**Talking Points—8/26/14**

**DEQ air quality rulemakings involving facilities emitting greenhouse gases**

**DEQ is proposing a temporary rule that would align Oregon rules with federal rules for Title V permitting relating to greenhouse gas emissions.**

* The rule acknowledges the U.S. Supreme Court’s June 2014 decision stating that it was not valid for EPA to require greenhouse gas-emitting industrial facilities to apply for Title V permits or Prevention of Significant Deterioration permits if GHGs were the only pollutant that made such facilities subject to Title V or PSD. However, the court affirmed that facilities subject to PSD permitting of other pollutants (the so-called “anyway” sources) could also be subject to PSD for greenhouse gases.
* Facilities affected are those whose emissions would exceed the current trigger levels of GHG emissions. In Oregon, this would affect just a handful of large emission-producing facilities. All these facilities currently have emission levels over the trigger limit.
  + Semiconductor manufacturers (Intel/Hillsboro and Aloha manufacturing facilities (considered one source for permitting purposes) and On Semiconductor/Gresham)
  + Fertilizer and nitric acid mfg (Dyno Nobel/St. Helens)
  + Liquefied natural gas exporting (Oregon LNG/Warrenton)
  + Ethanol production (Cascade Kelly Holdings/Clatskanie)
  + Extruded polystyrene foam mfg (Owens Corning foam insulation plant/NE Portland-Troutdale—but note that the plant’s Title V permit has already been issued)
* DEQ intends to recommend to the Environmental Quality Commission to approve the temporary rule at the commission’s November 2014 meeting.
* These rules would only be in effect for several months, until the commission acts on a permanent rulemaking on air pollutant emissions (and other air quality program aspects) already being proposed by DEQ, in early 2015.
* DEQ does not accept public comment on temporary or emergency rules, but the public may view the proposal on DEQ’s website (rulemaking page).

**DEQ is moving forward with its existing permanent rulemaking proposal addressing permitting for greenhouse gas-emitting facilities and a variety of other air quality rules and policies.**

* DEQ proposed this draft rulemaking before the Supreme Court’s June 2014 decision.
* As part of this rulemaking, DEQ is requesting comments on whether or not facilities should be subject to Title V or PSD permitting for greenhouse gases alone. Oregon has the authority under the Clean Air Act to require more stringent rules on greenhouse gas-emitting facilities than the federal rules.
* DEQ has sought comment on this permanent rulemaking since June 16, 2014. Comments are accepted through Aug. 28, 2014 on this rulemaking. DEQ held a public hearing on this rulemaking on July 16, 2014.
* To address the issue of Title V and PSD permitting for GHG-emitting facilities, DEQ is extending the comment period on the topic for GHG-emitting facilities for two weeks, until Sept. 15, 2014. The comment extension applies only to this section of the permanent rulemaking,
* After considering comments, DEQ intends to present this full, permanent rulemaking proposal to EQC for approval in early 2015.

**More detailed background-**

* Industry approached DEQ in July 2014 about the Supreme Court ruling and how it applies to Title V permitting requirements.
* DEQ, after internal discussion, decided that a temporary rulemaking would serve as a “pause button” over the issue of greenhouse gas-emitting facilities and Title V and PSD permitting until the EQC acts on the permanent rulemaking. Applying for a Title V or PSD permit and conducting the associated work can be costly.
* DEQ feels the temporary rulemaking is the best way to ensure the public process of the existing, permanent rulemaking that opened for comment in June 2014 may proceed, while allowing industrial facilities to wait for permanent rules to make expenditures on permit applications and emission analyses.
* According to Oregon’s current rules, the trigger level for GHGs that requires Title V permitting is 100,000 short tons per year or more of carbon dioxide equivalent. The trigger levels for PSD permitting are an emission increase of 75,000 short tons per year or more of carbon dioxide equivalent, and total emissions after the increase of 100,000 short tons per year of carbon dioxide equivalent.
* Types of GHG pollutants and their processes:
  + Semiconductor mfg process: perfluorocarbon gases
  + Fertilizer/nitric acid mfg: nitrous oxide (nitric acid) and carbon dioxide (from combustion devices)
  + Liquefied natural gas exporting: carbon dioxide from natural gas pre-treatment process
  + Ethanol: carbon dioxide
  + Foam mfg process: hydrofluorocarbon gases

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