

APA-2
11/96

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
AIR DIVISION

NOTICE OF INTENDED ACTION

AGENCY NAME: Environmental Management

RULE NO. & TITLE: Division 335-3, Air Pollution Control Program

- 335-3-8-.07 - TR NOX Annual Trading Program-Purpose and Definitions (New)
- 335-3-8-.08 - TR NOX Annual Trading Program- Applicability (New)
- 335-3-8-.09 - TR NOX Annual Trading Program – Retired Unit Exemption (New)
- 335-3-8-.10 - TR NOX Annual Trading Program – Standard Requirements (New)
- 335-3-8-.11 - TR NOX Annual Trading Program – Computation of Time (New)
- 335-3-8-.12 - Administrative Appeal Procedures (New)
- 335-3-8-.13 - NOX Annual Trading Budgets and Variability Limits (New)
- 335-3-8-.14 - TR NOX Annual Allowance Allocations (New)
- 335-3-8-.16 - Authorization of Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.17 - Responsibilities of Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.18 - Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source (New)
- 335-3-8-.19 - Certificate of Representation(New)
- 335-3-8-.20 - Objections Concerning Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.21 - Delegation by Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.23 - Establishment of Compliance Accounts, Assurance Accounts, and General Accounts (New)
- 335-3-8-.24 - Recordation of TR NOX Annual Allowance Allocations and Auction Results (New)
- 335-3-8-.25 - Submission of TR NOX Annual Allowance Transfers (New)
- 335-3-8-.26 - Recordation of TR NOX Annual Allowance Transfers (New)
- 335-3-8-.27 - Compliance with TR NOX Annual Emissions Limitation (New)
- 335-3-8-.28 - Compliance with TR NOX Annual Assurance Provisions (New)
- 335-3-8-.29 - Banking (New)

- 335-3-8-.30 - Account Error (New)
- 335-3-8-.31 - Administrator's Action on Submissions (New)
- 335-3-8-.33 - General Monitoring, Recordkeeping, and Reporting Requirements (New)
- 335-3-8-.34 - Initial Monitoring System Certification and Recertification Procedures (New)
- 335-3-8-.35 - Monitoring System Out-of-Control Periods (New)
- 335-3-8-.36 - Notifications Concerning Monitoring (New)
- 335-3-8-.37 - Recordkeeping and Reporting (New)
- 335-3-8-.38 - Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements (New)
- 335-3-8-.39 - TR NOX Ozone Season Trading Program -- Purpose and Definitions(New)
- 335-3-8-.40 - TR NOX Ozone Season Trading Program -- Applicability (New)
- 335-3-8-.41 - TR NOX Ozone Season Trading Program -- Retired Unit Exemption (New)
- 335-3-8-.42 - TR NOX Ozone Season Trading Program -- Standard Requirements (New)
- 335-3-8-.43 - TR NOX Ozone Season Trading Program -- Computation of Time (New)
- 335-3-8-.44 - Administrative Appeal Procedures (New)
- 335-3-8-.45 - NOX Ozone Season Trading Budgets and Variability Limits (New)
- 335-3-8-.46 - TR NOX Ozone Season Allowance Allocations (New)
- 335-3-8-.47 - Reserved (New)
- 335-3-8-.48 - Authorization of Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.49 - Responsibilities of Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.50 - Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source (New)
- 335-3-8-.51 - Certificate of Representation (New)
- 335-3-8-.52 - Objections Concerning Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.53 - Delegation by Designated Representative and Alternate Designated Representative (New)
- 335-3-8-.54 - Reserved (New)
- 335-3-8-.55 - Establishment of Compliance Accounts, Assurance Accounts, and General Accounts (New)
- 335-3-8-.56 - Recordation of TR NOX Ozone Season Allowance Allocations and Auction Results (New)
- 335-3-8-.57 - Submission of TR NOX Ozone Season Allowance Transfers (New)
- 335-3-8-.58 - Recordation of TR NOX Ozone Season Allowance Transfers (New)
- 335-3-8-.59 - Compliance with TR NOX Ozone Season Emissions Limitation (New)

