

**INFORMATION COLLECTION REQUEST RENEWAL  
FOR THE ACID RAIN PROGRAM  
UNDER TITLE IV OF THE CLEAN AIR ACT AMENDMENTS (RENEWAL)**

**October 4, 2012**

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(2013 THROUGH 2015)**

**SUPPORTING STATEMENT**

**1. IDENTIFICATION OF THE INFORMATION COLLECTION**

**1.1 Background**

Title IV of the Clean Air Act Amendments of 1990 (the acid rain title) established goals to reduce annual emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) and placed a national cap on sulfur dioxide emissions beginning in the year 2000. Emissions reductions were mandated in two phases:

- During Phase I, which covered 1995 through 1999, emissions were reduced about 50 percent for SO<sub>2</sub> and 32 percent for NO<sub>x</sub> from 1990 levels from the 263 highest-emitting sources;
- Phase II, which began in 2000 for both SO<sub>2</sub> and NO<sub>x</sub>, affects more than 3,500 sources at virtually all fossil fuel power plants.

To help meet emissions reduction goals, Title IV provides for a program that allocates emissions allowances to affected utility units based on a national target for SO<sub>2</sub> reductions, and allows market forces to achieve the targeted reductions in the most cost-effective manner. Under this program, each affected unit receives its allocation of allowances for every year. An affected unit must hold one allowance for each ton of SO<sub>2</sub> it emits. Affected utilities and individuals may buy and sell allowances, or save them for future use or sale.

The ability to buy and sell (or transfer) allowances provides substantial economic benefits, by encouraging the greatest emissions reductions where costs of reductions are lowest. This concept of allowance transfers cannot be implemented, however, unless regulations governing emissions monitoring and permitting of acid rain sources are in place as well. To ensure compliance with the emissions reduction requirements and to provide the national consistency needed to foster the allowance market, sections 408 and 412 of Title IV require the designated representative of the owners and operators of each affected acid rain source to obtain an operating permit for the affected source and to certify that an approved emissions monitoring system has been installed and is properly operated at each affected unit's source of emissions.

Emissions monitoring and reporting is the foundation upon which the allowance trading system is based. Without accurate monitoring and reporting of emissions, the integrity of the allowance system would be undermined, and there would be no assurance that emissions had been reduced.

Acid rain permits allow sources the flexibility to comply with the emissions reduction requirements of Title IV for both SO<sub>2</sub> and NO<sub>x</sub>. The procedures specified in the acid rain permits regulations, including the use of standardized forms, ensure that the intended flexibility and accountability is preserved as the Acid Rain Program is implemented nationwide by different permitting authorities.

Participation in the annual auction is voluntary. Information is collected by EPA's Clean Air Markets Division and used to conduct and facilitate the administration of the auction. Auction participants must submit a bid form and payment method.

Section 410 of Title IV provides that sources of SO<sub>2</sub> emissions that are not regulated, i.e., small utility units and industrial boilers, may elect to "opt in" to the allowance allocation and trading program. To opt in, the source owner or operator must submit an opt-in permit application to EPA. Sources that opt in (1) become affected sources, (2) receive an annual allocation of allowances, and (3) may sell any allowances they do not use for their own emissions. Because opting in is voluntary, only those unaffected sources that would profit by opting in are expected to do so.

The NO<sub>x</sub> emission reductions are achieved through maximum allowable emission rates for coal-fired utility boilers. The allowable rate for a given boiler depends on the type of boiler. The NO<sub>x</sub> regulations for coal-fired boilers are applied to two groups of boilers, as specified by the Clean Air Act Amendments of 1990 (CAAA). Boilers in each group become affected at different times, as described below. Group 1 boilers are (1) dry bottom wall-fired boilers that do not apply cell burner technology or (2) tangentially fired boilers. Group 2 boilers are all other types of utility boilers, including (1) wet bottom wall-fired boilers, (2) cyclones, and (3) boilers applying cell burner technology. In Phase II, which began January 1, 2000, NO<sub>x</sub> emission limitations became effective for both groups of boilers.

## **1.2 Information to Be Collected**

EPA has developed regulations to implement the emissions reduction provisions of Title IV of the Clean Air Act Amendments that cover

- Allowance tracking and transfers (section 403);
- Permits (section 408);
- Emissions monitoring (section 412);
- Auctions (section 416);
- Opt-in (section 410 a-g); and
- NO<sub>x</sub> permitting (section 407).

This Information Collection Request (ICR) addresses the burden related to (1) transferring and tracking allowances; (2) obtaining and issuing permits (e.g., submitting permit applications); (3) quality assuring, submitting and certifying emissions monitoring data ; (4) the opt-in program; (5) NO<sub>x</sub> permitting. Burden estimates provided in this ICR are for the period from 2013 to 2015.

### **1.2.1 Allowance Transfers**

Participants in the allowance transfer system now have two options for submitting transfers: to submit electronically using the internet to record their own allowance transfers, either by entering the data on screen or by submitting an Extensible Markup Language (XML) file; or complete a paper form and send it the Agency. Participants in the transfer system that are not affected sources under Title IV are also required to file a one time account information application using a paper form to establish an account in the EPA allowance tracking system. As part of the annual compliance determination process, designated representatives have the option of submitting an allowance deduction form to identify specific serial numbered allowances to be deducted for annual compliance.

### **1.2.2 Permits**

Permit applicants are required to submit an acid rain permit application for each affected source. The permit application must include, for each unit at the source, (1) general information on the unit, (2) a complete compliance plan for each unit, and (3) the Acid Rain Program standard requirements.

### **1.2.3 Emissions Monitoring**

To meet the emissions monitoring record-keeping and reporting requirements, affected units are required to (1) submit a monitoring plan and certification of monitors; (2) record hourly pollutant and flow monitor data, and (3) submit electronic quarterly reports of their emissions data to EPA. Operators of new electric generating units of 25 megawatts (MW) capacity or less may receive a continuous emission monitoring systems (CEMS) exception if they certify their use of very-low-sulfur fuel.

### **1.2.4 Submissions Purposes and Procedures**

Allowance transfer notifications may be submitted to EPA electronically or on paper. Emissions reports must be submitted electronically. All Phase II permit applications must be submitted on paper.

Acid rain permit applications are used to issue operating permits to affected sources under the Acid Rain Program. Because the permit applications and permits are public documents, they provide an opportunity for the affected public to examine activities undertaken by affected sources. The designated representative certification, which designates a responsible official through whom the owners and operators of each affected source and each affected unit can trade allowances and obtain and maintain permits, serves to remove EPA from involvement in disputes between owners and operators of affected units.

Monitoring plan submissions are used by EPA to verify that the emissions monitoring system at a unit meets the requirements set forth in Title IV of the Act and in the implementing regulations. Results of

continuous emission monitoring system performance tests allow EPA to certify that monitors perform well enough to produce accurate emissions data. Emissions data are used to monitor compliance with emissions requirements under Title IV and to provide a basis for analyzing progress in meeting air quality objectives. Allowance tracking information, emissions data, and the contents of permit applications all provide information for the allowance market and the general public.

### **1.2.5 Opt-in Program**

This ICR also addresses the paperwork burden for small utility units and industrial boilers that opt-in. The Agency has identified four burden areas associated with a source's opting in to the allowance allocation and trading program. These areas are (1) completing the permit application, (2) recording and reporting emissions data, (3) compliance reporting, and (4) withdrawing from the program. Estimates for the opt-in program detail the burden for both operating and shut-down opt-ins.

The Opt-in program requires respondents to submit an acid rain permit application. For all respondents, the application must provide (1) general information about the source, (2) specific data about the source's fuel consumption and operating data for 1985, 1986, 1987, and (3) data on the source's actual and allowable emission rates for 1985, as well as the current allowable emission rate. The permit application and proposed thermal energy compliance plan for sources that opt in and shut down must include information describing the source's plans for the replacement of thermal energy.

To meet emissions monitoring, record-keeping and reporting requirements, sources that opt-in and continue operating will be required to (1) submit a monitoring plan and certification of monitors, (2) record hourly pollutant and flow monitor data, and (3) submit quarterly reports of their emissions data to EPA. Sources that opt in and shut down will not have to perform tasks associated with emissions monitoring, reporting, and recording.

Meanwhile, to meet requirements for reporting compliance, respondents must submit an annual compliance report in which they (1) report their utilization information, (2) report any replacement of thermal energy, and (3) report on allowances transferred as a result of the replacement of thermal energy. Finally, all sources that have opted in and later decide to withdraw are required to complete withdrawal notification.

