

Board Considers Amendments to Emissions Reduction Market System Rules

The Illinois Pollution Control Board is considering proposed amendments to the Board's air rules relating to the Emissions Reduction Market System (ERMS). The Board on December 2, 2004, adopted for first-notice the rulemaking proposal entitled Amendments to 35 Ill. Adm. Code 205, Emissions Reduction Market System, and 35 Ill. Adm. Code 211 (R05-11). The Board did not comment on the merits of the proposal.

On November 19, 2004, the Illinois Environmental Protection Agency (IEPA) filed the rulemaking, which proposes revisions to the ERMS program rules. ERMS is a cap and trade program that involves volatile organic material (VOM) emissions in the Chicago non-attainment area. ERMS is designed to reduce VOM emission in the Chicago non-attainment area below the levels required by reasonable available control technology and other emission standards. 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.

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. The IEPA contends that revoking the 1-hour NAAQS would affect applicability thresholds. 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. 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.

In this order, the Board adopts the proposed rulemaking for first-notice without commenting on the merits of the proposal. Additionally, the Board granted the IEPA's motion for expedited consideration. In its motion for expedited consideration, the IEPA asserted that if this proposed rulemaking is not promulgated by June 15, 2005, then there will be a lapse in participation of the affected sources in the ERMS that will not only lessen emissions reductions but will also result in great administrative confusion for both the sources and the IEPA. The Board must adopt the rules on or before June 15, 2005.

The Board directed the hearing officer to schedule public hearings as expeditiously as possible. Copies of Board opinions, proposed rules, and hearing officer orders may be viewed and public hearings will be scheduled in this rulemaking. Written comments should contain the rulemaking title and docket number (R04-25) and should be sent to the Clerk's Office at the following address:

Dorothy Gunn, Clerk
Illinois Pollution Control Board

James R. Thompson Center
100 West Randolph Street
Suite 11-500
Chicago, Illinois 60601

For more information, please contact John Knittle at (217)-278-3109 or knittlej@ipcb.state.il.us.