- 335-3-8-.60 - Compliance with TR NOX Ozone Season Assurance Provisions (New)
- 335-3-8-.61 - Banking (New)
- 335-3-8-.62 - TR NOX Ozone Season Trading Program – Account Error (New)
- 335-3-8-.63 - TR NOX Ozone Season Trading Program – Administrator’s Action on Submissions (New)
- 335-3-8-.64 - Reserved (New)
- 335-3-8-.65 - General Monitoring, Recordkeeping, and Reporting Requirements (New)
- 335-3-8-.66 - Initial Monitoring System Certification and Recertification Procedures (New)
- 335-3-8-.67 - Monitoring System Out-of-Control Periods (New)
- 335-3-8-.68 - Notifications Concerning Monitoring (New)
- 335-3-8-.69 - Recordkeeping and Reporting (New)
- 335-3-8-.70 - Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements (New)

INTENDED ACTION: Revise Division 3 of the ADEM Administrative Code with the adoption of Rules 335-3-8-.07 (TR NOX Annual Trading Program-Purpose and Definitions), 335-3-8-.08 (TR NOX Annual Trading Program- Applicability), 335-3-8-.09 (TR NOX Annual Trading Program – Retired Unit Exemption), 335-3-8-.10 (TR NOX Annual Trading Program – Standard Requirements), 335-3-8-.11 (TR NOX Annual Trading Program – Computation of Time), 335-3-8-.12 (Administrative Appeal Procedures), 335-3-8-.13 (NOX Annual Trading Budgets and Variability Limits), 335-3-8-.14 (TR NOX Annual Allowance Allocations), 335-3-8-.16 (Authorization of Designated Representative and Alternate Designated Representative), 335-3-8-.17 (Responsibilities of Designated Representative and Alternate Designated Representative), 335-3-8-.18 (Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source), 335-3-8-.19 (Certificate of Representation), 335-3-8-.20 (Objections Concerning Designated Representative and Alternate Designated Representative), 335-3-8-.21 (Delegation by Designated Representative and Alternate Designated Representative), 335-3-8-.23 (Establishment of Compliance Accounts, Assurance Accounts, and General Accounts), 335-3-8-.24 (Recordation of TR NOX Annual Allowance Allocations and Auction Results), 335-3-8-.25 (Submission of TR NOX Annual Allowance Transfers), 335-3-8-.26 (Recordation of TR NOX Annual Allowance Transfers), 335-3-8-.27 (Compliance with TR NOX Annual Emissions Limitation), 335-3-8-.28 (Compliance with TR NOX Annual Assurance Provisions), 335-3-8-.29 (Banking), 335-3-8-.30 (Account Error), 335-3-8-.31 (Administrator’s Action on Submissions), 335-3-8-.33 (General Monitoring, Recordkeeping, and Reporting Requirements), 335-3-8-.34 (Initial Monitoring System Certification and Recertification Procedures), 335-3-8-.35 (Monitoring System Out-of-Control Periods), 335-3-8-.36 (Notifications Concerning Monitoring), 335-3-8-.37 (Recordkeeping and Reporting), 335-3-8-.38 (Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements), 335-3-8-.39 (TR NOX Ozone Season Trading Program – Purpose and Definitions), 335-3-8-.40 (TR NOX Ozone Season Trading Program – Applicability), 335-3-8-.41 (TR NOX Ozone Season Trading Program – Retired Unit Exemption), 335-3-8-.42 (TR NOX Ozone Season Trading Program – Standard Requirements), 335-3-8-

