

Maine DEP's Ozone Transport Region Petition Executive Summary

What is DEP Proposing?

As allowed under the Clean Air Act, DEP is petitioning the U.S. EPA to reassign parts of Maine to more appropriate air quality regulatory requirements. Due to Maine's air quality success, all but 10 coastal communities (Kittery up to Old Orchard Beach) and Acadia National Park are being proposed for removal from the Ozone Transport Region ("OTR"). This will benefit Maine's economy in those areas by removing unnecessary, burdensome, and sometimes contradictory regulatory requirements. The remaining areas will continue as part of the OTR, similar to how Virginia participates in the OTR.

Will This Hurt Maine Air Quality?

No. Maine has been and will continue to be in attainment with ozone National Ambient Air Quality Standards ("NAAQS") in those areas petitioned for removal, and emissions from Maine sources have negligible impact on the ozone attainment status of any part of the OTR. The information presented in the petition justifies the exclusion of a portion of the State of Maine from the OTR.

Nitrogen oxides (NO_x) and volatile organic compounds (VOC) are ozone precursor pollutants which contribute to the formation of ground-level ozone. EPA has previously granted Maine NO_x Waivers under the 1-hour and 8-hour ozone NAAQS, and Maine has still seen lower ozone levels and has been in attainment with the ozone NAAQS. DEP has demonstrated that further reductions of both NO_x and VOC emissions in Maine will not change Maine's attainment status or have any significant impact on ozone levels in the OTR outside of Maine.

In addition:

- The proposal does not remove or modify any existing control measures contained in the Maine State Implementation Plan (SIP); and
- Required controls for existing facilities in Maine will not be relaxed upon granting of the petition, ensuring that air quality does not degrade and eliminating any potential for backsliding,

Will This Help Maine Businesses?

Yes. The status quo leaves Maine with a basic fairness issue: its sources are subject to the same emission restrictions and requirements as those in upwind non-attainment areas, and Maine's sources are subject to more restrictive requirements than sources in certain upwind states that contribute significantly to downwind non-attainment areas. Maine is subject to these requirements even though it has been classified as in attainment by EPA and has repeatedly demonstrated that emissions from Maine sources do not cause or contribute to non-attainment in any other state.

If the petition is approved, Maine's economy will become more competitive with those in other states, while protecting the progress Maine had made over the last 25 years. Maine businesses in most of the state will no longer have to jump through regulatory hoops that add costs without providing any benefits (and in some cases, are even counterproductive for air quality). There are many projects that have been considered in the State of Maine but have been withdrawn or put on hold indefinitely due to the lack of availability of and economic burden to acquire emission offsets, simply because Maine is part of the OTR. Additionally, many VOC control options result in increased NO_x emissions which are not beneficial to ozone level reductions. Maine's emissions do not

significantly impact any non-attainment areas and, therefore, should not be subject to OTR constraints designed to address regional ozone transport.

Specifically, if the petition is approved, in most parts of the state, businesses will no longer have to: (1) be required to implement Reasonably Available Control Technology (RACT), a more stringent standard than applies to most sources outside the OTR; (2) be required to meet stringent Lowest Achievable Emission Rate requirements; (3) be subject to emission offset requirements for new or expanded operations; and (4) for both major and minor sources, be subject to potentially expensive applicable requirements for VOC controls for many specific processes, including, for example, surface coating of a variety of different materials; storage, distribution, and transport of gasoline and other petroleum products; wood furniture manufacturing; boat manufacturing; portable fuel containers; and other specific activities.

What Kinds of Businesses are Affected?

In addition to Maine's forest products and large manufacturing industries, other businesses which will benefit from DEP's proposal include those which engage in: surface coating of different materials; storage, distribution, and transport of gasoline and other petroleum products; wood furniture manufacturing; boat manufacturing; and large bakeries or food production. The following are real examples provided by DEP regarding businesses negatively affected by the status quo:

- Expera Old Town, LLC (an integrated pulp and paper facility) was considering converting their facility to process softwood instead of hardwood. Among other factors, acquiring offsets for this project contributed to management's decision to close the facility.
- F.E. Wood – Natural Energy LLC licensed the construction and operation of a wood pellet manufacturing facility. Due to current OTR requirements, the license included the requirement to install and operate a regenerative thermal oxidizer for control of VOC from the wood drying process. This facility was never constructed.
- To allow a lumber mill currently operating in Maine to increase the quantity of lumber dried in their existing kilns would require offsets and potentially the installation of control equipment to address the same type of VOC emissions occurring naturally just outside their fence line.
- Maine companies compete with facilities located in places such as Ohio and Oklahoma, both of which currently have integrated greenfield tissue mills in various stages of construction and which are neither part of the OTR nor subject to the same requirements.
- A proposed facility that will use non-toxic VOC containing coatings would be required to install thermal oxidizer controls as LAER. These controls create NO_x in an area dominated by biogenic VOCs. The net effect would be to increase ozone levels rather than decrease them.

How Do I Make My Voice Heard?

By attending the DEP public hearing on the petition at 1:00 pm on July 30, 2018 at the DEP Response Services Training Room at 7 Chimney Lane, Augusta, Maine.