

Emissions Reduction Market System Rules Go To Second Notice

On April 21, 2005, the Illinois Pollution Control Board adopted for second notice proposed amendments to the Board's air rules relating to the Emissions Reduction Market System (ERMS). The rulemaking proposal is entitled Amendments to 35 Ill. Adm. Code 205, Emissions Reduction Market System, and 35 Ill. Adm. Code 211 (R05-11). ERMS is a cap and trade program that involves volatile organic material (VOM) emissions in the Chicago non-attainment area. The Board originally adopted the ERMS on November 20, 1997 and the United States Environmental Protection Agency (USEPA) approved the ERMS as part of the Illinois State Implementation Plan (SIP) for ozone effective November 21, 2001.

On November 19, 2004, the Illinois Environmental Protection Agency (IEPA) filed the rulemaking, which proposes revisions to the ERMS program rules intended to ensure the continued maintenance of the VOM reductions in the Chicago non-attainment area with the revocation of the 1-hour ozone standards and implementation of the new 8-hour ozone. The Board sent the proposal to first notice on December 2, 2005, without commenting on the merits of the proposal.

The IEPA asserts the revisions contained in this rulemaking proposal are needed because the USEPA is revoking the 1-hour ozone national ambient air quality standard (NAAQS) effective June 15, 2005 as a part of the implementation process of the new 8-hour ozone NAAQS. The IEPA contends that revoking the 1-hour ozone NAAQS would affect applicability thresholds for major sources. Currently, sources subject to the Clean Air Act Permit Program (CAAPP) are those with potential to emit 25 tons of VOM, but once the 1-hour ozone NAAQS is revoked, the applicability threshold raises to 100 tons or more of VOM a year. The IEPA asserts that this change would result in fewer facilities being subject to the rules and a corresponding loss of approximately 330 tons of VOM emissions reductions for each seasonal allotment period. The IEPA asserts that it must ensure that ERMS remains in place in its current form so the required VOM emissions reductions in the Chicago area is maintained.

Two hearings were held in this rulemaking. Copies of Board opinions, proposed rules, hearing officer orders, and hearing transcripts may be viewed on the Board's Website at www.ipcb.state.il.us or by contacting the Clerk's Office at the following address:

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