.43 (TR NOX Ozone Season Trading Program – Computation of Time), 335-3-8-.44 (Administrative Appeal Procedures), 335-3-8-.45 (NOX Ozone Season Trading Budgets and Variability Limits), 335-3-8-.46 (TR NOX Ozone Season Allowance Allocations), 335-3-8-.47 (Reserved), 335-3-8-.48 (Authorization of Designated Representative and Alternate Designated Representative), 335-3-8-.49 (Responsibilities of Designated Representative and Alternate Designated Representative), 335-3-8-.50 (Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source), 335-3-8-.51 (Certificate of Representation), 335-3-8-.52 (Objections Concerning Designated Representative and Alternate Designated Representative), 335-3-8-.53 (Delegation by Designated Representative and Alternate Designated Representative), 335-3-8-.54 (Reserved), 335-3-8-.55 (Establishment of Compliance Accounts, Assurance Accounts, and General Accounts), 335-3-8-.56 (Recordation of TR NOX Ozone Season Allowance Allocations and Auction Results), 335-3-8-.57 (Submission of TR NOX Ozone Season Allowance Transfers), 335-3-8-.58 (Recordation of TR NOX Ozone Season Allowance Transfers), 335-3-8-.59 (Compliance with TR NOX Ozone Season Emissions Limitation), 335-3-8-.60 (Compliance with TR NOX Ozone Season Assurance Provisions), 335-3-8-.61 (Banking), 335-3-8-.62 (TR NOX Ozone Season Trading Program – Account Error), 335-3-8-.63 (TR NOX Ozone Season Trading Program – Administrator’s Action on Submissions), 335-3-8-.64 (Reserved), 335-3-8-.65 (General Monitoring, Recordkeeping, and Reporting Requirements), 335-3-8-.66 (Initial Monitoring System Certification and Recertification Procedures), 335-3-8-.67 (Monitoring System Out-of-Control Periods), 335-3-8-.68 (Notifications Concerning Monitoring), 335-3-8-.69 (Recordkeeping and Reporting), 335-3-8-.70 (Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements).

SUBSTANCE OF PROPOSED ACTION:

Revisions to the Division 3 Code are being proposed to add Rules 335-3-8-.07, 335-3-8-.08, 335-3-8-.09, 335-3-8-.10, 335-3-8-.11, 335-3-8-.13, 335-3-8-.14, 335-3-8-.16, 335-3-8-.17, 335-3-8-.18, 335-3-8-.19, 335-3-8-.20, 335-3-8-.21, 335-3-8-.23, 335-3-8-.24, 335-3-8-.25, 335-3-8-.26, 335-3-8-.27, 335-3-8-.28, 335-3-8-.29, 335-3-8-.30, 335-3-8-.31, 335-3-8-.33, 335-3-8-.34, 335-3-8-.35, 335-3-8-.36, 335-3-8-.37, 335-3-8-.38, 335-3-8-.39, 335-3-8-.40, 335-3-8-.41, 335-3-8-.42, 335-3-8-.43, 335-3-8-.44, 335-3-8-.45, 335-3-8-.46, 335-3-8-.47, 335-3-8-.48, 335-3-8-.49, 335-3-8-.50, 335-3-8-.51, 335-3-8-.52, 335-3-8-.53, 335-3-8-.54, 335-3-8-.55, 335-3-8-.56, 335-3-8-.57, 335-3-8-.58, 335-3-8-.59, 335-3-8-.60, 335-3-8-.61, 335-3-8-.62, 335-3-8-.63, 335-3-8-.64, 335-3-8-.65, 335-3-8-.66, 335-3-8-.67, 335-3-8-.68, 335-3-8-.69, and 335-3-8-.70 in order to incorporate provisions for the control of nitrogen oxides emissions from specified categories as required by the Environmental Protection Agency’s Cross-State Air Pollution Rule (CSAPR) as promulgated August 8, 2011 (76 FR 48208) and revised on December 3, 2014 (79 FR 71663). This adoption allows the Department to retain State primacy in the implementation of the regulations. Revisions to this Chapter are proposed to be incorporated into Alabama’s SIP.

TIME, PLACE, MANNER OF PRESENTING VIEWS:

Comments may be submitted in writing or orally at a public hearing to be held 10:00 a.m., September 9, 2015, in ADEM Hearing Room, 1400 Coliseum Blvd., Montgomery, Alabama 36110.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: September 11, 2015

CONTACT PERSON AT AGENCY: Chris Howard (334) 271-7878

A handwritten signature in black ink, appearing to read "Lance R. LeFleur", written over a horizontal line.

Lance R. LeFleur
Director

335-3-8-.09 [Repealed February 20, 2015] Reserved.TR NO_x Annual Trading Program- Retired Unit Exemption. [NEW RULE]

(1) Any TR NO_x Annual unit that is permanently retired shall be exempt from 40 CFR §§97.406(b) and (c)(1), rule 335-3-8-.27, and rules 335-3-8-.33 through 335-3-8-.38.

