

**Agenda Item:**                    **Request for Approval of Emission Reductions Beyond Clean Smokestacks Act 2013 Report**

**Explanation:**                    Session Law 2002-4 Section 11 instructs the Environmental Management Commission (EMC) to study the desirability of requiring and the feasibility of obtaining reductions in emissions of oxides of nitrogen (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) beyond those required by the Clean Smokestacks Act (CSA). The EMC is to report its findings and recommendations biennially (as amended by S.L. 2010-142) to the General Assembly and the Environmental Review Commission beginning September 1, 2011.

The 2013 report presents the status of key federal judicial and legislative actions for which the outcomes are still undetermined, such as the Cross-State Air Pollution Rule (CSAPR) to regulate interstate pollution transport from electric generating units (EGUs), which is currently on the Supreme Court docket for review, and the delayed revision of the National Ambient Air Quality Standards (NAAQS) for ozone, as well as other actions that will affect EGU emissions. In addition, the report provides background on compliance with the CSA. North Carolina EGU emissions of SO<sub>2</sub> and NO<sub>x</sub> have been significantly reduced by 89 and 83 percent, respectively, in response to the CSA requirements in recent years and all of the state's EGUs are reported to be on course to meet the Clean Air Interstate Rule (CAIR) and Mercury and Air Toxics Standards (MATS) rules.

Given these and the other pending actions affecting EGU emissions, the report recommends that DENR continue to evaluate the need for reductions beyond CSA from the utilities based on what additional emission reductions are needed to attain the NAAQS upon EPA issuance of a new NAAQS. If additional controls are necessary, DENR would initiate necessary rule changes, open permits to include new emissions limitations or take both actions. The report also recommends that a report every two years is no longer necessary.

**Recommendation:**                    The Chairman recommends that the Commission approve the draft report for submittal to the Environmental Review Commission.