### **1.2.6 NO<sub>x</sub> Permitting**

An owner or operator of a unit subject to a NO<sub>x</sub> emission limitation may meet the requirements through one of three compliance options:

- Meeting the standard limit;
- Obtaining approval for an emissions averaging plan; or
- Obtaining an alternative emission limitation (AEL).

Two or more units may average their NO<sub>x</sub> emissions, as provided for by Title IV. In an approved NO<sub>x</sub> emissions averaging group, the NO<sub>x</sub> emission rates of some of the individual units may exceed their respective emission limitations, as long as the Btu-weighted average NO<sub>x</sub> emission rate for the entire group is less than or equal to the weighted average of the emission limitations for the individual units. The ability to average emissions allows utilities to meet the NO<sub>x</sub> requirements at lower cost.

Title IV also provides that an owner or operator of an affected unit may petition EPA for a higher, alternative emission limitation (AEL) if the unit cannot meet the emission limitations even after a retrofit with low NO<sub>x</sub> burner technology. The opportunity to obtain AELs will allow for adjustment of emission limitations for specific units where the technologies on which the limitations were based do not provide the expected level of emission reductions in practice.

Meeting the standard limit is the least burdensome administratively for sources. All owners and operators of affected units are eligible to comply with the NO<sub>x</sub> regulations using this option. The submission of an application for emissions averaging, or an AEL, is optional and voluntary.

For units that comply by meeting the standard limits applicants are required only to identify the unit. Applicants seeking approval for emissions averaging are required to identify the units in the group, assign alternative contemporaneous emissions limitations to each unit, and demonstrate that the Btu-weighted average of these alternative limits is less than or equal to the Btu-weighted average of the limits that would apply in the absence of averaging.

All applicants for AELs are required to demonstrate that they are eligible for an AEL, by providing (1) evidence that the appropriate emissions control equipment has been installed, and (2) monitoring data showing that the unit cannot meet the applicable emission rate.

The respondent reporting burden for this collection of information is estimated to be 2,123,405 hours each year for the years 2013 through 2015. The burden to EPA is estimated to be 18,303 hours in each year for the years 2013 through 2015.

## **2. NEED FOR AND USE OF THE COLLECTION**

This section describes EPA's need for the information collections described above and the legal authority for conducting collections. The users of collected information are also described.

### **2.1 Need/Authority for the Collection**

Section 403(b) of Title IV of the Clean Air Act Amendments of 1990 provides for the transfer of allowances among designated representatives of owners and operators of affected sources and any person who holds allowances. Transfers of allowances are not deemed effective until written certification of the transfer, signed by a responsible official of each party to the transfer, is received and recorded by EPA. Section 403(d) of

Title IV requires that EPA develop a system for issuing, recording, and tracking allowances (intended to help ensure an orderly and competitive allowance system).

### **2.1.1 Permits**

Section 408 of Title IV and Title V of the Clean Air Act Amendments of 1990 require that the designated representative of the owners and operators of each affected source under the Acid Rain Program obtain a permit. In Phase II, section 408 also specifies that the permitting authority, usually a State or local agency, issue the permits with a term of five years.

### **2.1.2 Emissions Monitoring**

Section 412(a) of Title IV requires the use of CEM systems (or alternative monitoring systems demonstrated to be equivalent) at each affected unit's source of emissions. Section 504(c) of Title V requires that each permit (which contains Title IV applicable requirements) set forth inspection, entry, monitoring, compliance certification, and reporting requirements to assure compliance with the permit terms and conditions. Section 504(a) of Title V requires that the results of any required monitoring be submitted to the permitting authority no less often than every six months. The information collection is consistent with satisfying these minimum statutory requirements. Note that reports are submitted quarterly rather than semiannually. The Acid Rain Advisory Committee recommended that EPA collect emissions data on a quarterly basis and this schedule has proven to allow for effective implementation of the program.

### **2.1.3 Auctions**

Although participation in the annual auction is voluntary, the information to be collected is necessary to operate and administer the program and is required specifically under Title IV, Section 416(d)(2).

### **2.1.4 Opt-in**

Section 410(a) of Title IV of the Clean Air Act Amendments of 1990 allows the owner or operator of any SO<sub>2</sub> source that is not an affected unit under section 403(e), 404, or 405 to elect to designate that source as an affected source and receive allowances under Title IV. Section 410(a) requires sources opting in to submit a permit application and a compliance plan to the Administrator.

Section 410(b) requires the Administrator to establish a baseline utilization rate for SO<sub>2</sub> emissions for opt-in sources based on fuel consumption and operating data for calendar years 1985, 1986, 1987. Section 410(c) requires the Administrator to establish a limit for SO<sub>2</sub> emissions based on the baseline utilization rate and the lesser of the source's actual or allowable 1985 emissions.

Section 410(e) requires that the Administrator issue allowances to sources that become affected sources under Section 410. The number of allowances is to be based on calculations made under Section 410(c).

### **2.1.5 NO<sub>x</sub> Permitting**

Section 408 of Title IV of the Clean Air Act Amendments of 1990 specifies that utility owners and operators of units affected under Title IV must submit permit applications and compliance plans (including NO<sub>x</sub> compliance plans), and the permitting authority must issue permits.

- Section 408 provides general authority for the information collections under this ICR related to compliance options. In addition,
- Section 407(e) of Title IV allows the owner or operator of two or more affected units to petition the permitting authority for a NO<sub>x</sub> averaging plan.
- Section 407(d) provides for AELs for utility units that cannot meet the applicable limitation using low NO<sub>x</sub> burner technology or the technology on which the limitation was based. Section 407(d) specifies that an owner or operator requesting an AEL must show the permitting authority that (1) appropriate control equipment has been properly installed, and (2) the equipment has been properly operated for a period of fifteen months (or another period of time as established by regulation) and operating and monitoring data for such period demonstrate that the unit cannot meet the applicable emission rate. The owner or operator must also specify an emission rate that the unit can meet on an annual average basis.

## **2.2 Practical Utility/Users of the Data**

### **2.2.1 Allowance Transfers**

Information collected on allowance transfers is used by EPA to track allowances for the purpose of determining compliance with the Acid Rain Program. Information on allowance transfers is also used by participants in the allowance market and the public to evaluate the activities of utilities, and by EPA for program evaluation.

### **2.2.2 Auctions**

EPA or its designated agent uses the information collected for the allowance auction to conduct and facilitate administration of auctions. The basic information requested requires little evaluation. Bids submitted for auctions are ranked to select winning bidders and to conduct transfers of emission allowances. The auction information results are also used by participants in the allowance market.

### **2.2.3 Permits**

Acid rain permit applications are used by EPA and permitting authorities to issue operating permits. A permit application is legally binding on the owners, operators, and designated representative of a source until the actual permit is issued. This aspect of the permit application reduces significantly the uncertainty imposed on a source due to possible delays at EPA or the permitting authority. Affected sources may rely on the permit



for information on the requirements with which they must comply. Because permit applications and permits are public documents, they may be used by the public to examine activities undertaken by affected sources.

#### **2.2.4 Emissions Monitoring**

Data from emissions monitoring is indispensable to successful implementation of the Acid Rain Program for two reasons:

- Title IV of the Act clearly states that its primary purpose is to reduce the adverse effects of acid deposition by reducing annual emissions of sulfur dioxide and nitrogen oxides. For sulfur dioxide emissions, the statutory objective is achieved through an emissions trading program. For nitrogen oxide emissions, the statutory objective is achieved through annual emission limitations on certain units.
- EPA can only enforce the sulfur dioxide trading program and the nitrogen oxide emission limitation program by having accurate emissions data for each affected unit. The affected sources' certification of the emissions data, EPA's electronic data audits and EPA's and the permitting authorities' CEMS field auditing all contribute to verifying the overall emissions data integrity.

Electric utilities, energy consultants, and power marketing companies can use the Acid Rain program emissions data to project future SO<sub>2</sub> allowance costs and availability. Academic institutions can perform data modeling to evaluate environmental benefits and estimate health effects of SO<sub>2</sub> reductions. EPA and other agencies use it to try to correlate the reduction of SO<sub>2</sub> and NO<sub>x</sub> emissions with a decrease in acid precipitation, and also to measure the impacts of other existing and proposed emissions trading programs.

Together, the allowance trading system, operating permits, and emissions data provide the accountability to allow the Acid Rain Program to function without more stringent command and control approaches.

#### **2.2.5 Opt-in**

Information collected on opt-in respondents is used by EPA to record which sources are to be designated affected sources, and hence are to be bound by the regulations of the CAAA that are relevant to affected sources.

