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EPA Finalizes Revised Hazardous Air Pollutant Standards For Backup and Industrial Generators

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On Jan. 15, 2013, EPA issued final amendments to the Hazardous Air Pollutant ("HAP") standards for stationary generators referred to as Reciprocating Internal Combustion Engines or "RICE." The standards were developed in response to litigation and petitions for reconsideration of the 2010 RICE National Emission Standards for Hazardous Air Pollutants ("NESHAP") and provide substantially more compliance flexibility for certain generators widely used for backup electricity generation and for powering oil and gas, mining, and agricultural operations.

These amendments are the fourth set of revisions to the RICE NESHAP over the past 10 years. In 2004, EPA finalized standards for stationary RICE greater than 500 horsepower ("HP") located a major sources of HAPs. In 2008, EPA issued standards for *new* stationary RICE less than or equal to 500 HP located at major sources, and in 2010, EPA finalized the requirements for *existing* RICE less than or equal to 500 HP located at both major sources and area sources. The most recent revisions are intended to address concerns raised by industry that the 2010 standards were too stringent and too costly; indeed, EPA states that investment costs in response to the final rule will be cut by $287 million and annual costs will be reduced by $139 million.

For existing spark ignition generators located in "remote" areas—defined as a Department of Transportation Class I pipeline or a generator within 0.25 miles of a facility where there are five or fewer buildings intended for human occupancy—EPA is allowing the use of management practices, rather than numeric emission limits, testing, and monitoring. For existing spark ignition generators at area sources of HAP that are not "remote," EPA reduced the stringency of the 2010 rule and is now requiring installation of an oxidation catalyst, testing of engines to demonstrate initial compliance, then checkups and monitoring of the catalyst, as well as high temperature shutdown devices to protect the catalyst. EPA also finalized management practices for existing non-emergency combustion ignition engines greater than 300 HP on off-shore drilling vessels on the Outer Continental Shelf.

Generators used for emergency backup also are a critical focus of the revisions. The rule limits operation of stationary emergency RICE as part of an emergency demand response program to within the 100 hours a year

already permitted for maintenance and testing—up from 15 hours of emergency demand allowed in the 2010 rule. As EPA states, the rule change is "[i]ntended to stabilize the grid during periods of instability and support local electric system reliability." In addition, generators greater than 500 HP at major sources of HAP will be limited to 100 hours of maintenance, testing, and emergency demand. As a tradeoff, these sources must use low sulfur diesel fuel by January 2015 and backup generators larger than 100 HP must comply with fuel and reporting requirements. In addition, EPA did not finalize a proposed provision to allow generators to operate for up to 50 hours annually during high demand periods (referred to as "peak shaving") and other non-emergency situations through August of 2017.

EPA also has relaxed requirements for certain existing compression ignition engines above 300 HP at area sources that were installed prior to June 2006; rather than imposing technology requirements, EPA is certifying that engines meeting Tier 3 engine standards are in compliance with the NESHAP. For existing stationary Tier 1 and Tier 2 certified compression ignition engines at area sources that are subject to enforceable state or local regulations requiring replacement of engines by 2018, EPA has agreed to allow compliance with management practices until replacement. The latter provision is important to California agricultural interests that otherwise would be forced to install pollution control technology on generators that will be phased out by 2018.

Compliance with provisions for compression ignition engines is required by May 2013, while compliance with provisions for spark ignition engines must be demonstrated by October 2013.

If you have any questions regarding the RICE NESHAP, please contact Emily Schilling:
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