(a) The exemption under paragraph (1) of this rule shall become effective the day on which the TR NO_x Annual unit is permanently retired. Within 30 days of the unit's permanent retirement, the designated representative shall submit a statement to the Administrator. The statement shall state, in a format prescribed by the Administrator, that the unit was permanently retired on a specified date and will comply with the requirements of paragraph (2) of this rule. The designated representative shall submit a copy of the statement to the Department.

(2) Special provisions.

(a) A unit exempt under paragraph (1) of this rule shall not emit any NO_x, starting on the date that the exemption takes effect.

(b) For a period of 5 years from the date the records are created, the owners and operators of a unit exempt under paragraph (1) of this rule shall retain, at the source that includes the unit, records demonstrating that the unit is permanently retired. The 5-year period for keeping records may be extended for cause, at any time before the end of the period, in writing by the Administrator. The owners and operators bear the burden of proof that the unit is permanently retired.

(c) The owners and operators and, to the extent applicable, the designated representative of a unit exempt under paragraph (1) of this rule shall comply with the requirements of the TR NO_x Annual Trading Program concerning all periods for which the exemption is not in effect, even if such requirements arise, or must be complied with, after the exemption takes effect.

(d) A unit exempt under paragraph (1) of this rule shall lose its exemption on the first date on which the unit resumes operation. Such unit shall be treated, for purposes of applying allocation, monitoring, reporting, and recordkeeping requirements under the TR NO_x Annual Trading Program, as a unit that commences commercial operation on the first date on which the unit resumes operation.

Author: Ronald W. Gore.

Statutory Authority: Code of Alabama 1975, §§22-28-10, 22-28-11, 22-28-14, 22-28-18, 22-28-20, 22-28-22, 22-22A-5, 22-22A-6, and 22-22A-8.

History: Effective Date: XXXXXX, 2016.

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23 (f))**

Control No. 335 Department or Agency Environmental Management

Rule No: 335-3-8-.07; 335-3-8-.08; 335-3-8-.09; 335-3-8-.10; 335-3-8-.11; 335-3-8-.12; 335-3-8-.13; 335-3-8-.14; 335-3-8-.16; 335-3-8-.17; 335-3-8-.18; 335-3-8-.19; 335-3-8-.20; 335-3-8-.21; 335-3-8-.23; 335-3-8-.24; 335-3-8-.25; 335-3-8-.26; 335-3-8-.27; 335-3-8-.28; 335-3-8-.29; 335-3-8-.30; 335-3-8-.31; 335-3-8-.33; 335-3-8-.34; 335-3-8-.35; 335-3-8-.36; 335-3-8-.37; 335-3-8-.38

Rule Title: TR NO_x Annual Trading Program-Purpose and Definitions; TR NO_x Annual Trading Program-Applicability; TR NO_x Annual Trading Program – Retired Unit Exemption; TR NO_x Annual Trading Program – Standard Requirements; TR NO_x Annual Trading Program – Computation of Time; Administrative Appeal Procedures; NO_x Annual Trading Budgets and Variability Limits; TR NO_x Annual Allowance Allocations; Authorization of Designated Representative and Alternate Designated Representative; Responsibilities of Designated Representative and Alternate Designated Representative; Changing Designated Representative and Alternate Designated Representative; Changes in Owners and Operators; Changes in Units at the Source; Certificate of Representation; Objections Concerning Designated Representative and Alternate Designated Representative; Delegation by Designated Representative and Alternate Designated Representative; Establishment of Compliance Accounts, Assurance Accounts, and General Accounts; Recordation of TR NO_x Annual Allowance Allocations and Auction Results; Submission of TR NO_x Annual Allowance Transfers; Recordation of TR NO_x Annual Allowance Transfers; Compliance with TR NO_x Annual Emissions Limitation; Compliance with TR NO_x Annual Assurance Provisions; Banking; Account Error; Administrator’s Action on Submissions; General Monitoring, Recordkeeping, and Reporting Requirements; Initial Monitoring System Certification and Recertification Procedures; Monitoring System Out-of-Control Periods; Notifications Concerning Monitoring; Recordkeeping and Reporting; Petitions for Alternatives to Monitoring, Recordkeeping, or Reporting Requirements

X New Amend Repeal Adopt by Reference

 This rule has no economic impact.