Opt-in permit applications are used by EPA to issue operating permits. Fuel usage and emissions rate data in the opt-in application is used to allocate allowances to the opt-in source.

The information on annual utilization and the replacement of thermal energy, if covered by a Thermal Energy Plan, contained in the annual compliance report is used by EPA to determine compliance with the Act.

For respondents who choose to withdraw from the program, the withdrawal notification is essential to notify EPA to discontinue the allocation of allowances to the source and enforcement of the acid rain provisions.

### **2.2.6 NO<sub>x</sub> Permitting**

Information collected on NO<sub>x</sub> compliance plans is used by EPA to evaluate these compliance plans. Information collected on applications for emissions averaging groups or AELs is used by EPA to determine whether to approve these applications. This information may also be used by the regulated community and the public to evaluate the activities of utilities, and by EPA for program evaluation.

## **3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA**

This section describes (1) efforts by EPA to learn whether the information requested is available from other sources, (2) consultations with respondents and data users to plan collections, monitor their usefulness, and minimize the collection burden, (3) effects of less frequent collections, and (4) justification for deviations from OMB's general guidelines.

### **3.1 Nonduplication**

Almost all information requested from respondents under this ICR is required by statute and, in most cases, is not available from other sources. Review of earlier and proposed forms resulted in the elimination of many redundant requirements. Where EPA needs information that has already been submitted, EPA is simply requiring a photocopy of the prior submittal.

EPA notes that many of the units that are subject to the Acid Rain Program are also subject to other programs, such as the New Source Performance Standards (NSPS). Under programs such as NSPS, sources are required to submit monitoring data reports that match the particular format and averaging time of the applicable emission limits under those standards. Although not the same information as the information provided under the Acid Rain Program, the information is often generated by the same monitoring equipment.

### **3.2 Consultations**

The data requirements for the Acid Rain Program were developed with the benefit of extensive consultation with the Acid Rain Advisory Committee (ARAC) during five meetings in 1991 lasting two to three days each. The Committee was composed of representatives of those entities most affected by or interested in the information requirements of the Acid Rain Program. Representation on the Committee was provided for industry, states, and environmental groups. Other parties consulted include the Utility Air Regulatory Group (UARG), the State and Territorial Air Pollution Program Administrators (STAPPA), and the Association of Local Air Pollution Control Officers (ALAPCO).

Recommendations provided by ARAC strongly supported the use of standardized reporting forms for acid rain permit applications:

- Utilities affirmed that standardized forms reduce uncertainty about what constitutes a complete application and thus reduce the need to supply additional information in a second submission;
- States asserted that the use of standardized forms developed by EPA would reduce the time and effort states will need to implement an acid rain permit program; and
- Environmental groups argued that the use of standardized forms provides greater assurance that permits will be enforceable in a consistent manner nationwide.

Many ARAC recommendations were incorporated into the acid rain regulations regarding permits and the related standardized forms.

Since the beginning of implementation of the Acid Rain Program, representatives from the utility industry, monitoring equipment vendors, software programmers, consultants working together with utilities, and other interested parties have offered comments on the existing rule requirements, standard forms and electronic data reporting formats used to implement the Part 75 program. The EPA has used these comments to revise the rules, forms and reporting formats, especially changes in the formats to cover a wider group of units. In particular, the revised forms and electronic data reporting format have been revised in the past to address reporting requirements for gas-fired units and oil-fired units that are using pre-approved monitoring exceptions to the use of CEMS. Industry groups have also worked together with EPA to revise the recordkeeping and reporting requirements in revisions to Part 75 in 1995, 1996, and 1999. Comments and suggestions from working groups, comprised of UARG, Class of 85 Regulatory Response Group, and the PJM Powerpool also were incorporated in designing the annual compliance forms.

In June 2009, EPA contacted eight companies subject to Acid Rain Program (ARP) monitoring requirements, and asked for voluntary input regarding the number of hours involved in several tasks related to Acid Rain Program monitoring and reporting. Six respondents offered their estimates. EPA reviewed these estimates and found that there was a wide range of expected burden, but that most estimates were within the range of results that might be expected given average the hourly burdens used in the 2007 – 2009 renewal. Further, with the exception of the new data collection/reporting format, no regulatory changes are likely to change burden levels. Thus, while hourly wage rates and other costs elements have been revised to reflect 2012 dollars and the number of units subject to the ARP has been updated to include projected new units and opt-in units, the estimated hours for each task remains unchanged consistent with the previous renewal of this ICR.

On October 2011, EPA published revisions to the Emissions Monitoring Rule under the Acid Rain Program, NO<sub>x</sub> Budget Trading Program, Clean Air Interstate Programs; Amendments to the Protocol Gas Verification Program and the Minimum Competency Requirements for Air Emission Testing, EPA ICR Number 2203.04, OMB Control Number 2060-0626. EPA ICR Number 2203.04 expires on August 2014. To facilitate allowing that separate ICR expire and instead properly account in this ICR for the future burdens on

ARP sources that are associated with those rule revisions after August 2014, EPA incorporates the burdens and costs of those rule revisions for a portion of the second year and the third year of this ICR (i.e., for September 2014 through 2015 only).

### **3.3 Effects of Less Frequent Collection**

Collection of allowance transfer information for each transfer of allowances is necessary to effectively implement a system for issuing, recording, and tracking allowances, which is required by statute.

#### **3.3.1 Permits**

The requirement for the designated representatives of owners and operators of affected sources to submit permit applications every five years is a statutory requirement.

#### **3.3.2 Emissions Monitoring**

Submission of monitoring plans once and submission of the results of any required monitoring to EPA no less often than every six months are required by statute. More frequent collections of emissions data (i.e., quarterly), however, allows the opportunity to check data for errors and provide rapid feedback on needed adjustments to data collection systems, and thereby promotes accurate and reliable emissions data. For this same reason, existing federal and state emission monitoring programs often require quarterly reporting, or in some cases, monthly. Less frequent collection, such as semi-annually or annually, would increase the amount of preparation and review time at the end of the year both for regulated sources and for EPA. This would slow down the process of true up and end of year verification of compliance.

Records of monitoring information are to be kept at the source for three years after the date of creation of the record. In certain circumstances, fuel flowmeter calibration and Appendix E testing records may have to be kept for up to five years if the owner or operator takes advantage of rule provisions that allow up to five years between tests. These five year recordkeeping requirements only apply if the owner or operator voluntarily elects either of these options as a cost-effective approach for the owner or operator's specific circumstances.

#### **3.3.3 Opt-in**

Collection of permit applications for the opt-in program occurs only once every five years, thus minimizing the respondent burden. This collection is necessary for the operation of the program; without it, EPA would not know which sources wanted to opt in, nor their baseline utilization, nor the lower of their 1985 actual or allowable emission rate. Collection of withdrawal notifications also occurs once; this is also a necessary collection.

### **3.3.4 NO<sub>x</sub> Permitting**

The Agency is required by statute to include NO<sub>x</sub> compliance plans as part of the Acid Rain permits. As mentioned earlier, Acid Rain permits are renewed every five years, so NO<sub>x</sub> affected sources must submit a NO<sub>x</sub> compliance plan once every five years.

### **3.4 General Guidelines**

Section 403(d) of Title IV requires that EPA establish a system for issuing, recording, and tracking allowances. To track allowances accurately and to help ensure the orderly and competitive functioning of the allowance system, it is essential that participants be able to report information on allowance transfers as they occur.

The general requirement that permit applicants submit information on standard forms is established by Section 502(b) of Title V. The five year life of an acid rain permit is established by Section 408(a) of Title IV. This information collection does not violate the guidelines set forth by OMB. In some cases, records of Part 75, Appendix E test results or fuel flowmeter calibration test results may need to be retained for up to five years, but only if the owner or operator chooses to take advantage of the ability to extend the period between tests up to five years. In all other circumstances, Part 75 monitoring records must be kept for only three years.

### **3.5 Confidentiality and Sensitive Questions**

Information collected through this activity is not confidential or of a sensitive nature.

### **3.6 Public Notice**

EPA did not receive any comments to the public notice that was published in the Federal Register. Docket ID No. EPA-HQ-OAR-2009-0022, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), for in person viewing at the Air and Radiation Docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, D.C.

## **4. THE RESPONDENTS AND THE INFORMATION REQUESTED**

This section lists the major categories of businesses that participate in the Acid Rain Program, the data items requested from program participants, and the activities in which the participants must engage to assemble or submit the required data items.

