



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON D.C. 20460**

OFFICE OF THE ADMINISTRATOR  
SCIENCE ADVISORY BOARD

September 15, 2006

EPA-COUNCIL-CON-06-007

The Honorable Stephen L. Johnson  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Subject: EPA Advisory Council on Clean Air Compliance Analysis (Council) Consultation  
on Estimating Future Emissions for Stationary Non-electricity Generating Units

Dear Administrator Johnson:

In July 2006, EPA's Office of Air and Radiation (OAR) requested an expedited review of a methodological assumption to be used in the regulatory impact analysis that will accompany EPA's upcoming rulemaking on the PM NAAQS standard. In particular, OAR was attempting to correct the historical problem of overestimating future emissions for the stationary non-electricity generating unit (EGU) sector. Specifically, OAR proposed, as an interim method, to delete the economic growth term from the estimation of future emissions for the stationary, non-electricity generating unit (EGU) sector.

In response to this request, members of the Council and Air Quality Modeling Subcommittee held a public teleconference to discuss these issues on August 31, 2006. The Council recommends an alternative to OAR's interim method. The alternative preferred by the Council would capture the underlying technological change that is likely driving the decline in emissions, i.e. the efficiency gains in production processes and improvements in air pollution control technologies that can be expected over time. Since the omission of technological change has likely resulted in the historical overestimation of emissions in the non-EGU sector, the Council believed that deleting economic growth from the forecasting equation would not correct for the overestimation problem appropriately or credibly. Instead, OAR could develop surrogate metrics to capture this underlying technological change. Data from the National Emissions Inventory in the 1990's could be used to estimate a declining "emissions intensity" as it relates to changes in the level of output by sector. To do this, OAR would first need to factor out any decline in emissions that could be attributed

to Clean Air Act regulations that governed this sector during the 1990's. The remaining portion could be attributed to technological progress. As a default assumption, OAR could assume this historical rate of decline (the portion attributed to technological change, not regulation induced) would continue to be constant in future years. This alternative approach could be accomplished in the near future and would mitigate the overestimation of future emissions in a more credible fashion. In offering this alternative approach, the Council recognizes OAR's time constraints and the limitations that may result.

Detailed recommendations for the longer term were also discussed, and are included in the meeting minutes of the August teleconference which are posted on the SAB Web site. On behalf of the entire Council and the Air Quality Modeling Subcommittee, we appreciate this opportunity to provide timely advice to the Agency. We hope these comments are helpful to the Office of Air as it proceeds with this important work.

Sincerely,

/signed/

Dr. Trudy Cameron, Chair  
Advisory Council on Clean Air  
Compliance Analysis

/signed/

Dr. David T. Allen, Chair  
Air Quality Modeling Subcommittee  
Advisory Council on Clean Air  
Compliance Analysis

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