

## Highlights for State Greenhouse Gas (GHG) Rules

**Note:** State GHG Rules implement goals of Act 234, Hawaii Session Laws, 2007. Affects existing major covered sources with potential GHG emissions equal to or above 100,000 short tons per year of CO<sub>2</sub>e, except municipal waste combustion operations and municipal solid waste landfills.

- Initiates GHG rules for implementing the goals of Act 234. Subchapter 11 is added under Hawaii Administrative Rules (HAR), Chapter 11-60.1, Air Pollution Control.
- Provisions are included and will be changed/expanded as needed for meeting Hawaii's GHG 2020 goal of reducing emissions to equal or below 1990 GHG levels.
- Statewide GHG limit set at 13.66 million metric tons (MMT) CO<sub>2</sub>e based on 1990 levels (ICF International report for GHG Task Force). Estimate excludes aviation and international bunker fuel emissions, and includes carbon sinks. If carbon sinks are excluded, the GHG limit is 15.34 MMT CO<sub>2</sub>e.
- Requires a GHG Reduction Plan from permitted covered sources:
  - Purpose: To establish a facility-wide GHG emissions cap for affected facilities.
  - Targets larger "existing" sources with potential emissions equal to or above 100,000 short tons per year CO<sub>2</sub>e. Excludes municipal waste combustion operations and conditionally exempts municipal solid waste landfills.
  - Uses 2010 as a baseline year to establish a facility-wide cap to be achieved by January 1, 2020.
  - Establishes minimum cuts of 16% for affected facilities from 2010 baseline year for non-biogenic emissions and any biogenic nitrous oxide and methane emissions.
  - Facility-wide cap is set to equal or below the facility's total baseline GHG emission levels less biogenic CO<sub>2</sub> emissions.
  - Facility must justify alternate cap if the 16% calculated cap cannot be achieved. Alternate cap requires director's approval only after careful consideration of all available control options.
  - An alternate cap requires a GHG control assessment that is similar, but not identical to a best available control technology analysis for meeting GHG cap.
- Provides flexibility in meeting cap:
  - Affected facilities may partner among each other to reach GHG reduction goals.
  - Biogenic CO<sub>2</sub> emissions will be excluded at this time in determining compliance with the cap.

- Facility-wide cap will be incorporated into permit. Cap may be re-evaluated under specific conditions.
- Violation of the cap will be subject to enforcement action.
  
- Initiates GHG rules for implementing the goals of Act 234. Subchapter 11 is added under Hawaii Administrative Rules, Chapter 11-60.1, Air Pollution Control.
- Subsection 11-60.1-204(k) was added to include further provisions for complying with statewide GHG limit. In accordance with Subsection 11-60.204(k), no facility-wide GHG cap would apply if statewide GHG emission limit is met prior to 2020 and GHG projections indicate ongoing maintenance of the limit.

Highlights for State Greenhouse Gas (GHG) Rules Based on Federal Rule

**Note:** Federal rule affects major covered sources; some GHG requirements were included for non-major covered sources and noncovered sources.

- Generally, follows Federal GHG Tailoring Rule with the exception of:
  - Best Available Control Technology (BACT) thresholds for covered and noncovered sources. Prevention of Significant Deterioration (PSD) BACT thresholds remain the same.
  - Insignificant and exemption thresholds for GHG are added (3,500 tons per year (tpy) CO<sub>2</sub>e for both covered and noncovered sources).
  - Requiring permit applicants to quantify both biogenic and non-biogenic GHG emissions.
- GHG major source threshold set at potential emissions  $\geq$  100,000 tpy CO<sub>2</sub>e and 100 tpy of GHGs on a mass basis.
- PSD significance levels  $\geq$  100,000 tpy CO<sub>2</sub>e plus other 40 Code of Federal Regulation (CFR) §52.21 thresholds, triggers major modifications and BACT review for new sources.
- PSD significance levels  $\geq$  75,000 tpy CO<sub>2</sub>e plus other 40 CFR §52.21 thresholds, triggers major modifications and BACT review for existing sources.
- Covered (Title V) and noncovered source significant levels  $\geq$  40,000 tpy CO<sub>2</sub>e, triggers BACT review.
- Outcomes of rule making decisions for regulating biogenic CO<sub>2</sub> emissions are uncertain. Biogenic CO<sub>2</sub> emissions for Title V and PSD applicability determinations will be addressed outside of HAR depending on final rule making decisions.
- Initiating the reporting of GHG annual emissions for all covered sources, and the collection of GHG annual fees from these sources to fund both the federal and state GHG permit program:
  - Total of 12 cents/ton CO<sub>2</sub>e (estimated); 7 cents/ton to COV and 5 cent/ton to NON
  - Biogenic and non-biogenic GHG emissions will be assessed fees
- GHG fees are required in the year the GHG rules are adopted. Fees will be based on the amount of emissions emitted in the prior operating year for which fees are due.
- Annual fees for covered sources are due in full within the first 120 days of each calendar year instead of within the first 60 days of each calendar year.
- Annual fees for noncovered sources will remain the same at \$500 for each noncovered source permit held.