



10 G Street, N.E.
Suite 700
Washington, D.C. 20002

March 10, 2008

Mr. Robert J. Meyers
Assistant Administrator for Air and Radiation
Environmental Protection Agency
Attn: Air and Radiation Docket and Information Center
Docket ID EPA-HQ-OAR-2006-0669
Mail Code: 6102T,
1200 Pennsylvania Avenue, NW.
Washington, DC 20460

**RE: Environmental Protection Agency Revisions to the General
Conformity Regulations; Proposed Rule (Docket ID EPA-HQ-OAR-2006-0669)**

Dear Sir:

The Interstate Natural Gas Association of America (INGAA), a trade association of the interstate natural gas pipeline industry, submits these comments on the U.S. EPA's Revisions to the General Conformity Regulations, 73 Fed. Reg. 1402 (January 8, 2008).

The Interstate Natural Gas Association of America ("INGAA"), the trade association representing nearly all of the major interstate natural gas pipeline companies operating in the United States, has a continuing interest in conformity issues. INGAA's United States members transport over 95 percent of the nation's natural gas through a network of 200,000 miles of pipelines. INGAA represents virtually all of the interstate natural gas transmission pipeline companies operating in the United States, as well as comparable companies in Canada and Mexico.

Liquefied natural gas terminals, pipeline compressor stations and pipeline transmission lines are regulated by the Federal Energy Regulatory Commission (FERC). Investment in new facilities or to improve the capacity and modernize the operations of existing facilities can require FERC approval that could potentially trigger general conformity requirements. This in turn could delay and even prevent construction of facilities necessary to increase the supply of clean burning natural gas, a fuel that will be increasingly necessary for both economic and environmental reasons in the years ahead.

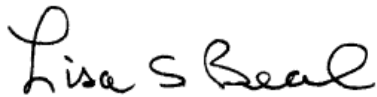
Accordingly, INGAA supports all aspects of EPA's proposal. However, we will not comment on all of them. Instead, we will address three points of particular importance to our industry.

These are:

- A. EPA's proposal to exclude projects subject to State minor new source review permits from additional conformity requirements.
- B. EPA's proposal to exempt temporary construction emissions from conformity requirements; and
- C. EPA's proposal to allow cross-pollutant offsets in certain circumstances.

We very much appreciate your time and effort in this important matter. If you have any questions, please feel free to contact me at (202) 216-5935.

Sincerely,

A handwritten signature in black ink that reads "Lisa S Beal". The signature is written in a cursive, flowing style.

Lisa S. Beal

Director, Environment & Construction Policy

**Comments of the Interstate Natural Gas Association of America on
EPA's Proposed Revisions to the General Conformity Regulations, 73
Fed. Reg. 1402 (January 8, 2008), Docket ID EPA-HQ-OAR-2006-0669**

I. Introduction and Summary

On January 8, 2008, the Environmental Protection Agency (EPA) published in the Federal Register proposed revisions to its General Conformity Regulations under the Clean Air Act (CAA), 73 Fed. Reg. 1402. These revisions are intended to reduce the burdens of general conformity review without sacrificing environmental benefit.

The Interstate Natural Gas Association of America ("INGAA"), the trade association representing nearly all of the major interstate natural gas pipeline companies operating in the United States, has a continuing interest in conformity issues. Liquefied natural gas terminals, pipeline compressor stations and pipeline transmission lines are regulated by the Federal Energy Regulatory Commission (FERC). Investment in new facilities or to improve the capacity and modernize the operations of existing facilities can require FERC approval that could potentially trigger general conformity requirements. This in turn could delay and even prevent construction of facilities necessary to increase the supply of clean burning natural gas, a fuel that will be increasingly necessary for both economic and environmental reasons in the years ahead.

Accordingly, INGAA supports all aspects of EPA's proposal. However, we will not comment on all of them. Instead, we will address three points of particular importance to our industry. These are:

- A. EPA’s proposal to exclude projects subject to State minor new source review permits from additional conformity requirements.
- B. EPA’s proposal to exempt temporary construction emissions from conformity requirements; and
- C. EPA’s proposal to allow cross-pollutant offsets in certain circumstances.

INGAA supports all three initiatives for the reasons set out below.

II. Discussion

The CAA general conformity provisions state that

No department, agency or instrumentality of the Federal Government shall engage in, support in any way or provide financial assistance for, license or approve any activity which does not conform to a [CAA] state implementation plan [SIP]after it has been approved or promulgated.

CAA §176(c)(1).