### **4.1 Respondents/NAICS Codes**

Title IV applies to "utility units," which are defined to include units that serve a generator producing electricity for sale or that did so in 1985. Entities owning "utility units" that are likely to participate in allowance transactions are Fossil Fuel Electric Power Generators (NAICS code 221111) electric service

providers (and selected firms in the non-utility generation industry, such as Coal Mining (NAICS code 2121) coal mining service companies . Participants in transactions and the annual auctions include security and commodity contracts intermediation and brokerages (NAICS code 5231)

#### **4.1.1 Emissions Monitoring**

Utility units are required to submit emissions monitoring data under this ICR.

#### **4.1.2 Opt-in**

Potential participants in the opt-in program are facilities that emit SO<sub>2</sub> but are not designated affected units under Title IV. Such facilities include utility units that serve an electric generator of less than 25 MW that produces electricity for sale or that did so in 1985. Entities owning utility units under 25 MW that may participate in the opt-in program are electric service providers (SIC code 4911). Other potential participants are industrial boilers that are represented in a wide range of SIC categories.

### **4.2 Information Requested**

This section lists the data items requested from affected sources for the collections described in this ICR. This section also defines the activities in which respondents must engage to assemble, submit, or store these data items.

#### **4.2.1 Data Items, Including Recordkeeping Requirements**

##### **A. Allowance Transfers**

All participants to allowance transfers are required to provide the following information for each allowance transfer:

- Allowance tracking system account number;
- Name, phone number, and facsimile number of the authorized account representative, along with the representative's signature and date of submission; and
- Serial numbers of allowances to be transferred.

In addition, if the designated representative chooses to identify the specific serialized allowances to be deducted from the unit's allowance tracking system account for annual reconciliation, then the following information is required:

- Allowance tracking system account number;
- Type of deduction;

- Serial numbers of the allowance blocks to be deducted; and
- Dated signature of the designated representative.

### **B. Certificate of Representation**

Affected sources are assigned an allowance tracking system number and appoint a designated representative by submitting a certificate of representation. The data items requested for the certificate of representation are as follows:

- Source identification;
- Unit identification, including;
  - Unit type and category;
  - Commence commercial operation date;
  - Generator IDs of generators served by unit;
  - Nameplate capacity(s) of the generators served by the unit;
  - List of applicable programs that the unit is subject to; and
  - NAICS Code.
- Name, address, email, telephone and facsimile number of the designated representative;
- Name, address, email, telephone and facsimile number of the alternate designated representative;
- List of "owners and operators" of the source and each unit at the source;
- Certification statement;
- Signature of designated representative;
- Signature of alternate designated representative; and
- Date signed.

### **C. Notification for Distribution of Proceeds from EPA Auctions**

EPA disburses one payment using electronic funds transfer/direct deposit (EFT/DD) for each plant represented for the proceeds from the annual auctions of allowances. The following information is required for this notification for distribution of proceeds:

- Authorized Account Representative (AAR) Identification;
- Name of the company receiving the payment;
- The company's taxpayer identification number;
- Bank account information;
- Plant name and plant code; and
- Signature of AAR.

#### **D. General Account Holders (Allowance Market Participants)**

Entities that are not affected sources (such as individuals holding allowances) are required to submit a completed account information application or provide the following information to obtain an allowance tracking system account number, prior to or simultaneous with the first transfer:

- Organization or company name (if applicable);
- Name, mailing address, phone number, facsimile number, and email address of the authorized account representative;
- Name of the alternate authorized account representative (optional);
- A list of all persons subject to a binding agreement for the authorized account representative to represent their ownership interest with respect to the allowances held in the account; and
- Certification statement and the signatures and date for the authorized account representative, and alternate authorized account representative, if any.

#### **E. Permits**

Every affected source is required to have an Acid Rain permit. Acid Rain permits have five-year permit terms. The permitting authority's operating permits rule governs the issuance of permits to new units and for renewal of existing Acid Rain permits.

A complete Acid Rain permit application includes the following information:

- Identification of the source (plant name, ORIS code, State);
- Identification of affected units;
- A complete compliance plan;
- Standard requirements at 40 CFR 72.9;
- For new units, commence operation date and monitor certification deadline;
- Standard certification; and
- Name and signature of designated representative.

#### New Unit Exemption §72.7

Operators of new units that serve generators with a nameplate capacity of 25 MW or less and use fuel with a sulfur content by weight of less than 0.05 percent may obtain an exemption from monitoring, permitting, and allowance requirements if they submit a certification with the following information:

- Unit Identification;



- Nameplate capacity of each of the generators served by the unit;
- The first full calendar year that the unit will meet the exemption requirements;
- The fuels currently burned by the unit, and that will be burned in the future, and their sulfur content by weight;
- Certification that the owners and operators will comply with all necessary requirements; and
- Standard certification at §72.21(d)(2).

#### Retired Unit Exemption

Operators of affected units that are retired may obtain an exemption from the Acid Rain Program if they submit a retired unit exemption form with the following information:

- Unit identification;
- The date that the unit was (or will be) permanently retired;
- The first full calendar year that the unit will meet the exemption requirements;
- Certification that the unit is permanently retired and will comply with all necessary requirements; and
- Standard certification at §72.21(d)(2).

All data items requested from permit applicants must be submitted on standard forms. Most of the information requested in the forms is specifically required by law.

#### **F. Emissions Monitoring**

Emissions monitoring requirements specify that affected sources must (1) submit a monitoring plan for each affected unit at a source, (2) submit data for certification of each monitor, and (3) record hourly operational, pollutant monitor, and flow monitor data for each affected unit and submit quarterly reports of their emissions data to EPA. Appendix A to this ICR contains a list of the data items required by the recordkeeping and reporting provisions of Part 75.

Respondents are required by 40 CFR 75.64 to submit the quarterly emissions data electronically, by direct electronic submission to EPA, and must also include a certification statement by the designated representative of the unit. Under the 2002 rule revisions, EPA requires the certification statement to be submitted electronically unless it approves a hardcopy submission. All records are to be kept for three years, with two possible exceptions under voluntary options that are discussed in section 3.3 of this ICR.

### **G. Auctions**

For auctions, participants are required to submit a bid form and payment method at least six days prior to the date of the auction. Sealed bids are submitted on a standard bid form developed by EPA. Each bid provides the following basic information:

- Name;
- Account number (or new account information);
- Allowance quantity and price; and
- Type of auction.

The bid also specifies an acceptable method of payment for the total bid price regardless of the type of auction (spot or advance). Full payment for allowances -- in an acceptable form -- is required with the bid at the time of submission.

### **H. Opt-in**

To obtain an opt-in permit, applicants are required to submit a certificate of representation and an opt-in permit application for each source. For all respondents, the application must provide (1) general information on the source, (2) specific data about the source's fuel consumption and operating data for 1985, 1986, and 1987, and (3) data on the source's actual and allowable emission rates for 1985, as well as the current allowable emission rate. For permit applicants who plan to opt in *and shut down*, the compliance plan is based on a statement describing the source's plans for shutting down and replacing thermal energy.

The general information required of all opt-in sources include the following items, as listed in Section 74.16 or another section as listed below:

- Source name and location;
- Name, address, telephone and facsimile number of the designated representative;
- Name, address, telephone and facsimile number of the alternate designated representative;
- Statement of certification;
- Complete record of fuel consumption and operating data for calendar years 1985, 1986, 1987, or other acceptable baseline;
- Actual and allowable emission rates for 1985, or if source was not operating in 1985, for a calendar year to be determined by the Administrator, as well as the current allowable emission rate;

- Statement provisions as indicated at 72.9; and
- Signature of designated representative and date of signature.

In addition, sources that opt-in and continue to operate must meet the emission monitoring requirements that were listed above.

As part of the annual compliance certification report required in Section 74.43 for opt-in units, respondents must report utilization information, and replacement of thermal energy and resulting transfer of allowances. The following information must be reported, as required in Sections 74.44 and 74.47:

- Source name and location;
- Name, mailing address, telephone and facsimile number of source representative;
- Benchmark utilization, annual utilization, average utilization, end-of-year determination of reduced utilization, and the calculation of allowances deducted for reduced utilization (if any);
- Amount of thermal energy replaced (if the source has shut down or if the utilization rate has fallen due to replacement of thermal energy by another source), and the name and location of the source or sources providing replacement thermal energy;
- A calculation of the number of allowances transferred to each source providing replacement thermal energy;
- Allowance tracking system account number of the replacement units; and
- Dated signatures for all designated representatives.