X This rule has an economic impact, as explained below:

Impact of Revisions to Chapter 335-3-8

The addition of Rules 335-3-8-.07, 335-3-8-.08, 335-3-8-.09, 335-3-8-.10, 335-3-8-.11, 335-3-8-.12, 335-3-8-.13, 335-3-8-.14, 335-3-8-.15, 335-3-8-.16, 335-3-8-.17, 335-3-8-.18, 335-3-8-.19, 335-3-8-.20, 335-3-8-.21, 335-3-8-.23, 335-3-8-.24, 335-3-8-.25, 335-3-8-.26, 335-3-8-.27, 335-3-8-.28, 335-3-8-.29, 335-3-8-.30, 335-3-8-.31, 335-3-8-.33, 335-3-8-.34, 335-3-8-.35, 335-3-8-.36, 335-3-8-.37, and 335-3-8-.38 to Chapter 335-3-8 of the ADEM Administrative Code, will

incorporate the requirements of federal regulations, as required by the Environmental Protection Agency (EPA). Through the adoption of these regulations, the Alabama Department of Environmental Management is given primacy to implement the regulations at the state level. In the event that these regulations are not implemented by the State, the EPA will implement the requirements on the federal level.

1. NEED/EXPECTED BENEFIT OF RULE:

These revisions are necessary to incorporate EPA's provisions for the control of nitrogen oxide emissions from specified categories of stationary sources as promulgated August 8, 2011 (76 FR 48208) and revised on December 3, 2014 (79 FR 71663). EPA has made a finding that 27 States and the District of Columbia contributed significantly to nonattainment of the national ambient air quality standards (NAAQS) for fine particles (PM_{2.5}) and/or ozone in downwind States. EPA expects the benefit of this rule will assist the downwind PM_{2.5} and ozone nonattainment areas in achieving the NAAQS. Moreover, attainment will be achieved in a more equitable, cost-effective manner than if each nonattainment area attempted to achieve attainment by implementing local emissions reductions alone. EPA is presently implementing CSAPR through a Federal Implementation Plan (FIP). As discussed above, adoption of the federal requirements through these regulations will allow the Department to retain State primacy in the implementation and enforcement of the regulations rather than defaulting to regulation by the federal government.

2. COST/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

The cost/benefits of this Rule are provided in EPA's regulatory impact analysis and the promulgated Rule in 76 FR 48208.

The costs are equivalent to the cost of compliance with the same regulations implemented by the federal government. Sources of air pollution will be subject to the same requirements for installation of controls to prevent the emissions of air pollution regardless of which agency (state or federal) implements these regulations.

3. EFFECT OF THIS RULE ON COMPETITION:

As stated above, if the regulations are not implemented by the State of Alabama, they will be implemented on the federal level and Alabama companies will be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

As stated above, if the regulations are not implemented and enforced by the State of Alabama, they will be implemented on the federal level. Therefore, Alabama companies still would be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

Adoption of these federally required regulations is not expected to have any effect on the employment in the geographical area in which the regulation would be implemented (State of Alabama).

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

Moneys from the Federal Grant, and fines and fees collected by the Department will fund the adoption of this regulation. For sources subject to Title V of the Clean Air Act, as amended, fees are collected based on the amount of air pollution emitted annually.

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

As stated above, if the regulations are not implemented by the State of Alabama, they will be implemented on the federal level. Alabama companies would still be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

No additional burdens are expected as a result of the adoption of these regulations. If the regulations are not adopted by the State of Alabama, they will be implemented on the federal level. Alabama companies would still be required to comply with the federal regulations and answer directly to the federal Environmental Protection Agency.

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

The effect of the regulation on the environment and public health is addressed in the Federal Register (76 FR 48208), August 8, 2011, that is the basis for these proposed rules.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

The benefits of the proposed regulations have been discussed in the above paragraphs as well as the Federal Register (see No. 9). Through the adoption of these regulations, ADEM will have primacy to implement the regulations at the State level. In the event that the regulations are not adopted at the State level, the requirements will still exist at the federal level. However, it is generally acknowledged that regulations are implemented and enforced in a more effective and efficient manner at the State level than at the federal level.