



# Midwest Environmental Compliance Conference

KANSAS CITY CONVENTION CENTER | MISSOURI

April 11-12, 2018

## REGIONAL AIR PANEL: OPERATING IN A NEW AND UNCERTAIN REGULATORY CLIMATE

Mark Smith, US EPA Region 7

Kyra Moore, Deputy Director, DEQ, Missouri DNR

Rick Brunetti, Director, Bureau of Air, KDHE

Rick Campbell, Barr Engineering

David Shanks, Boeing

Wendy Vit, GeoEngineers

Parthy Evans, Stinson Leonard Street (Moderator)

# VOLKSWAGEN SETTLEMENT

- Guilty Plea and \$2.8 Billion in Criminal Penalties
- \$1.5 Billion Settlement of Civil Environmental, Customs and Financial Violations
- Indictments of 6 VW executives and employees in the 10 year conspiracy
- VW imported and sold approximately 590,000 diesel vehicles in the U.S. that had a defeat device to cheat on emissions tests mandated by EPA and the California Air Resources Board
- <https://www.justice.gov/opa/pr/volkswagen-ag-agrees-plead-guilty-and-pay-43-billion-criminal-and-civil-penalties-six>

# 2.0 and 3.0 Liter Diesel Partial Settlements

## 10-25-16 and 5-17-17

- Remove from commerce or make approved emissions modifications on at least 85% of:
  - affected 2.0 liter vehicles by June 2019 Via buyback (9-17-15 \$ value) or lease termination
  - Affected 3.0 liter vehicles by June 2020 with specific means according to the tech generation of the affected vehicles
- Failure to meet recall goals requires additional mitigation trust funding
  - \$85MM for each percentage point short on 2.0
  - \$21MM for each percentage point short on 3.0

# \$2.7 BB NOx Mitigation Trust Fund

- To fully mitigate the total, lifetime excess NOx emissions from the affected 2.0 liter vehicles
- Additional \$225 MM for 3.0 liter vehicles
- Beneficiaries are the 50 states, Puerto Rico, DC, Indian Tribes
- Beneficiary allocation based on number of registered affected vehicles in the jurisdiction

# Eligible Mitigation Projects

- NOx reductions from heavy duty diesel sources near population centers: large trucks, school and transit buses, freight switching locomotives
- Replace or repower older engines for newer engines
- Replace older engines with electric-powered vehicles

# Region 7 States Mitigation

- Missouri - \$41 MM
- Kansas - \$15 MM
- Iowa - \$21 MM
- Nebraska - \$11.5 MM
- State Allocation Strategies

# Volkswagen Trust

Be Part of the Solution

## Read the Draft Plan and Guidelines and Submit Comments

<https://dnr.mo.gov/env/apcp/vw/readvwplan.htm>

### Contact information:

Missouri Department of Natural Resources

Air Pollution Control Program

Volkswagen Team

Phone: 573-751-4817

<https://dnr.mo.gov/env/apcp/vw/index.html>

# New Source Review

- Several Executive Orders directing streamlining of regulatory permitting
- EPA is reviewing the NSR permit program
- EPA review seeks NSR improvements through clarifying or revising regulations or policies that present confusion or uncertainty



# Administrator Pruitt's NSR Memos

- 12-7-17 Enforceability and use of emissions applicability tests
- 3-13-18 Project emissions accounting
- Several more memos are expected soon:
  - Source determinations
  - Project aggregation
  - Others