All respondents who choose to withdraw from the program are required to notify the Agency of their decision and provide the following information, as required in Section 74.18:

- Source account number;
- Name, address, telephone and facsimile number of the designated representative; and
- A certification that emissions requirements will be met through December 31 of the current year, and that all remaining allowances will be surrendered at that time.

## I. NO<sub>x</sub> Permitting

Regardless of the compliance option selected, the following elements must be included in the compliance plan for each source:

- Identification of the source;
- Identification of each affected unit at the source that is subject to these regulations;
- Identification of the boiler type of each unit; and
- Identification of the compliance option proposed for each unit.

For units that are choosing either standard or early election limits, the designated representative must simply check the appropriate box(es) to indicate the NO<sub>x</sub> compliance plan that is chosen.

For units that are in an averaging plan, the following additional information must be submitted:

- Identification of each unit in the plan;
- Each unit's standard emission limitation;
- The alternative contemporaneous applicable emission limitation for each unit (in lb/mmBtu);
- The annual heat input limit for each unit (in mmBtu);
- The calculation for the equation outlined in Step 2 of the EPA form for emissions averaging; and
- The calendar years for which the averaging plan applies.

For an AEL, the designated representative must submit the following information:

### AEL Demonstration Period

For an AEL, the designated representative must first submit an application for an AEL demonstration period. The application must contain the following information in accordance with 40 CFR §76.10(d):

- Identification of the unit;
- The type of control technology installed. If low NO<sub>x</sub> burner technology incorporating advanced and/or separated overfire air is technically infeasible, a justification including a technical analysis and evaluative report from the vendor of the system or from an independent architectural and engineering firm explaining why;
- Documentation that the installed NO<sub>x</sub> emission control system has been designed to meet the applicable emission limitation and that the system has been properly installed;
- The date the specific unit commenced operation following the installation of the NO<sub>x</sub> control equipment, or the date the specific unit became subject to the emission limitations (whichever is later);
- The dates of the operating period (minimum of three continuous months);

- Certification by the designated representative that the unit and the NO<sub>x</sub> control equipment were operated during the operating period in accordance with specifications and procedures designed to achieve the applicable emission limitation, with the operating conditions upon which the design of the NO<sub>x</sub> control equipment was based, and with vendor specifications and procedures;
- A brief statement describing the reason or reasons an AEL demonstration period is required for the specific unit;
- For the control technology, load range, O<sub>2</sub> range, coal volatile matter range, and percentage of combustion air introduced through overfire air ports;
- Description of planned modifications;
- List of parametric tests to be conducted in accordance with 40 CFR §76.15;
- Identification of the continuous emission monitoring data submitted pursuant to 40 CFR Part 75 that is to be used in assessing this application;
- An interim AEL, in lb/mmBtu; and
- The proposed dates of the demonstration period.

#### Final AEL

After the demonstration period, the owner or operator may petition the permitting authority for a final AEL. The petition must include the following information in accordance with 40 CFR §76.10(e):

- Identification of the unit;
- Certification that the affected unit and the NO<sub>x</sub> control equipment have been properly operated during the demonstration period;
- Certification that the affected unit has installed all emission control equipment, made any operational modifications, and completed any upgrades and/or maintenance to equipment specified in the demonstration period plan;
- A clear description of each step or modification taken during the demonstration period;
- Engineering design calculations and drawings that show the technical specifications for installation of any additional operational or emission control modifications installed during the demonstration period;

- Identification of the continuous monitoring data submitted pursuant to 40 CFR Part 75 that is to be used in assessing this application;
- A report, based on the parametric testing, that describes the reasons for the failure of the installed NO<sub>x</sub> control equipment to meet the applicable emission limitation;
- The minimum NO<sub>x</sub> emission rate, in lb/mmBtu, that the affected unit is able to achieve on an annual average basis;
- All supporting data and calculations documenting the determination of the proposed AEL; and
- For affected units that have installed an alternative technology, demonstration that the annual average reduction of NO<sub>x</sub> emissions is greater than 65 percent.

#### **J. Recordkeeping**

All records are to be kept for three years, except for permitting records which are to be kept for the duration of the permit, or up to five years and certain new monitoring provisions.

### **4.2.2 Respondent Activities**

#### **A. Allowance Transfers**

Participants in the allowance transfer system that are not affected units are required to perform two tasks: (1) negotiate an agreement to designate an authorized account representative and file an account information application to open an allowance tracking system general account; and (2) complete and submit allowance transfers. Designating an authorized account representative and filing an account information application is required one time only, prior to or concurrent with conducting the first transfer of allowances. For each transfer of allowances, participants are required to complete and submit an allowance transfer form or provide the required information using the Clean Air Markets Division Business System (CBS). Affected units that were required to submit a certification of representation under the initial ICR, must continue to prepare and submit allowance transfer information for each allowance transfer, and if the designated representative chooses, identifying the serial numbers of allowances to be deducted for annual reconciliation using the Allowance Deduction Form.

General account holders and affected units may change the authorized account representatives by submitting a subsequent allowance account information form or certificate of representation form respectively.

## **B. Obtaining a Permit**

The primary tasks to obtain a permit are listed below. These tasks are performed by existing sources required to renew their permits and new units during the period covered by this ICR. In general, sources with existing units, must reapply at least six months prior to the expiration of an existing permit, but the actual timeframe is governed by the permitting authority's operating permits rules.

- Designate a representative of the owners and operators of a source. Read the designated representative certification procedures. Negotiate an agreement to designate a representative for each unit at a source. Complete and submit the certification. This task is only relevant for a new Phase II source or if a source changes the designated representative.
- Prepare the permit application. Read the permit application instructions, then collect relevant information for the permit application. Complete the Phase II acid rain permit application. Where appropriate, provide specific information to support the use of compliance options for NO<sub>x</sub>. Review the information for accuracy and appropriateness and report the information to the permitting authority.

## **C. Emissions Monitoring**

The primary tasks that are performed by respondents to meet the emissions monitoring requirements are (1) completing and submitting appropriate monitoring plan forms for each affected source and each affected unit at a source; (2) conducting tests to certify the operation of monitors, and submitting test results to EPA; (3) recording hourly emissions data (this activity generally is performed electronically); (4) operation and maintenance activities associated with the monitoring, including quality assurance activities; (5) assuring data quality, preparing quarterly reports of emissions data and submitting these reports to EPA; and (6) responding to error messages generated by EPA as a part of automated data checks or electronic audits, or to field audits conducted by EPA and the permitting authority. In addition, respondents must purchase the necessary monitoring hardware (or pay for fuel sampling and analysis in some cases) and purchase the electronic data reporting software (or software upgrades). ECMPS enables sources to run automated quality checks of reports prior to submittal to EPA and reduces the burden of having to respond to EPA generated error messages or follow-up EPA audits.

## **D. Opt-in**

In order to provide the information discussed in the previous section, participants must complete three tasks to participate in the opt-in program: (1) submit a permit application, (2) meet monitoring requirements, and (3) submit annual compliance reports. Respondents who choose to withdraw are required to submit a withdrawal notification.

The primary tasks that must be completed to obtain a permit and the activities associated with them are listed below. These tasks will be performed only once during the period covered by this ICR.

- Designate a representative of the owners and operators of a source. Read the designated representative certification procedures. Negotiate an agreement to designate a representative for each source. Complete and submit the certification.
- Prepare the permit application. Read the permit application instructions, then collect relevant information for the permit application. Complete written forms, including an application for an opt-in permit. Review the information for accuracy and appropriateness. Submit the information to EPA, sending copies to the appropriate EPA regional office.

Respondents who opt in and *continue to operate* must also perform the task required under the emissions monitoring section above. Respondents who opt in *and shut down* do not need to perform any tasks related to monitoring.

To withdraw from the program, respondents must notify EPA of their decision to withdraw. Notification entails providing EPA with the data items presented in Section 3.2.1.

Opt-in sources covered by a thermal energy plan, must also report information concerning the replacement of thermal energy, including the identification of the source or sources providing replacement thermal energy, and the allowances transferred as a result of the replacement of thermal energy.

#### **E. NO<sub>x</sub> Permitting**

The primary tasks for a NO<sub>x</sub> compliance plan are listed below.

- Prepare the NO<sub>x</sub> compliance plan application. Read the application instructions, then collect relevant information. Analyze compliance options and plan compliance. Complete written forms. Review the information for accuracy and appropriateness and report the information to the permitting authority and send a copy to the EPA. Preparing a NO<sub>x</sub> compliance plan application may include interpreting the rule, collecting information and completing and submitting a NO<sub>x</sub> averaging plan, or an AEL petition.

