised on December 3, 2014 (79 FR 71663). This adoption allows the Department to retain State primacy in the implementation of the regulations. Revisions to this Chapter are proposed to be incorporated into Alabama’s SIP.

TIME, PLACE, MANNER OF PRESENTING VIEWS:

Comments may be submitted in writing or orally at a public hearing to be held 10:00 a.m., September 9, 2015, in ADEM Hearing Room, 1400 Coliseum Blvd., Montgomery, Alabama 36110.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: September 11, 2015

CONTACT PERSON AT AGENCY: Chris Howard (334) 271-7878



Lance R. Lefleur
Director

335-3-5-.25 Compliance with TR SO₂ Emissions Limitation. [NEW RULE]

(1) General. The Environmental Protection Agency Regulations governing Compliance with TR SO₂ Emissions Limitation, are incorporated by reference as they exist in 40 CFR §97.724, Subpart DDDDD as of July 1, 2015. (The materials incorporated by reference are available for purchase and inspection at the Department's offices.)

Author: Ronald W. Gore.

Statutory Authority: Code of Alabama 1975, §§22-28-10, 22-28-11, 22-28-14, 22-28-18, 22-28-20, 22-28-22, 22-22A-5, 22-22A-6, and 22-22A-8.

History: Effective Date: XXXXXX, 2016.

Administrative Code will incorporate the requirements of federal regulations, as required by the Environmental Protection Agency (EPA). Through the adoption of these regulations, the Alabama Department of Environmental Management is given primacy to implement the regulations at the state level. In the event that these regulations are not implemented by the State, the EPA will implement the requirements on the federal level.

1. NEED/EXPECTED BENEFIT OF RULE:

These revisions are necessary to incorporate EPA's SO₂ Trading Program Requirements. These rules are a part of the Cross-State Air Pollution Rule (CSAPR) promulgated August 8, 2011 (76 FR 48208) and revised on December 3, 2014 (79 FR 71663). EPA made a finding that 27 States and the District of Columbia contributed significantly to nonattainment of the national ambient air quality standards (NAAQS) for fine particles (PM_{2.5}) and/or ozone in downwind States. EPA expects the benefit of this rule will assist the downwind PM_{2.5} and ozone nonattainment areas in achieving the NAAQS. Moreover, attainment will be achieved in a more equitable, cost-effective manner than if each nonattainment area attempted to achieve attainment by implementing local emissions reductions alone. EPA is presently implementing CSAPR through a Federal Implementation Plan (FIP). As discussed above, adoption of the federal requirements through these regulations will allow the Department to retain State primacy in the implementation and enforcement of the regulations rather than defaulting to regulation by the federal government.

2. COST/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

The cost/benefits of this Rule are provided in EPA's regulatory impact analysis and the promulgated Rule in 76 FR 48208.

The costs are equivalent to the cost of compliance with the same regulations implemented by the federal government. Sources of air pollution will be subject to the same requirements for installation of controls to prevent the emissions of air pollution regardless of which agency (state or federal) implements these regulations.

3. EFFECT OF THIS RULE ON COMPETITION:

As stated above, if the regulations are not implemented by the State of Alabama, they will be implemented on the federal level and Alabama companies will be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

As stated above, if the regulations are not implemented and enforced by the State of Alabama, they will be implemented on the federal level. Therefore, Alabama companies still would be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Adoption of these federally required regulations is not expected to have any effect on the employment in the geographical area in which the regulation would be implemented (State of Alabama).

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

Moneys from the Federal Grant, fines and fees collected by the Department will fund the adoption of this regulation. For sources subject to Title V of the Clean Air Act, as amended, fees are collected based on the amount of air pollution emitted annually.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

As stated above, if the regulations are not implemented by the State of Alabama, they will be implemented on the federal level. Alabama companies would still be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

No additional burdens are expected as a result of the adoption of these regulations. If the regulations are not adopted by the State of Alabama, they will be implemented on the federal level. Alabama companies would still be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

The effect of the regulation on the environment and public health is addressed in the Federal Register (76 FR 48208) August 8, 2011, that is the basis for these proposed rules.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

The benefits of the proposed regulations have been discussed in the above paragraphs as well as the Federal Register (see No. 9). Through the adoption of these regulations, ADEM will have primacy to implement the regulations at the State level. In the event that the regulations are not adopted at the State level, the requirements will still exist at the federal level. However, it is generally acknowledged that regulations are implemented and enforced in a more effective and efficient manner at the State level than at the federal level.