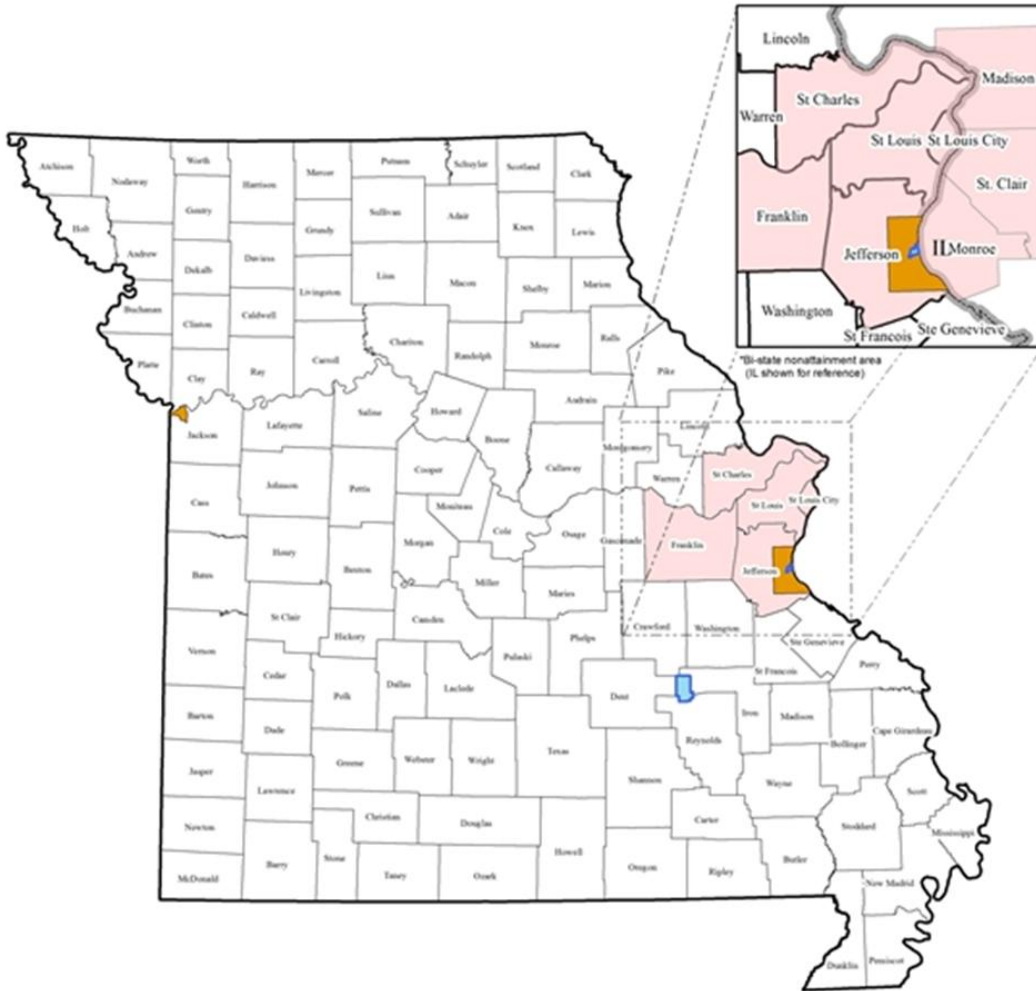
# NAAQS

Pollutant [links to historical tables of NAAQS reviews]		Primary/ Secondary	Averaging Time	Level	Form
<a href="#">Carbon Monoxide (CO)</a>		primary	8 hours	9 ppm	Not to be exceeded more than once per year
			1 hour	35 ppm	
<a href="#">Lead (Pb)</a>		primary and secondary	Rolling 3 month average	0.15 µg/m <sup>3</sup> <sup>(1)</sup>	Not to be exceeded
<a href="#">Nitrogen Dioxide (NO<sub>2</sub>)</a>		primary	1 hour	100 ppb	98th percentile of 1-hour daily maximum concentrations, averaged over 3 years
		primary and secondary	1 year	53 ppb <sup>(2)</sup>	Annual Mean
<a href="#">Ozone (O<sub>3</sub>)</a>		primary and secondary	8 hours	0.070 ppm <sup>(2)</sup>	Annual fourth-highest daily maximum 8-hour concentration, averaged over 3 years
<a href="#">Particle Pollution (PM)</a>	PM <sub>2.5</sub>	primary	1 year	12.0 µg/m <sup>3</sup>	annual mean, averaged over 3 years
		secondary	1 year	15.0 µg/m <sup>3</sup>	annual mean, averaged over 3 years
		primary and secondary	24 hours	35 µg/m <sup>3</sup>	98th percentile, averaged over 3 years
	PM <sub>10</sub>	primary and secondary	24 hours	150 µg/m <sup>3</sup>	Not to be exceeded more than once per year on average over 3 years
<a href="#">Sulfur Dioxide (SO<sub>2</sub>)</a>		primary	1 hour	75 ppb <sup>(2)</sup>	99th percentile of 1-hour daily maximum concentrations, averaged over 3 years
		secondary	3 hours	0.5 ppm	Not to be exceeded more than once per year

# Region 7 NAAQS Issues

- EPA Activity
- Interstate Transport
- Impact of Downward Trend in Title V NO<sub>x</sub> emissions
- St Louis Nonattainment Area
  - 2015 Ozone Nonattainment Boundaries
  - Pending Redesignations to Attainment

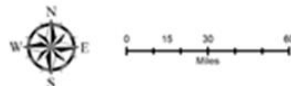
# Current Nonattainment Areas



Missouri  
Nonattainment  
Areas  
April 2018

## Legend

- Nonattainment for 2008 Lead Standard
- Nonattainment for the 2010 SO<sub>2</sub> Standard
- Nonattainment for the 2008 Ozone Standard and the 1997 PM<sub>2.5</sub> Standard



# Proposed Boundary Designation

## Recommendation

Based on preliminary 2015-2017 monitoring data West Alton the only violating monitor

### Nonattainment:

City of St. Louis  
St. Louis County  
St. Charles County

### Unclassifiable/Attainment:

Each Missouri county not recommended for nonattainment



# Clean Power Plan

- 10-16-17 Proposed repeal of CPP
- 12-28-17 Advance Notice of Proposed Rulemaking
  - GHG Emission Guidelines for Existing Electric Generating Units
- Power Production GHG Reductions Without Clean Power Plan

# Red Tape and Streamlining

- EPA Lean Management Systems
- MDNR Red Tape Reduction Process
- MACT Backlog
- Once in Always In

# Questions - Discussion