Because each source must renew its Acid Rain permit every five years, EPA assumes the tasks for permitting will be performed by 20 percent of all NO<sub>x</sub> affected sources annually, in accordance with Section 408.

### **5. THE INFORMATION COLLECTED -- AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT**

The first part of this section describes Agency (EPA), permitting authority activities related to the acquisition, analysis, storage, and distribution of the information collected from (1) participants in allowance transfers, (2) permit applicants, (3) designated representatives of affected sources that are required to submit monitoring plans and emissions data, (4) participants in the annual auction, and (6) the opt-in program, and (7) NO<sub>x</sub> permitting. The second part describes the information management techniques employed to increase the



efficiency of collections. The third part discusses the burden or benefits of the collection activities described in this ICR to small entities. The last part outlines the schedule for collecting information.

## **5.1 Agency Activities**

### **5.1.1 Allowance Transfers**

Collections associated with operating the allowance transfer system require EPA to (1) track allowance holders and maintain allowance accounts, (2) review allowance transfer information for completeness and ensure that all requirements are met, (3) record allowance transfers, and (4) notify both participants in a transfer whether the transfer was recorded. EPA has developed a computerized allowance tracking system to track allowances and maintain information on accounts that allow market participants to submit transfers via the internet and provide real time transfers with instantaneous confirmation.

### **5.1.2 Permits**

EPA staff administering the permit program perform the following task:

- Review certificates of representation, enter the information in the Clean Air Markets Database (CAMD), and notify the representative.

Permitting authority staff, generally at the state or local level, perform the following task:

- Review permit applications and issue permits. Receive and review permit applications and record submissions. Provide notice to applicants whether permit applications are complete. Reformat collected data items to constitute proposed and final permits. Provide opportunities for public comment and participation.

### **5.1.3 Emissions Monitoring**

The major EPA activities related to emissions monitoring and reporting include (1) reviewing monitoring plans and certification applications, and (2) processing, reviewing and evaluating reports of quarterly emissions data from affected units. EPA's ECMPS computer system tracks and maintains this information. EPA also answers respondent questions and conducts audits of data submissions and field audits of monitoring systems. The use of the ECMPS software streamlines EPA's process for conducting many of these data checks.

### **5.1.4 Auctions**

EPA staff administering the auctions receive the sealed bids and payments, The bids are submitted electronically by the participants, and payment is made via wire transfer, certified check, or Letter of Credit. After bids are received, they are ranked using a computer program and then the allowances are allocated. EPA

announces the results by posting them on the EPA website. Finally, after payment is verified, EPA records the transfer of allowances and transfers the proceeds from the auction to the owners and operators from whom the allowances were withheld. EPA has developed a computer system to run the entire auction.

#### **5.1.5 Opt-in**

EPA staff administering the opt-in permit program perform the following tasks for each opt-in applicant:

- Review certificate of representation, record information, and notify representative.
- Review permit application. Receive and review permit application and record submission. Provide notice to applicant as to whether permit application is complete. Reformat collected data items to constitute proposed and final permit.
- Notify applicant regarding allowances. Notify the opt-in permit applicant of the number of allowances the applicant would receive each year as an opt-in source.

EPA activities related to withdrawals will be to process the withdrawal notification, and ensure that all unused allowances have been surrendered at the end of the calendar year.

#### **5.1.6 NO<sub>x</sub> Permitting**

Agency staff perform the following task:

- Review NO<sub>x</sub> compliance plan applications. Receive and review applications and record submissions. Provide notice to applicants whether applications are complete.

### **5.2 Collection Methodology and Management**

To ensure consistency nationwide and to expedite (1) data entry and (2) permit issuance, EPA requires that standard reporting forms or equivalent formats or standard electronic reporting formats be used to submit all information to be collected under this ICR. The standard forms are included in Appendix A.

Currently, respondents to collections for allowance transfer information may submit the required information on a standard written form, or using an electronic format. Permit applications are submitted on standard paper forms, as are certifications for new and retired unit exemptions. EPA requires that XML format be used to submit information to be collected under Part 75 and, under the 1999 rule revisions, EPA also required that data be sent via direct electronic submission to EPA beginning in the year 2001.

Several computer systems and associated databases have been developed to (1) track allowances, (2) record quarterly emissions monitoring data, (3) track auction proceed payments, and (4) calculate the number of allowances to be deducted each year. In 2001, EPA made available the Online Allowance Transfer System (now

part of the CAMD Business System) to permit online allowance transfers and allowance account maintenance activities. The systems and databases are designed to coordinate the information for easy access and use by the Agency, states, regulated community, and the public.

The Air Markets Program Data section of the EPA's Clean Air Markets Home Page on the internet includes detailed information collected from emissions reports, allowance transfer activity, and facility or source data. Those without access to the internet may use the Acid Rain Hotline to request information.

### 5.3 Small Entity Flexibility

For the purposes of the Acid Rain Program, EPA has adopted the Small Business Administration's definition of a "small" electric power utility as one that generates a total of less than four billion kilowatt-hours per year. Generally, although about two-thirds of the affected sources in Phase II generate a total of less than four billion kilowatt-hours per year and are required to participate in some collections under this ICR (e.g., submitting information for certification of monitors and submitting quarterly emissions monitoring reports), the costs to these sources for collections under this ICR are small relative to the revenues they generate. This is based on an analysis that was included in the Regulatory Impact Analysis of the Final Acid Rain Implementation Regulations, dated October 19, 1992.

All affected sources under the Clean Air Act Amendments of 1990 are required to submit permit applications and to respond to other collections under this ICR, according to the same parameters (with the exception of operators of new units of 25 MW or less, who may receive an exemption from the Acid Rain Program requirements if they qualify). Retired units may also be exempted from some reporting requirements.

The use of standardized forms will enable small entities to understand and complete permit application submissions without the level of staffing which would be necessary in the absence of such forms.

In the January 11, 1993 final Acid Rain Core Rules, EPA provided for a conditional exemption from the emissions reduction, permitting, and emissions monitoring requirements of the Acid Rain Program for new units having a nameplate capacity of 25 MW or less that burn fuels with a sulfur content no greater than 0.05 percent by weight, because of the high cost of monitoring emissions from these sources and the *de minimis* nature of their emissions.

The Part 75 rule revisions also create an additional small unit exception. This exception incorporates optional reduced monitoring, quality assurance, and reporting requirements into Part 75 for units that combust gas and/or fuel oil and that have low levels of mass emissions (referred to as low mass emissions (LME) units. Originally, EPA required that LME units emit no more than 25 tons of SO<sub>2</sub> and no more than 50 tons of NO<sub>x</sub> annually, and that they calculate no more than 25 tons of SO<sub>2</sub> and no more than 50 tons of NO<sub>x</sub> annually based on required procedures for calculating and reporting emissions. As part of the 2002 Part 75 revisions, EPA has increased the NO<sub>x</sub> threshold to < 100 tons per year (and, for units that are subject to the NO<sub>x</sub> SIP Call, no more than 50 tons per ozone season). Qualifying LME units are no longer required to keep monitoring equipment

installed on (or conduct sulfur-in-fuel sampling for) low mass emissions units, nor are they required to perform quality assurance or quality control tests. Moreover, emissions reporting requirements are significantly simplified for these units.

Even if a gas- or oil-fired unit does not qualify for the LME provisions, Part 75 allows gas- and oil-fired units to use methods other than continuous emission monitoring systems (CEMS). The 1999 Part 75 revisions significantly reduced the costs and burdens associated with fuel sampling and QA activities for these non-CEMS methods. As discussed in the Regulatory Impact Analysis (RIA) of the final Acid Rain Implementation Regulations (October 19, 1992), smaller utilities are more likely to be dependent on these oil- and gas-fired units, especially very small utilities (see p. 5 – 14 of that RIA document).

Further reductions in requirements aimed specifically for small entities are limited because of the statutory requirements that all affected units use CEMS (or an equivalent method) to record and report emissions data for Title IV purposes.

## **5.4 Collection Schedule**

### **5.4.1 Allowance Transactions**

There is no specific collection schedule associated with allowance transactions.

### **5.4.2 Permits**

In general, each Acid Rain permit is effective for five years. Revisions to the permit may be submitted at any time.

### **5.4.3 Emissions Monitoring**

Monitoring plans must be submitted only once, although certain elements of the monitoring plan are submitted (and updated as necessary) routinely as part of the XML format. Only new units will have to apply for certification during the 2013 through 2015 time period. While some monitors will undergo changes which will require an application for recertification, there is no set schedule for recertification.