Section 176(c)(1) goes on to say that “conformity” requires a project to conform to the purpose of the implementation plan, namely to achieve the national ambient air quality standards (NAAQS) on schedule, and that a project that creates new air quality violations or delays the correcting of old ones does not conform.

This fundamental test of SIP consistency justifies each of EPA’s three proposals.

A. Conformity Review is Unnecessary for Projects Subject to State Minor New Source Review

CAA §110(a)(2)(C) requires any SIP to “include a program to provide for ... regulation of the modification and construction of any stationary source within the areas covered by the plan as necessary to assure that [NAAQS]are achieved.” Most if not all

SIPs contain “minor new source review” programs that carry out this language through preconstruction review of sources and modifications too small to be subject to the “major new source review” programs established by CAA §§165 and 172(c)(5).

Preconstruction review of a project under such a permit program has exactly the same purpose as preconstruction review under general conformity. As EPA’s proposal properly notes, such duplication is wasteful and serves no purpose. See 73 Fed. Reg. 1410. Indeed, as the proposal also notes, EPA has long exempted sources subject to review under the CAA “major new source review” programs from conformity determinations. EPA’s proposal to exclude sources subject to minor source permitting as well would streamline the program and create a consistent policy approach.

B. Short-Term Construction Emissions Should be Excluded from General Conformity Determinations

During the development of this proposal, several Federal agencies suggested that temporary emissions from project construction should be excluded from conformity analysis. In response, EPA has raised this issue for comment but has not affirmatively proposed relief. 73 Fed. Reg. 1408.

INGAA supports the Federal agency position and believes that EPA’s final rule should provide full exclusion for these emissions.

INGAA believes that logical consistency requires such an exclusion for projects that are potentially subject to review under a State minor or major new source review program. (Most projects undertaken by our members would fall in this category.) Such review programs are all designed to subject sources that might impact air quality to

special scrutiny before they are built. Indeed, as EPA properly notes, minor new source review programs are included in the SIP for this purpose.

Yet, as EPA also notes, in the major new source review program

only operational emissions from the source are required to be evaluated for the permit and construction emissions are not generally included.

73 Fed. Reg. 1408.

All State minor new source review programs with which we are familiar also exclude construction emissions from air quality analysis. This was not an oversight – many such programs require measures to restrict construction dust to the construction site. Instead, that exclusion from air quality analysis and permitting represents a regulatory decision that covering such emissions is not needed to achieve the basic purposes of the program, which most definitely includes maintaining progress toward NAAQS attainment.

Conformity review would conflict with this basic decision if it required review of construction emissions for projects subject to EPA-approved permit requirements that expressly excluded those emissions. Accordingly, conformity determinations for any such projects should likewise exclude construction emissions.

INGAA believes this rule should extend to projects that **might** have triggered major or minor source permit requirements if their construction emissions **had** been included in applicability computations, but did not trigger them because their emission levels were too small after construction emissions were excluded. Here, too, for conformity to cover construction emissions that State permit requirements did not cover

would contradict basic State policy determinations about what was needed to effectively control and reduce air pollution.

This approach would also make the general conformity regulations consistent with the transportation conformity regulations. EPA since 1993 has generally excluded from conformity determinations construction emissions from activities lasting less than five years. In proposing that exclusion, EPA said that “conformity should address long-term emissions from the transportation system, and ...should not prevent project implementation because of temporary emissions increases.” 58 Fed. Reg. 3768, 3780 (January 11, 1993).

INGAA believes that conclusion was sound in 1993 and has been confirmed by fifteen years of experience since then.

In short, if EPA wishes its general conformity regulations to be consistent both with State and Federal new source review programs, and with its own transportation conformity regulations, it must exclude temporary construction emissions from review.

C. General Conformity Should Allow for Cross-Pollutant Offsets

Levels of some criteria pollutants in the ambient air are caused by emissions of more than one “precursor” pollutant. For example, ozone levels can be affected by emissions of both nitrogen oxides and of volatile organic compounds.

In appropriate circumstances EPA has approved SIPs that recognize this fact by establishing control strategies integrated among several precursor pollutants.

Now EPA has proposed to allow projects subject to general conformity to take a similar approach when that is technically justified. 73 Fed. Reg. 1418.

Such a reform is completely consistent with the overall purpose of general conformity to promote SIP compliance and NAAQs attainment. Indeed, in cases where the SIP attainment strategy rests on such an integrated approach, it would be inconsistent with the overall purposes of general conformity **not** to make this change.

III. Conclusion

For the reasons set out above, INGAA supports EPA's proposals and urges the Agency to incorporate the revisions discussed in these comments into its final rule.