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SUPPLEMENTARY INFORMATION:

Background

On November 15, 1990, the Clean Air Act Amendments of 1990 (CAA) were enacted, Pub. L. 101-549, 104 Stat. 2399, codified at 42 U.S.C. 7401-7671q. The air quality planning requirements for the reduction of NO_X emissions through reasonably available control technology (RACT) are set out in section 182(f) of the CAA. On November 25, 1992, EPA published a NPRM entitled "State Implementation Plans; Nitrogen Oxides Supplement to the General Preamble: Clean Air Act Amendments of 1990 Implementation of Title I; Proposed Rule," (the NO_X Supplement) which describes the requirements of section 182(f). The November 25, 1992, notice should be referred to for further information on the NO_X requirements and is incorporated into this proposal by reference.

Section 182(b)(2) requires submittal of RACT rules for major stationary sources of VOC emissions (not covered by a preenactment control technologies guidelines (CTG) document or a postenactment CTG document) by November 15, 1992. There were no NO_x CTGs issued before enactment and EPA has not issued a CTG document for any NO_X sources since enactment of the CAA. The RACT rules covering NO_X sources and submitted as SIP revisions are expected to require final installation of the actual NO_X controls by May 31, 1995, for those sources where installation by that date is practicable. Section 182(f) of the Clean Air Act requires States to apply the same requirements to major stationary sources of NO_X ("major" as defined in section 302 and section 182 (c), (d), and (e)) as are applied to major stationary sources of volatile organic compounds (VOCs), in moderate or above ozone nonattainment areas. The Los Angeles-South Coast Air Basin is classified as extreme,1 therefore this area was subject to the RACT requirements of section 182(b)(2), cited above, and the November 15, 1992 deadline.2

On April 7, 1994, EPA published a final rule concerning EIPs entitled "Economic Incentive Program Rules," (EIP Rules) in order to fulfill the requirements of section 182(g)(4)(A) of the Act (see 59 FR 16690). The EIP Rules establish several requirements which State programs must meet.

These requirements are:

• Statement of goals and rationale. This element shall include a clear statement as to the environmental problem being addressed, the intended environmental and economic goals of the program, and the rationale relating the incentive-based strategy to the program goals.

• *Program scope.* This element shall contain a clear definition of the sources

affected by the program.

- Program baseline. A program baseline shall be defined as a basis for projecting program results and, if applicable, for initializing the incentive mechanism (e.g., for marketable permits programs). The program baseline shall be consistent with, and adequately reflected in, the assumptions and inputs used to develop an area's reasonable further progress (RFP) plans and attainment and maintenance demonstrations, as applicable. The State shall provide sufficient supporting information from the areawide emissions inventory and other sources to justify the baseline used in the State or local EIP.
- Replicable emission quantification *methods.* This program element, for programs other than those which are categorized as directionally-sound, shall include credible, workable, and replicable methods for projecting program results from affected sources and, where necessary, for quantifying emissions from individual sources subject to the EIP. Such methods, if used to determine credit taken in attainment, RFP, and maintenance demonstrations, as applicable, shall vield results which can be shown to have a level of certainty comparable to that for source-specific standards and traditional methods of control strategy development.
- Source requirements. This program element shall include all source-specific requirements that constitute compliance with the program. Such requirements shall be appropriate, readily ascertainable, and State and federally enforceable.
- Projected results and audit/ reconciliation procedures. This program element includes a commitment to ensure the timely implementation of programmatic revisions or other measures which the State, in response to the audit, deems necessary for the

- successful operation of the program in the context of overall RFP and attainment requirements. (see 40 CFR 51.493(f)(3)(i))
- Implementation schedule. The program shall contain a schedule for the adoption and implementation of all State commitments and source requirements included in the program design.
- Administrative procedures. The program shall contain a description of State commitments which are integral to the implementation of the program, and the administrative system to be used to implement the program, addressing the adequacy of the personnel, funding, and legislative authority.
- Enforcement mechanisms. The program shall contain a compliance instrument(s) for all program requirements, which is legally binding and enforceable by both the State and EPA. This program element shall also include a State enforcement program which defines violations, and specifies auditing and inspections plans and provisions for enforcement actions. The program shall contain effective penalties for noncompliance which preserve the level of deterrence in traditional programs. For all such programs, the manner of collection of penalties must be specified.

The EIP Rule should be referred to for further information on the EIP requirements and is incorporated into this proposal by reference.

The State of California submitted the regulation being acted on in this document on March 21, 1994. This document addresses EPA's proposed action for SCAQMD, Regulation XX, NO_X and SO_X RECLAIM. SCAQMD adopted Regulation XX on October 15, 1993. This submitted regulation was found to be complete on April 11, 1994, pursuant to EPA's completeness criteria that are set forth in 40 CFR Part 51, Appendix V, 3 and is being proposed for approval into the SIP.

 NO_X emissions contribute to the production of ground level ozone and smog. The regulation was adopted as part of SCAQMD's efforts to achieve the National Ambient Air Quality Standards (NAAQS) for ozone and in response to the CAA requirements cited above. The following is EPA's evaluation and proposed action for this regulation.

EPA Evaluation and Proposed Action

In determining the approvability of a NO_X regulation, EPA must evaluate the

¹ The Los Angeles-South Coast Air Basin was designated nonattainment and classified by operation of law pursuant to sections 107(d) and 181(a) upon the date of enactment of the CAA. See 55 FR 56694 (November 6, 1991).

 $^{^2}$ EPA made a finding of nonsubmittal for NO $_{\rm X}$ RACT in SCAQMD on April 21, 1993. NO $_{\rm X}$ RECLAIM in combination with other measures satisfy this requirement. On October 21, 1994, EPA found that SCAQMD had submitted measures satisfying the NO $_{\rm X}$ RACT requirements.

³ EPA adopted the completeness criteria on February 16, 1990 (55 FR 5830) and, pursuant to section 110(k)(1)(A) of the CAA, revised the criteria on August 26, 1991 (56 FR 42216).