Quarterly reports are due for each quarter during the life of this information collection request. In addition, EPA has provided for notifications to the Agency for semi-annual or annual quality assurance testing and for situations where a unit will have a revised certification deadline (for example, notifications of unit start-up for new units).

#### **5.4.4 Auctions**

The spot and advance auctions are currently held before March 31 of each year. The cutoff date for submission of bids is only a few days prior to the auction in order to limit the time EPA holds the bidders' money.

#### **5.4.5 Opt-in**

Opting in to the allowance program requires just one information collection (although monitoring information for affected sources must be collected quarterly). Opt-in permit applications may be submitted to EPA and the permitting authority at any time. Permits must be renewed at that time, and every five years thereafter. Revisions to the permit may be submitted at any time.

Monitoring plans must be submitted only once, at the time the opt-in permit application is submitted. The data upon which EPA will base its certification of each emissions monitor may be submitted after the source receives a draft opt-in permit, but must be submitted before the source may be designated an affected source. (Monitors must be installed, certified by EPA, and operating before the source may be designated an affected source.) Emissions data to meet reporting requirements are collected quarterly, 30 days after the end of each calendar quarter, beginning at the end of the first quarter in which the source becomes an affected source.

Compliance reports must be sent annually. Allowance transfer information must be submitted once for each transfer; a certificate of representation needs to be submitted only once, at the same time as the opt-in application.

Withdrawing requires only one information collection.

#### **5.4.6 NO<sub>x</sub> Permitting**

Acid Rain permits, including NO<sub>x</sub> compliance plans must be renewed every five years.

### **6. ESTIMATING THE BURDEN AND COST OF COLLECTIONS**

This section estimates the burden and cost of (1) tracking and transferring allowances, (2) obtaining and issuing permits, (3) submitting monitoring plans, obtaining certification of each monitor, and recording and reporting data from CEM systems, auditing of the CEMS (4) the auction program, (5) the opt-in program, and (6) NO<sub>x</sub> permitting.

First, assumptions regarding allowance transfers are presented, followed by the annual respondent and Agency burden and cost estimates associated with allowance transfers. Subsequent sections separately address permits, emissions monitoring, auditing of CEMS, auctions, opt-in, and NO<sub>x</sub> permitting. Finally, aggregate

annual burden hour and cost estimates to respondents and to EPA for collections covered by this ICR are presented.

### Estimating Labor Costs

To calculate labor costs, EPA used the following amounts: \$102.17 per hour for managers, \$66.03 per hour for technicians and clerical workers. As noted above, these rates were derived by using the rates from the most recent CAIR ICR and updating them with the Employment Cost Index to July 2012.

The labor cost to the Agency, \$49.49 per hour, was also derived by updating the rate from the most recent CAIR ICR.

## **6.1 Tracking, Transferring, and Deducting Allowances**

Labor burden and costs for collections associated with tracking and transferring allowances are functions of the number of transfers anticipated. The 2007 – 2009 ARP ICR assumed, based on an average of three units per facility, that the number of privately submitted allowance transfers would be about 1,700 each year (one-third of the 5,200 transfers in a typical prior year). This assumption was made because of the Acid Rain Program's 2006 requirement for facility-level, rather than unit-level, compliance. Transfers to move allowances among the different unit accounts at a facility were no longer needed for compliance purposes. However, sources transfer allowances for a variety of purposes, and the assumption that transfers would drop by two-thirds over-estimated the impact on the number of transfers of switching to facility-level compliance. Based on number of transfers recorded by EPA in 2010 and 2011, EPA now assumes that about 2,000 privately submitted allowance transfers will be made each year, 2013 through 2015.

Affected facilities have the option of identifying specific serial numbered allowances to be deducted by EPA. Based on past experience, EPA assumes that approximately half of all affected facilities will submit an optional allowance deduction form each year. EPA estimates that an average of 330 facilities will submit the optional deduction forms each year during the period covered by this ICR (2013 through 2015).

### **6.1.1 Estimate of Respondent Burden and Costs for Transfers and Deductions**

Exhibit 1 presents the annual burden and costs to participants in allowance transfers and deductions. Participants that are not affected units are required to negotiate an agreement to designate an authorized account representative and file a new account application; this activity is required only one time, prior to or simultaneous with the participant's first transfer of allowances. All participants are required to complete and submit allowance transfer information for each transfer of allowances. EPA estimates about ten hours to designate an authorized account representative and to open a general account, about two hours to prepare and submit information for an allowance transfer, and about three hours to prepare and submit an optional allowance deduction.

October 4, 2012

Assuming that 55 participants file new general account applications, 2,000 transfers will be made annually, and 300 deduction forms are submitted, the burden to respondents will be about 5,880 hours annually. The cost to respondents will be about \$544,455.70 annually.

**EXHIBIT 1**  
**ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR**  
**ALLOWANCE TRANSFERS AND DEDUCTIONS**

Tasks	Burden Hours per Occurrence	Cost per Occurrence <sup>a</sup>	Total Burden <sup>b</sup> (hours)	Total Cost
Designate an authorized account representative and file new account application.				
Managerial.	3	\$306.51	165	\$16,858.05
Technical.	7	\$462.21	385	\$25,421.55
Prepare and submit allowance transfer information.				
Managerial.	1	\$102.17	2,000	\$204,340.00
Technical.	1	\$66.03	2,000	\$132,060.00
Allowance deduction form (optional).				
Managerial.	1	\$102.17	330	\$33,716.10
Technical.	2	\$132.06	1,000	\$132,060.00
<b>TOTAL</b>			<b>5,880</b>	<b>\$544,455.70</b>

<sup>a</sup> 2012dollars; managerial hours \$102.17 per hour and technical hours \$66.03 per hour.

<sup>b</sup> Assumes 55 participants file new account applications, 2,000 transfers are made, and 330 optional deduction are submitted.

### 6.1.2 Estimate of Agency Burden and Costs for Transfers

Agency burden and costs are divided into those costs associated with enhancing a tracking system, and those associated with transferring and deducting allowances.

#### A. Allowance Tracking System

The allowance system regulations set the general requirements for the tracking system, which has been developed by EPA. In order to track allowances, the allowance tracking system must include information on (1) allowance allocations for each affected facility, (2) allowance transfers and deductions, and (3) allowance holders. Also, to allow for the transfer of future year allowances, the allowance tracking system will contain allowance information for thirty years into the future. EPA has made the information compiled in the allowance tracking system publicly available in several formats on the internet and is continually working to improve electronic access.



EPA incurs annual operation and maintenance (O&M) costs for running an electronic transmission network, system enhancement, general maintenance, and employee salaries. These O&M costs are estimated at \$1.5 million annually.

**B. Allowance Transfer System**

Upon receipt of an allowance transfer notification in hard copy form, EPA will (1) review allowance transfer information for completeness and ensure that all requirements have been met, (2) record allowance transfers, and (3) notify both participants to a transfer whether the transfer was recorded. EPA estimates that it will require an average of one hour to perform these activities for each notification. Upon receipt of an optional allowance deduction form, in hard copy, EPA will record the data into the EPA data system. This is estimated to take about 30 minutes per form.

Recent results indicate that only about one percent of all transfers employ paper forms. So, assuming 40 (out of the 2,000 total) transfers will be made using paper forms each year and 100 (out of the 500 total) deduction submissions will be on paper, the annual burden to EPA will be about 90 hours. There is no Agency burden when participants use the electronic online transfer system (also used for the optional deduction submission), since all EPA functions are automated. Costs for maintaining the online system are included in the O&M costs. The total cost to EPA will be about \$4,454.60 annually. Exhibit 2 summarizes the Agency burden and cost estimates for recording and transferring allowances.

**EXHIBIT 2  
ANNUAL AGENCY BURDEN/COST ESTIMATES FOR ALLOWANCE TRANSFERS**

<b>Tasks</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Occurrence<sup>a</sup></b>	<b>Total Burden<sup>b</sup> (hours)</b>	<b>Total Cost</b>
Review allowance transfer information, record transfer, and notify transfer participants.	1	\$49.49	40	\$1,979.60
Enter deduction data and deduct allowances.	0.5	\$24.75	50	\$2,475.00
<b>TOTAL</b>			<b>90</b>	<b>\$4,454.60</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes 40 transfer forms and 20 optional deduction forms are submitted annually.

**6.2 Obtaining and Issuing Permits**

This part presents estimates of the level of effort required and the associated costs to permit applicants and either EPA or the permitting authority of obtaining and issuing permits. This analysis estimates the cost and burden for new sources required to obtain permits for Phase II, for sources changing designated representatives, and sources renewing their permit.

