

Louisiana attainment demonstration plan and SIP for the 1-hour ozone standard for the BR area (67 FR 61786) published on October 2, 2002, as well as in the approval of the State's NNSR procedures (67 FR 61260) published on September 30, 2002. In the approval of the attainment demonstration, we concluded that the State had adequately demonstrated that additional NO_x reductions will contribute to the attainment of the ozone NAAQS, which is the basis for the approval of this request from the State of Louisiana that EPA rescind the NO_x exemptions. Since the NO_x exemptions were granted to the State of Louisiana in 1996, modeling techniques and emission inventory methodologies/tools have been enhanced and improved. We reviewed and approved the new modeling for the BR area's ozone attainment demonstration plan and SIP (67 FR 61786, October 2, 2002) as leading to attainment of the standard and to overall benefit to reducing ozone. This attainment demonstration plan and SIP are now in effect. Louisiana conducted extensive Urban Airshed Modeling (UAM) in support of its revised SIP. The UAM provides the technical basis to support NO_x emission credits used to offset VOC increases. The LDEQ conducted approximately 100 UAM V simulations to determine the emission control strategy direction, emission control strategy level, and emission control region required to demonstrate attainment. The UAM clearly demonstrated that NO_x reductions are more effective than VOC reductions at reducing ambient ozone concentrations in the BR area. The UAM sensitivity simulations indicate that a 30 percent "across the board" reduction in VOC emission yielded less than a 1 part per billion decrease in the ozone peak for the 3 ozone episodes modeled. Accordingly, a reduction of one ton of NO_x emissions was more beneficial than an equivalent reduction in VOC emissions. On the basis of this modeling, Louisiana also determined that VOC emission credits should not be allowed to offset NO_x increases.

The BR area is currently designated as a serious ozone nonattainment area (40 CFR 81.319). A major stationary source in the BR ozone nonattainment area will need to comply the new offset ratios as a part of the NNSR procedures. The NNSR procedures allow an affected source to implement the Lowest Achievable Emission Rate (LAER). For a nonattainment area with a classification of serious for ozone, the minimum offset ratio for VOCs and for NO_x is 1.20 to 1 if LAER technology is implemented,

or 1.40 to 1 using internal offsets if LAER is not used. For a nonattainment area classified severe for ozone, the new minimum offset ratio for VOCs and for NO_x is 1.30 to 1 with LAER, or 1.50 to 1 using internal offsets without LAER. As defined by section 171 of the Act the term LAER refers to either the most stringent emission limit contained in the state plan of any state for the applicable category of sources, or the most stringent emission limitation achieved in practice within an industrial category.

Adoption of offset ratios like 1.2 to 1, 1.4 to 1, or 1.5 to 1 (greater than 1 to 1), as a part of the NNSR procedures, will translate into the environment becoming the beneficiary of additional twenty, forty, or fifty percent reductions in emissions, as the case might be. Under Louisiana's NNSR procedures, all emission reductions claimed as offset credit for significant net NO_x increases shall be from decreases of NO_x. The NO_x credits will be allowed to offset VOC increases, but not vice versa. Although NO_x credits may be allowed to offset VOC increases, we believe there are several regulatory measures in place that limit the ability of a source to exchange increases in VOCs with NO_x reductions. All emission reductions claimed as offset credit for significant net VOC increases shall be from decreases of either NO_x or VOCs, or any combination of NO_x and VOC decreases. If NO_x decreases are used for VOC increases, the permit for which the offsets are required shall have been issued on or before November 15, 2005. The LDEQ has identified, in its NNSR program, November 15, 2005, as a "sunset date" after which no permits will be issued or modified allowing NO_x credits to offset VOC increases. See 67 FR 61260. On September 30, 2002 (67 FR 61260) we approved Louisiana's NNSR program.

Furthermore, VOC emissions are separately regulated under EPA's Maximum Achievable Control Technology (MACT) standards for the major sources of air toxics.

Rescission of the NO_x exemptions and implementation of additional NO_x control requirements for point sources in the BR ozone nonattainment area will have an environmental benefit. Rescission of the NO_x exemptions will require the State to implement applicable NO_x provisions for: RACT, NNSR, banking, vehicle I/M, and general and transportation conformity. As a result of the rescission of the NO_x exemptions, Louisiana will now have to meet all of the applicable NO_x requirements of the Act. The State has already adopted and promulgated these

applicable requirements. See section 1 of this document for a listing of these regulatory measures.

Based on the above information, we support the State's request and are rescinding the NO_x exemptions.

Comment #4: LEAN commented that the State should not have been granted the exemption, that EPA mistakenly granted the exemptions to allow LDEQ to issue permits for emissions of NO_x in amounts far greater than would have been legal without the exemptions, and the rescission will increase pollution in the area. The commenter suggests the NO_x exemptions were unjustified.

Response to Comment #4: We disagree with the commenter's contention that the NO_x exemptions were mistaken or unjustified, although the issue is now moot in any case. We refer the commenter to our rulemaking approving the NO_x exemptions (61 FR 2438, January 26, 1996, and 61 FR 7218, February 27, 1996), and response to comment #3 above concerning our position for granting the exemptions. The EPA also disagrees that the rescission will increase pollution in the BR area and refer the commenter to our response to comment #3 of this document.

In this action, EPA is rescinding the NO_x exemptions. Therefore, the commenter's concern about EPA's granting the exemptions is misplaced. Seven years have elapsed since the LDEQ's previous modeling demonstration which showed that additional NO_x reductions were not needed for BR area's attainment, and the most recent modeling events demonstrating that control of NO_x emissions will contribute to attainment in the BR area. The pollution control technology, including air modeling, is a dynamic and evolving field. The model used by the LDEQ to support its request for approval of the NO_x waiver was Urban Airshed Model (UAM) IV, which was an EPA-approved photochemical grid model. The model used by the LDEQ to support its request for rescission of the NO_x waiver is UAM V, a more recently EPA-approved photochemical Grid Model. This represents a significant refinement in modeling technology. In addition, emission inventory methodologies/tools have been improved during this seven year period from when the State initially requested the NO_x exemptions. The commenter also fails to present or show any specific data corroborating the comment. In the absence of specific data or information, and for the other reasons stated above, we disagree with the commenter that the exemptions were mistakenly granted and that the