

## AGENDA ITEM 5

## RULE SUMMARY

Subject: **Applicability; Compliance Schedules for Sources in Nonattainment Areas; RACT for Sources of Volatile Organic Compounds; Activities Exempted From Permit Requirements.**

Rule Citation	What is Changed	Purpose of Change (Why)	Who Is Affected and How	Impacts
<p>15A NCAC 02D .0902, Applicability. 15A NCAC 02D .0909, Compliance Schedules for Sources in Nonattainment Areas. 02D .0951 RACT For Sources of Volatile Organic Compounds. 15A NCAC 02Q .0102 Activities Exempted From Permit Requirements.</p>	<p>Revision of the VOC RACT rules applicability and related updates and technical corrections to meet all Clean Air Act and EPA requirements to finalize NC SIP State Implementation Plan) approval by EPA and to facilitate redesignation of the Charlotte-Gastonia-Rock Hill Area to attainment of the 1997 8-hour ozone NAAQS.</p>	<p>The proposed rule amendments would extend RACT to apply to all sources addressed by CTGs in the Charlotte-Gastonia nonattainment area.</p> <p>The proposed rule amendments also clarify that compliance with necessary contingency requirements will be initiated only after a violation of the 1997 ambient air quality standard for ozone occurs and the measures are determined to be necessary as part of the control strategy to bring the area into compliance and maintain compliance with the 1997 ozone standard.</p>	<p>The proposed rule amendments would have the potential to affect five entities: regulated private facilities, facilities operated by local governments, a federal facility, the regulatory programs that oversee this area and the general public.</p> <p>These entities will be affected only if (1) the maintenance area later fails to meet the 1997 standard and (2) the Division of Air Quality Director implements the proposed amendments as part of the contingency plan to bring the area back into attainment. This scenario is highly unlikely because the air monitoring during the last three years has consistently shown compliance with the 1997 air quality standard for ozone. Otherwise, these rule changes will have no effect on the entities.</p>	<p>It is anticipated that there will not be actual impact on the potentially affected parties. However, in the unlikely event that the area is not redesignated or if (1) the maintenance area later fails to meet the 1997 standard and (2) the Division of Air Quality Director implements the proposed amendments as part of the contingency plan to bring the area back into attainment. The worst case estimates are that the private industry would have approximately \$1.4 million in one-time equipment costs and between \$5.9 and \$6.9 million recurring annual costs for compliance. These costs will be eclipsed by an annual savings to private industry of approximately \$15.9 million each year. Local government costs will be between \$9,733</p>

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				<p>and \$38,949 each year. The federal facility will expend between \$913 and \$3,652 to comply with these new regulations. There will be no any new costs or benefits to the implementing agencies. These cost estimates were made for the worst case scenario assuming that: (1) all VOC emissions from affected facilities are coming only from sources of VOC emissions covered by control techniques guidelines (CTG); and (2) all affected facilities are currently not meeting RACT requirements.</p>