RULE SUMMARY

Subject: **Revisions to New Source Review and Prevention of Significant Deterioration (PSD) Nitrogen Oxides (NO_x) Significance Level for $PM_{2.5}$ (512) and $PM_{2.5}$ Increment (516)**

Rule Citation	What is Changed	Purpose of Change (Why)	Who Is Affected and How	Impacts
15A NCAC 02D .0530, Prevention of Significant Deterioration 15A NCAC 02D .0531 Sources in Nonattainment Areas	The USEPA determined that the state significance level for NO_x for $PM_{2.5}$ must be revised to reflect the federal 40 tpy significance level in the implementation rule. The USEPA promulgated the increments for $PM_{2.5}$ on October 20, 2010 (75 FR 64864). The PSD rule needs to be updated to incorporate the new 24 hour and annual $PM_{2.5}$ increments.	The proposed rule amendments would revise North Carolina's nitrogen oxides significance level from 140 tons per year to 40 tons per year. The proposed rule amendments also updates the federal cross-reference in the PSD rule to reflect the current federal increments for fine particulate matter ($PM_{2.5}$).	There are no affected parties due to the change in NOx significance level for $PM_{2.5}$. A PSD increment analysis requires additional engineering and modeling by a facility submitting a PSD permit application. The Division of Air Quality (DAQ) would require additional time to review the $PM_{2.5}$ increment analysis in a PSD permit application. There will not be any change in the health benefits to the public as a result of these amendments.	There are no anticipated costs or benefits associated with the change in NO_x significance level for $PM_{2.5}$ because the significance level for NO_x for ozone is already 40 tpy. Based on an average of six PSD applications received by the DAQ per year, the total annual impact to the private sector to incorporate the federal $PM_{2.5}$ increments would be approximately $134,000. DAQ would have about $17,000 in additional permit review time. The overall total cost increase to all entities would be approximately $151,000 per year.