

## **POLICY POSITION OF THE SOUTHERN LEGISLATIVE CONFERENCE**

### **5. REGARDING THE RETENTION OF THE CURRENT AIR QUALITY STANDARD**

#### **BACKGROUND**

The U.S. Environmental Protection Agency (EPA) has proposed to revise the 2008 primary National Ambient Air Quality Standard for ozone from 75 parts per billion (ppb) to a range of 65 ppb to 70 ppb, while taking comment on retaining the existing standard and an alternative standard of 60 ppb (79 Fed.Reg. 79234, December 17, 2014). The vast majority of Southern states recommended in their comments on the proposed standard that EPA retain the current standard.

Emissions contributing to ground-level ozone, or urban smog, come from a variety of natural and manmade sources, including motor vehicles, power plants, refineries, manufacturing and industrial facilities, oil and natural gas production, and commercial establishments such as restaurants, dry cleaners, and auto repair shops.

Member states of the Southern Legislative Conference produced 45 percent of all electricity generated in the United States in 2013, and stand to be most impacted by any revision to the ozone standard due to their reliance on fossil-fueled energy and relatively warm climates. Data provided by EPA on air quality trends show that ozone concentrations have decreased significantly in both urban and rural areas of the South over the past two decades in response to state and federal emission control programs. Meanwhile, EPA air quality projections show that retaining the current ozone standard would provide for continued air quality improvement throughout the South, as emission reduction programs under existing EPA and state regulations are implemented.

A revised ozone standard of 65 ppb or 70 ppb could lead to widespread nonattainment designations in Southern states that already meet the current ozone standards. Increased nonattainment designations could stifle industrial expansion and job growth by imposing expensive new emission "offset" requirements, more stringent new source permitting standards, and a variety of additional emission control programs such as motor vehicle emissions inspection and maintenance, and the use of federal reformulated gasoline blends. Industries most impacted by new nonattainment area designations would include oil and gas extraction, chemicals, refineries, paper, cement, steel, aluminum, and fossil-fueled power plants. Major construction projects, such as new commercial or residential developments, as well as highway construction, could be impacted by transportation "conformity" requirements that limit emissions from associated vehicle activity.

The EPA's Regulatory Impact Analysis (RIA) estimates that the annual cost of compliance with a revised standard of 70 ppb would be \$3.9 billion, rising to \$15 billion annually for 65 ppb, and \$39 billion for the alternative standard of 60 ppb. Furthermore, the EPA projects that 358 counties in the nation would violate a standard of 70 ppb, and that an additional 200 counties would violate a standard of 65 ppb.

Due to economic considerations and compliance with more stringent environmental requirements, the National Electric Reliability Corporation and Regional Transmission Organizations are raising cautions about the reliability of the nation's electric grid in light of the projected retirement of more than 50 Gigawatts (GW) of electric generating capacity prior to 2020.

**RECOMMENDATIONS**

The Southern Legislative Conference of The Council of State Governments urges the EPA to retain the current ozone air quality standard to provide continued public health protection and air quality improvement as other EPA and state regulatory programs are implemented.

The Southern Legislative Conference of The Council of State Governments requests that a copy of this policy position be forwarded to the president of the United States; governors, lieutenant governors, and legislative presiding officers of its member states; administrator of the U.S. Environmental Protection Agency; and members of the Southern Congressional delegation.