

## SUPPLEMENTARY INFORMATION:

**I. Background**

The Act, as amended in 1977, required ozone nonattainment areas to adopt RACT rules for sources of VOC emissions. Consequently, the USEPA issued three sets of control technique guideline (CTG) documents, establishing a "presumptive norm" for RACT for various categories of VOC sources. The three sets of CTGs are: (1) Group I-issued before January 1978 (15 CTGs); (2) Group II-issued in 1978 (9 CTGs); and (3) Group III-issued in the early 1980's (5 CTGs). Those sources not covered by a CTG are commonly referred to as "non-CTG sources."

The USEPA determined that the area's SIP-approved attainment date established which RACT rules the area needed to adopt and implement. Under section 172(a)(1), ozone nonattainment areas were generally required to attain the ozone standard by December 31, 1982. Those areas that submitted an attainment demonstration projecting attainment by that date were required to adopt RACT for sources covered by the Group I and II CTGs. Those areas that sought an extension of the attainment date under section 172(a)(2) to as late as December 31, 1987 were required to adopt RACT for all CTG sources and for all major (i.e., 100 tons per year or more of VOC emissions) non-CTG sources.

On March 3, 1978, the USEPA designated Lake, Porter, Clark and Floyd Counties as nonattainment for ozone, specifying that these areas did not meet the primary standards (43 FR 8964). On July 23, 1982, USEPA reaffirmed these designations (47 FR 31878). See also 40 CFR 81.315. As a result, the RACT requirement of Group I, II and III CTGs remained applicable in these nonattainment areas. On May 26, 1988, USEPA notified the Governor of Indiana that portions of the SIP were inadequate to attain and maintain the ozone standard and requested that existing SIP deficiencies be corrected (USEPA's post 1987 SIP call).

On November 15, 1990, Congress amended the 1977 Act. In amended section 182(a)(2)(A), Congress statutorily adopted the requirement that pre-enacted ozone nonattainment areas that retained their designation of nonattainment and were classified as marginal or above correct their deficient ozone RACT rules by May 15, 1991 (commonly referred to as the RACT "fix-up" requirement). The Indiana counties of Lake, Porter, Clark and Floyd retained their designations of nonattainment; and were classified pursuant to Section 181 as severe (Lake and Porter) and moderate (Clark and Floyd) on

November 6, 1991 (56 FR 56694). The State submitted revisions to meet the RACT fix-up requirement, and USEPA approved them on March 6, 1992 (57 FR 8082).

In addition to making RACT rule corrections, the amended Act in Section 182(b)(2) requires States to adopt RACT rules for all areas designated nonattainment for ozone and classified as moderate or above. There are three parts to the section 182(b)(2) RACT requirement: (1) RACT for sources covered by an existing CTG (i.e., a CTG issued prior to the enactment of the amended Act of 1990; (2) RACT for sources covered by a post-enactment CTG; and (3) RACT for all major sources not covered by a CTG ("major non-CTG sources"). This RACT requirement essentially mandates that nonattainment areas that previously were exempt from certain VOC RACT requirements "catch up" to those nonattainment areas that became subject to those requirements during an earlier period. In addition, it requires newly designated ozone nonattainment areas to adopt RACT rules consistent with those for previously designated nonattainment areas. Finally, under Section 182(d), ozone sources located in areas classified as "severe" are considered "major" sources if they have the potential to emit 25 tons per year or more of VOC.

Therefore, under these RACT catch-up provisions, Indiana was required to submit RACT rules for sources in the affected counties which were covered by both pre- and post-enactment CTGs,<sup>1</sup> as well as all non-CTG major sources. Also, pursuant to Section 182(d), sources located in the severe nonattainment counties of Lake and Porter are considered major if their potential to emit is at least 25 tons per year of VOC.

On May 4, 1994, the Indiana Air Pollution Control Board adopted 326 IAC 8-7, "Specific VOC Reduction Requirements for Lake, Porter, Clark and Floyd Counties." In addition, as part of its rulemaking, Indiana amended its definition of "federally enforceable" and "Reasonably available control technology" in 326 IAC 1-2. An emergency rule was adopted on August 3, 1994, in accordance with IC 4-22-2-37.1, it was effective for 90 days and was extended an additional 90 days. The State adopted the revised rule on August 5, 1994. The State supplemented its original submittal to USEPA on February 6, 1995.

<sup>1</sup> Indiana has addressed these RACT catch-up requirements in other submissions, which USEPA will address in separate actions.

**II. Analysis of State Submittal**

The USEPA's analysis of the State submittal is summarized below. A more detailed analysis of the State's submittal is contained in a May 15, 1995 rational document which is available at the Regional Office listed above. In determining the approvability of this VOC rule, USEPA evaluated the rule for consistency with Federal requirements, including section 110 and part D of the Act, applicable regulations and USEPA's Model VOC rules.

The Indiana non-CTG RACT rule applies to stationary sources in the severe ozone nonattainment area of Lake and Porter Counties, as well as the moderate ozone nonattainment area of Clark and Floyd Counties, and reflects the lowering of the major source definition from 100 tons per year to 25 tons for Lake and Porter Counties only. The rule also applies to sources in the above affected counties which have coating facilities with the potential to emit 10-25 tons per year (TPY) of VOC, (Lake and Porter) or 40-100 TPY of VOC (Clark and Floyd).

In the determination of applicability cut-offs, the owner/operator of a source shall include total potential VOC emissions from the following facilities: (a) 326 IAC 8-2 (surface coating operations); (b) 326 IAC 8-3 (organic solvent degreasing); (c) 326 IAC 8-4 (petroleum operations); (d) 326 IAC 8-5 (miscellaneous operations); and facilities of the following types: (e) fuel combustion facilities; (f) wastewater treatment plants; (g) coke ovens, including by-product ovens; (h) barge loading facilities; (i) jet engine test cells; (j) iron and steel production facilities; and (k) vegetable oil processing facilities.

Sources covered by this rule are allowed to demonstrate compliance by choosing among any one of the following three available options: (1) Achieve an overall VOC reduction in baseline actual emissions of ninety-eight percent (98%) by the addition of add-on controls or documented reduction in VOC-containing materials used; (2) achieve a level of reduction equal to eighty-one percent (81%) of baseline actual emissions by the same means as stated above, where it is demonstrated that a 98% reduction in source emissions is not achievable; or (3) achieve an alternative overall emission reduction by the application of RACT as determined by the State and USEPA.

Compliance with these options requires sources to submit a compliance plan to the State before December 31, 1994 for approval. Specific compliance plan requirements are dependent on the