

Fact Sheet

Proposed Rule: Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR): Regulations Related to Project Emissions Accounting

ACTION

On February 22, 2024, the U.S. Environmental Protection Agency (EPA) proposed several revisions to its New Source Review (NSR) preconstruction permitting regulations. This proposal would improve implementation and enforceability of the NSR program.

The proposed revisions would apply to the process, known as project emissions accounting, used to determine if NSR applies to a modification at an existing facility. The proposal would:

- Clarify the definition of the term “project” to include criteria for determining the scope of a project that may be subject to major NSR permitting requirements;
- Strengthen the monitoring, recordkeeping and reporting provisions in the NSR regulations to improve compliance with, and enforcement of, the NSR applicability process; and
- Require that emissions decreases included in the first step of the process to determine if NSR applies to a project be enforceable.

BACKGROUND

Congress established the NSR program as part of the 1977 CAA Amendments. NSR is a preconstruction permitting program that serves two important purposes when major stationary sources such as factories, industrial boilers and power plants are constructed or modified.

1. In areas that meet the national ambient air quality standards (NAAQS), including pristine areas like national parks, NSR’s Prevention of Significant Deterioration program ensures that new emissions will not cause air quality to deteriorate significantly and will continue to attain air quality standards.
2. In areas that do not meet the NAAQS, nonattainment NSR ensures that new emissions do not slow progress toward cleaner air. It ensures that state of the art control technology is installed at new plants or at existing plants while they undergo a major modification.

The NSR regulations establish a two-step process for determining when a modification to an existing major stationary source is subject to major NSR requirements.

Step 1 involves the determination of whether the project (which may involve both increases and decreases in emissions that are part of the project) would result in a significant emissions increase.

Step 2 involves the determination of whether the project would result in a significant net emissions increase, which includes the project emissions increase any other increases and decreases in emissions at the source that occur in the same time frame (generally within 5 years prior to the project) and that meet certain creditability criteria in the regulations.

A project is a major modification that requires an NSR permit if it results in both a significant emissions increase and a significant net emissions increase.

HOW TO COMMENT

- EPA will accept comment on this proposal for 60 days after publication in the *Federal Register*.
- Comments, identified by Docket ID No. EPA-HQ-OAR-2022-0381, may be submitted by one of the following methods:
 - Go to <https://www.regulations.gov/> and follow the online instructions for submitting comments.
 - Send comments by email to a-and-r-docket@epa.gov, Attention Docket ID No. EPA-HQ-OAR-2022-0381 in the subject line of the message.
 - We encourage the public to submit comments via <https://www.regulations.gov/> or email, as there may be a delay in processing mail and faxes. Hand deliveries and couriers may be received by scheduled appointment only.
 - For further information on EPA Docket Center services and their current status, please visit us online at <https://www.epa.gov/dockets>.

ADDITIONAL INFORMATION

- Interested parties can find further information on the NSR program and this action on EPA's NSR webpage at: <https://www.epa.gov/nsr/nsr-regulatory-actions>.
- For general information about this proposed rule, contact Peter Keller at (919) 541-2065 and keller.peter@epa.gov, of the EPA's Office of Air Quality Planning and Standards.