

OVERVIEW

The Environmental Protection Agency (EPA) promulgated the Clean Air Interstate Rule (CAIR) on March 10, 2005 (70 FR 25162) to reduce emissions of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) from electrical generating units (EGUs) through a cap and trade approach.

On April 28, 2006, EPA promulgated a Federal Implementation Plan (FIP) for CAIR (71 FR 25328). Within the FIP provisions for the Annual NO_x program and the Ozone Season NO_x program states are provided the option to submit abbreviated State Implementation Plans (SIPs) to meet CAIR requirements (see 40 CFR §51.123 (p) and 51.123(ee) respectively). Louisiana will remain under the provisions of the FIP for the CAIR Annual NO_x and Ozone Season NO_x Trading Programs with the exception of those provisions related to NO_x allowance allocations.

Louisiana submitted an abbreviated SIP for the Annual and Ozone season NO_x allocations method on August 20, 2007; the SIP was approved by EPA on September 28, 2007 (72 FR 55064). This abbreviated SIP revision includes the following:

1. rule AQ 292 which updates certain citations to all federal revisions to CAIR;
2. revises and adds definitions;
3. adds provisions for petroleum coke-fired EGUs;
4. reclassification of units from utility to non-utility and vice versa; and
5. adds language to cease allocation of NO_x allowances to certified units that are not or have not been built.

In accordance with La. R.S. 49:950 et seq., and to comply with 40 CFR 51.285 Public Notification, the LDEQ published in the *Louisiana Register* on June 20, 2008, a notice seeking comment on this SIP revision. A public hearing concerning this SIP revision was held at 1:30 p.m. on July 29, 2008, in the Galvez Building, Oliver Pollock Room C111, at 602 N. Fifth Street, Baton Rouge, Louisiana. Interested parties were invited to submit written or oral comments on the SIP at that time. The comment period closed at 4:30 p.m. on August 5, 2008. A copy of the notices, hearing transcript, comments, and comment summary responses and responses to comments are included in Appendix A.

The state provisions in the rule will be in lieu of 40 CFR 96, Subpart EE – CAIR NO_x Allowance Allocations (§96.142) and Subpart EEEE – CAIR NO_x Ozone Season Allowance Allocations (§96.341 and §96.342). The LDEQ published in the *Louisiana Register* on March 20, 2008 the Notice of Intent for the rule. A public hearing concerning this rule was held at 1:30 p.m. on April 24, 2008, in the Galvez Building, Oliver Pollock Room C111, at 602 N. Fifth Street, Baton

Rouge, Louisiana. Interested parties were invited to submit written or oral comments on the rule at that time. The comment period closed at 4:30 p.m. on May 1, 2008. A copy of the notices, hearing transcripts, comments and comment summary responses and responses to comments are included in Appendix A. The final rule with technical amendments was published on June 20, 2008 in the *Louisiana Register* and was effective upon publication. A copy of the final rule is included in Appendix B.