



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

Donald R. van der Vaart
Secretary

July 20, 2016

Heather McTeer Toney
Regional Administrator
USEPA Region 4
Atlanta Federal Center
61 Forsyth Street, SW
Atlanta, GA 30303-8960

Subject: Final Revision to the North Carolina State Implementation Plan (SIP) - Nitrogen Oxides SIP Call Transition Requirements for Large Non Electrical Generating Units with Clean Air Act Section 110(l) Non-Interference Demonstration

Dear Ms. Toney:

I am pleased to submit the final revision to the North Carolina State Implementation Plan (SIP) under the Nitrogen Oxides (NO_x) SIP Call Transition Requirements for Large Non Electrical Generating Units (non-EGUs) with Clean Air Act Section 110(l) Non-Interference Demonstration. The purpose of the proposed SIP revision is to remove 40 CFR Part 75 monitoring, record keeping, and reporting requirements for non-EGUs that were included in the NO_x Budget Trading Program but excluded from the Cross-State Air Pollution Rule federal trading program. Enclosed is one hard copy of the complete package containing the SIP demonstration. An exact duplicate electronic copy is being provided on a compact disk.

Based on EPA findings showing that the NO_x SIP Call requirements have been achieved without any emission reductions from the active large non-EGUs and North Carolina's demonstration showing that modeled and actual emissions will not interfere with the attainment and maintenance of National Ambient Air Quality Standards in North Carolina and neighboring states, the Division of Air Quality (DAQ) believes that Part 75 requirements for existing non-EGUs are unnecessary, not beneficial and not cost-effective. The DAQ commits to calculate ozone season NO_x emissions and assure that the total for the non-EGU group remains below the NO_x SIP Call budget by utilizing existing applicable reporting requirements contained in the current operating permit of the non-EGU source.

The DAQ issued a public notice announcement on September 2, 2015, in accordance with 40 CF 51.102, indicating that the "Revision to the North Carolina SIP under the NO_x SIP Call Transition Requirements for Large Non-EGUs with Clean Air Act Section 110(l) Non-Interference Demonstration" was available for public comment and posted on the DAQ website for review. The public notice announcement indicated that anyone may request a public hearing (see Attachment A).

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In addition to posting on the DAQ website, the public notice announcement was sent to a number of e-mail distribution lists managed by the DAQ that includes numerous stakeholders from industry and environmental groups. The DAQ believes that sending the public notice announcement to these groups is more effective than publishing the notice in a few local newspapers and is consistent with the requirements described in the April 6, 2011, memorandum, "*Regional Consistency for the Administrative Requirements of the State Implementation Plan Submittals and the Use of Letter Notices.*"

Additionally, the Rich Site Summary (RSS) feed on the DAQ website offers regular delivery to persons interested in receiving updates to the website content. The document was also made available for review during normal business hours at the DAQ Central Office in Raleigh and each of the DAQ's seven Regional Offices.

The public comment period was open from September 2, 2015 through October 5, 2015. The DAQ did not receive any requests for a public hearing or any comments from the public. The EPA submitted a set of comments through a letter provided in Attachment B. The DAQ's responses to EPA's comments and associated changes to the pre-hearing draft document are presented in Section 1.2.

The DAQ believes it has in good faith addressed the requirements of Section 110(l) of the Clean Air Act to support a reasonable and cost-effective transition for the affected non-EGUs. If you should have any questions regarding this submittal, please contact Sushma Masemore of my staff at (919) 707-8700.

Sincerely,



Sheila Holman, Director
Division of Air Quality, NCDENR

SCH/ssm

cc: Michael Abraczinskas, DAQ
Sushma Masemore, DAQ
Scott Davis, USEPA
Lynorae Benjamin, USEPA
Leslie Rhodes, Mecklenburg County Air Quality
William Barnette, Forsyth County Office of Environmental Assistance and Protection
David Brigman, Western Regional Air Quality Agency