

Agenda Item: 10-26 **Request to Proceed to Hearing on Amendments to Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NA NSR) Rules to Include PM2.5 Provisions**

Explanation:

This public hearing request is to take proposed amendments to Rules 15A NCAC 02D .0530 and .0531 to include particulate matter that is 2.5 microns or less in diameter (PM_{2.5}) as part of the National Ambient Air Quality Standards.

Together, these two Rules represent North Carolina's New Source Review (NSR) permit programs. This amendment action is required by federal law and may impact air quality through a reduction of PM2.5.

The USEPA's Clean Air Fine Particulate Implementation Rule (72 FR 20586) guides the states in developing state implementation plans in response to annual and or daily PM2.5 nonattainment. It establishes a hierarchy of precursor pollutants: Sulfur Dioxide (SO₂) is always considered a significant precursor, Nitrogen Oxide (NO_x) is presumptively a significant precursor, and Volatile Organic Compounds (VOCs) and ammonia (NH₃) are presumed not to be significant precursors. North Carolina operates a fully approved New Source Review program.

Under both the PSD and NA NSR programs, primary, condensable, and precursors to PM2.5 are important. The NA NSR program is more restrictive than PSD. Local contributing offsets are required by new or major source modifications in the nonattainment area to ensure that the nonattainment area continues to work rapidly toward reaching attainment.

The proposed amendments set the significant level for NO_x in North Carolina to 140 tpy instead of 40 tpy as listed in the federal emissions guidance document. North Carolina has monitoring and modeling data that demonstrates NO_x to be less reactive to the formation of PM2.5 as SO₂ by a factor of 3.5. Additionally, the amendments include technically modified rule language to better reflect USEPA's language and reinstates a part of a sentence that was inadvertently removed during a current and active rule action.

Recommendation:

The Director recommends that the Commission authorize a public hearing(s) on these amendments and that the Chairman appoint a member(s) of the Commission to serve as hearing officer(s).