

LAKE MICHIGAN AIR DIRECTORS
CONSORTIUM

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February 9, 1993

Mr. David Kee, Director
Air and Radiation Division
US EPA - Region 5
77 West Jackson Boulevard
Chicago, IL 60604

Dear Mr. Kee,

This letter is intended to inform you of the results of our discussions concerning the use of actual versus allowable emissions in the development of the ozone control programs in the Lake Michigan area. These programs involve the development of the Lake Michigan Ozone Model, the control strategies which are derived from the application of that model, and ultimately the State Implementation Plan (SIP) submittals by the four states required to conduct ozone attainment planning in this region.

As you are aware, there are some serious problems associated with the use of "allowable" emissions, as defined in EPA guidance. Those problems have been discussed at length at several LADCO meetings. We will not reiterate these problems here, but would only indicate that the use of allowable emissions estimates as defined in the guidance could produce inaccurate modeling results and poorly designed control strategies. In addition, their use could lead to a SIP strategy being implemented which showed on paper that the ozone standard would be met even though no real reductions in actual emissions would be required. This obviously is not an acceptable situation.

In order to deal with this problem, the Technical Steering Committee of LADCO has agreed upon the following guidelines to be used in modeling, strategy selection, demonstration of attainment, establishment of baselines, and SIP development:

1. For doing the basic model development work, actual emissions will be used, since this most closely reflects reality.
2. When a control strategy which has been agreed to by the four states does not call for a change in the regulations for a category of sources, actual emissions will be used with an appropriate adjustment for growth.

3. When the strategy calls for a change to the emission levels in a category of sources, we will undertake a case-by-case examination of the characteristics of the emissions for that source category, and will determine the most appropriate anticipated level of emissions which would result from the implementation of the control strategy contained in the state plan.
4. If the state strategy calls for intrasource averaging within a facility ("bubbling"), then allowable emissions estimates as defined by EPA in its guidance document would be used.
5. All offset requirements to allow for major new sources to locate in the nonattainment areas would refer to reductions in actual emissions.
6. If a state pursued some type of comprehensive interfacility trading scheme such as that now being considered in the South Coast Region of California (RECLAIM), a totally different scheme of preparing allowable emissions would have to be developed.
7. For the development of baseline emissions to measure progress in meeting the percentage reduction requirements, actual emissions will be used.

We are providing this information to you so that as the development of the Lake Michigan Ozone Control Program continues you will be able to understand how we will be approaching these difficult questions. We look forward to working with you in the coming year. If you have any questions, please contact Steve Gerritson in the LADCO offices.

Sincerely,

Donald F. Theiler, Director
Bureau of Air Management
Wisconsin DNR

Bharat Mathur, Chief
Bureau of Air
Illinois EPA

Timothy Method, Ass't Commissioner
Office of Solid and Hazardous Waste
Indiana DEM

Dennis Drake, Acting Chief
Air Quality Division
Michigan DNR

cc: Tom Helms, Chief
Ozone/CO Programs Branch
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