

Remove New Source Review Barriers to Power Plant Improvements

Key Facts

- EPA's New Source Review program remains a significant obstacle for power plant operators that are considering plant maintenance and repairs to improve reliability, increase efficiency and reduce emissions.
- Some modifications or installation of new technology that would increase efficiency or improve reliability have been delayed or halted because of concerns that installing them would trigger NSR and render the plant too costly to operate.
- NRECA supports legislation, including H.R. 172 and S. 2662, to provide regulatory certainty for electric cooperatives and other power plants owners that are seeking to increase efficiency and reduce emissions at their facilities.

Legislation Would Provide Greater Certainty for NSR

EPA's New Source Review (NSR) program remains a significant obstacle for power plant operators that are considering plant maintenance and repairs to improve unit reliability, increase efficiency and reduce emissions. NSR is a federal air quality pre-construction permitting program that was established under the Clean Air Act more than 40 years ago. It requires EPA review of new power plants and major modifications to existing electric generating facilities. Although routine maintenance, repair, and replacement are excluded from the definition of major modifications, what qualifies as "routine" often changes due to shifting EPA interpretations.

The regulatory challenges posed by the NSR program have prevented or delayed power plants operators from modifying their facilities to improve efficiency and reliability. Additionally, new technologies and systems to reduce emissions – including many supported by the Department of Energy – have been left on the shelf because of concerns that installing them would trigger NSR and make the plant too costly to operate. As a result, NSR in its current form can undermine the intent of the Clean Air Act. EPA is making targeted reforms to NSR through the rulemaking process, and legislation from Congress would provide greater certainty.

Amending Definition of Power Plant Modifications Key to Greater Certainty

NRECA supports regulatory and legislative efforts that would provide targeted reforms to the NSR program to ensure power plants are able to modify and improve their facilities without unnecessary regulatory barriers triggered by NSR. In particular, NRECA supports amending the definition of a "modification" so that the trigger for NSR is based on the maximum achievable hourly emission rate rather than on annual emissions.

Without this change, electric companies would be prevented from undertaking various changes for fear that operating a power plant more often during the year – even if they reduce their hourly rate of emissions –

would result in additional EPA regulation. Complementing this reform, NRECA supports changes to the NSR program that encourage the adoption of innovative technologies by ensuring that any projects undertaken to increase energy efficiency or reduce emissions would not trigger NSR requirements.

NRECA urges members of Congress to support H.R. 172, the “New Source Review Permitting Improvement Act”, and S. 2662, the “Growing American Innovation Now Act”, which would provide this regulatory certainty for electric cooperatives that are seeking improvements to increase efficiency and reduce emissions.

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