

Dated: April 10, 1995.

**Patrick M. Tobin,**

*Acting Regional Administrator.*

Part 52 of chapter I, title 40, *Code of Federal Regulations*, is amended as follows:

#### **PART 52—[AMENDED]**

1. The authority citation for part 52 continues to read as follows:

**Authority:** 42.U.S.C. 7401–7671q.

#### **Subpart S—Kentucky**

2. Section 52.920, is amended by adding paragraph (c)(71) to read as follows:

##### **§ 52.920 Identification of plan.**

\* \* \* \* \*

(c) \* \* \*

(71) The Commonwealth of Kentucky, Natural Resources and Environmental Protection Cabinet submitted revisions to the Kentucky State Implementation Plan on January 15, 1993. These revisions address the requirements of section 507 of title V of the CAA and establish the Small Business Stationary Source Technical and Environmental Assistance Program (PROGRAM).

(i) Incorporation by reference.

(A) Revision to the Kentucky State Implementation Plan to incorporate document titled "Kentucky Small Business Stationary Source Technical Environmental Assistance Program" which was approved by the Kentucky Natural Resources and Environmental Protection Cabinet effective on July 15, 1993.

(ii) Additional Material. None.

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#### **40 CFR Part 52**

[TX–37–1–6323a; FRL–5161–9]

#### **Approval and Promulgation of Air Quality Implementation Plans; Texas; Alternative Emission Control Plan For Shell Oil Company, Deer Park, TX**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Direct final rule.

**SUMMARY:** In this action, the EPA is approving the alternative emission reduction (bubble) plan for the Shell Oil Company's Deer Park manufacturing complex as a revision to the Texas State Implementation Plan (SIP). The bubble plan uses the emission reduction credit (ERC) from volatile organic compound (VOC) reductions at an analyzer vent in

lieu of controlling VOC emissions from three vacuum vents. The bubble plan was reviewed for consistency with the EPA's Emissions Trading Policy Statement (ETPS) published in the **Federal Register** on December 4, 1986.

**DATES:** This action will become effective on August 18, 1995 unless adverse or critical comments are received by July 19, 1995. If the effective date is delayed, timely notice will be published in the **Federal Register**.

**ADDRESSES:** Written comments on this action should be addressed to Mr. Guy Donaldson, Acting Chief, Planning Section, at the EPA Regional Office listed below. Copies of the documents relevant to this action are available for public inspection during normal business hours at the following locations. The interested persons wanting to examine these documents should make an appointment with the appropriate office at least twenty-four hours before the visiting day.

U.S. Environmental Protection Agency, Region 6, Air Programs Branch (6T–A), 1445 Ross Avenue, suite 700, Dallas, TX 75202–2733.

U.S. Environmental Protection Agency, Air and Radiation Docket and Information Center, 401 M Street, S.W., Washington, DC 20460.

Texas Natural Resource Conservation Commission, 12124 Park 35 Circle, Austin, Texas 78753.

**FOR FURTHER INFORMATION CONTACT:** Ms. Leila Yim Surratt or Mr. Herb Sherrow, Planning Section (6T–AP), Air Programs Branch, EPA Region 6, 1445 Ross Avenue, Dallas, Texas 75202–2733, telephone (214) 665–7214.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

On July 26, 1993, the Governor of Texas submitted a request to revise the Texas SIP to include an alternative emission reduction plan for the Shell Oil Manufacturing Complex located in Deer Park, Texas.

Due to VOC Reasonably Available Control Technology (RACT) fix-up changes required by the 1990 Clean Air Act (CAA), the Texas Air Control Board (TACB), which is now known as the Texas Natural Resource Conservation Commission, adopted revisions to its Regulation V on May 10, 1991, eliminating the exemption of sources with emissions of less than 100 pounds per day from RACT requirements. As a result of this action, Shell was required to install a 90 percent control technology on three vacuum vents. These vents emit a total of 36 pounds of VOC per year (0.018 tons per year (TPY)). The vast majority of the vent

stream emissions are composed of steam and air. Instead of controlling emissions from these three vents, Shell proposed to use an emission reduction from an analyzer vent located at its Alkylation Plant. The analyzer vent reduction is not required by any State or Federal rule, regulation, permit condition, board order, or court order. 1.05 TPY of VOC emission reduction was achieved from the analyzer vent by physically limiting the maximum flow rate through the vent from 4.2 TPY of VOC to 3.15 TPY. The reduced flow was made permanent by replacing the metering valves and adding flow restrictors.

#### **II. Applicable EPA Policies**

On December 4, 1986 (51 FR 43814), the EPA issued the final ETPS, containing the criteria by which emissions trades will be evaluated. As indicated in the ETPS, it is the policy of the EPA to encourage emissions trades to achieve more flexible, rapid, and efficient attainment of the National Ambient Air Quality Standards. It describes emissions trading, sets out general principles that the EPA uses to evaluate emissions trades under the CAA, and expands opportunities for States and industry to use these less costly control approaches. A source may secure ERCs by meeting each of the applicable requirements of the final ETPS. Generally, only reductions which are surplus, enforceable, permanent, and quantifiable can qualify as ERCs. In addition, the ETPS lays out more stringent baseline and additional 20 percent emission reduction requirements if the trade occurs in a nonattainment area needing but lacking an approved attainment demonstration.

On April 7, 1994 (59 FR 16710), the EPA issued the final Economic Incentive Program (EIP) rule which sets forth general principles for a broad range of EIPs which States may pursue. Through the EIP rule, the Agency encourages the development of EIPs that will assist States in meeting air quality management goals through flexible approaches which allow for less costly control strategies, and which provide stronger incentives for the development and implementation of innovative emission reduction technology. In the preamble to the EIP rule (59 FR 16690), the EPA addresses the relationship between the EIP and the ETPS. The preamble clarifies that the provisions of the ETPS which apply to trading between existing sources represent one particular model for how States could design an EIP. Therefore, an application for an emissions trade or bubble that meets the requirements of the ETPS,