All applicants for permits will be required to submit a general acid rain permit application for each affected source that covers all units at the source.

### **6.2.1 Estimate of Respondent Burden and Costs for Permitting**

Exhibit 3 depicts the burden and costs to respondents for (1) selecting a new designated representative, (2) submitting Phase II permit application, (3) submitting a retired unit exemption, and (4) submitting a new unit exemption. Based on the past two years of operation, EPA assumes that each year 1,200 Certificate of Representation forms will be submitted to appoint new designated representatives, 20 percent of all sources will submit Phase II permit applications (this number includes both new sources and sources renewing their permits), 33 units will submit retired unit exemptions, and 33 units will submit new unit exemptions.

The total annual respondent burden is estimated to be 19,481 hours. The costs associated with the permitting process are estimated at \$1,740,465.67 annually.

**EXHIBIT 3**  
**RESPONDENT BURDEN/COST ESTIMATES FOR PERMITS**

<b>Tasks</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Occurrence<sup>a</sup></b>	<b>Total Burden</b>	<b>Total Cost</b>
Change Designated Representative. <sup>b</sup>				
Managerial.	10	\$1,021.70	12,000	\$1,226,040.00
Technical.	5	\$330.15	6,000	\$ 396,180.00
Phase II Permit Applications. <sup>c</sup>				
Managerial.	2	\$204.34	500	\$51,085.00
Technical.	3	\$198.09	750	\$49,522.5
Retired Unit Exemption. <sup>d</sup>				
Managerial.	1	\$102.17	33	\$3,371.61
Technical.	2	\$132.06	66	\$4,357.98
New Unit Exemption. <sup>e</sup>				
Managerial.	1	\$102.17	33	\$3,371.61
Technical.	3	\$198.09	99	\$6,536.97
<b>TOTAL</b>			<b>19,481</b>	<b>\$1,740,465.67</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes that 1,200 certificate of representation forms will be submitted.

<sup>c</sup> Assumes 250 sources (20 percent of all affected sources) will submit Phase II permit applications each year.

<sup>d</sup> Assumes 33 units will submit retired unit exemptions each year.

<sup>e</sup> Assumes 33 units will submit new unit exemptions each year.

### 6.2.2 Estimate of Agency/Permitting Authority Burden and Costs for Permitting

Exhibit 6 presents the burden and costs to EPA and the permitting authority to review and process permit information. The primary tasks performed by EPA are reviewing certificates of representation, and reviewing permit applications. The primary tasks performed by the permitting authority are reviewing and processing permit applications, notifying the public, issuing proposed and final permits, reviewing new and retired unit exemptions. Reviewing a certificate of representation and determining completeness is estimated to require half an hour. Reviewing the permit application, notifying the public, and issuing proposed and final permits is estimated to require nine hours per occurrence. The Agency's total annual effort will be 908.5 hours. The total cost to EPA for all permitting activities will be about \$4,454.60. The total annual estimated burden and cost to the Permitting Authorities is 3,002 hours and \$148,568.98.

**EXHIBIT 4**  
**ANNUAL AGENCY/PERMITTING AUTHORITY BURDEN/COST ESTIMATES FOR PERMITS**

<b>Tasks</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Source<sup>a</sup></b>	<b>Total Burden (hours)</b>	<b>Total Cost</b>
EPA reviews certificates of representation and records information. <sup>b</sup>	0.5	\$24.75	600	\$29,694.00
Review permit application, and issue draft, proposed, and final permit. <sup>c</sup>				
Permitting Authority action.	8	\$395.92	2,000	\$98,980.00
EPA review.	1	\$49.49	250	\$12,372.50
Receive and process retired and new unit exemptions. <sup>d</sup>				
Permitting Authority action.	2	\$98.98	132	\$6,532.68
EPA review.	0.3	\$14.85	20	\$989.80
<b>TOTAL</b>			<b>3,002.00</b>	<b>\$148,568.98</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes 1,200 sources submit a certificate of representation.

<sup>c</sup> Assumes 250 sources (20 percent of all affected sources) will submit Phase II permit applications each year.

<sup>d</sup> Assumes 33 retired and 33 new unit exemptions are submitted each year.

### 6.3 Emissions Monitoring Recording and Reporting

This section estimates the burden and cost of submitting monitoring plans, obtaining certification of each monitoring system, conducting monitor quality assurance activities, and recording and reporting data from CEM systems (or approved alternatives), and other ancillary activities (such as responding to EPA generated error messages, or responding to EPA audits).

The legislative requirements in Title IV require all affected Phase I and Phase II sources to install SO<sub>2</sub> and NO<sub>x</sub> CEM systems, continuous opacity monitors (COMS), and flow monitors (or approved alternatives). Data handling or reporting is required by the law, but not specified. Under the promulgated regulations, however, EPA imposes data handling, reporting, and recordkeeping requirements. The EPA requires that all affected units required to install CEM systems use a data acquisition and handling system (DAHS) to record hourly CEM and flow monitor data in the XML format. Affected gas- and oil-fired units may elect to use the approved alternative SO<sub>2</sub> monitoring method and record fuel sulfur analysis data, and then use a DAHS to record and report hourly fuel flow values from a fuel flow meter in the XML format. In addition, peaking units

that burn natural gas and/or fuel oil may use an excepted method for calculating NO<sub>x</sub> emission rates. Finally, EPA allows certain low mass emissions (LME) units to use assumed emission factors together with operational data to calculate emissions.

Affected sources are required to complete and submit a monitoring plan and obtain certification of each monitor (on standard forms) for each affected unit at the source. These plans and certifications, which are only submitted once, have already been submitted for most units. Sources, however, may need to submit revised plans or even recertify if they change some aspect of their existing plan. New units will still need to submit plans and certifications for the first time. In addition, all affected units are required to submit quarterly reports of their emissions data to EPA; these reports include much of the basic monitoring plan data as well.

To develop this renewal ICR, EPA relied primarily on the extensive efforts to identify and calculate burdens for prior ICR renewals and the Clean Air Interstate Rule (CAIR) ICR. In 1999, EPA promulgated significant revisions to Part 75 to address a number of implementation concerns that affected sources had raised. In 2002, EPA promulgated less significant revisions to Part 75 that addressed a number of procedural and technical issues, the possibility of non-load based units using Part 75 as part of the NO<sub>x</sub> SIP Call, and the expanded use of the LME provisions. In 2005, EPA promulgated Part 75 revisions that implement the new ECMPS data system and reporting process.

To quantify the respondents' burdens and costs, EPA has analyzed existing data reported by the affected sources and developed model unit categories to classify and characterize the affected population.

A projection of the number of new units that will come on line in 2013 through 2015 was also made and included in the unit counts. The new unit estimates 29 new units each year, increasing the average total number of units by 87 units/year from 2013 through 2015 were based on the previous average of new units coming on line plus a 0.8 percent annual increase in the number of units (per the Energy Information Administration (EIA) projected approximately one percent annual increase in electricity generating capacity in the Annual Energy Outlook 2012. New units were apportioned to the different monitoring methodologies based on the four year average of new units coming on line for each methodology.

The result of this analysis projects the total number of reporting units within the following model categories:

- Model A (units with SO<sub>2</sub>, flow, NO<sub>x</sub>, and CO<sub>2</sub> CEMS): 678 total units.
- Model B (units with opacity CEMS solely as a result of Title IV): 624 total units. (Note: these units also are classified under other models for SO<sub>2</sub>, NO<sub>x</sub>, and CO<sub>2</sub> requirements.)
- Model C (units with Appendix D monitoring for SO<sub>2</sub> and CEMS for NO<sub>x</sub>): 2,790 total units.
- Model D (units using both Appendix D and Appendix E for SO<sub>2</sub> and NO<sub>x</sub>): 300 total units.

- Model E (units using the LME methodology): 145 total units
- Model F (units with moisture monitors necessary for moisture correction): 52 total units. (Note: these units are also classified under other models for SO<sub>2</sub>, NO<sub>x</sub>, and CO<sub>2</sub> requirements.)

To estimate the burden and/or cost for each model, EPA has relied on the sources estimates included in the prior ICR renewal for labor hour estimates of each activity. O&M and capital costs were updated from estimates included in the 2010-2012 ICR renewal, using a factor (1.024) based on the BLM Producer Price Index. EPA also incorporated the additional Annual O&M costs from EPA ICR Number 2203.04, OMB Control Number 2060-0626. See Appendix B for background and discussion of how these permanent cost increases were derived. The hourly labor rates for managerial, technical and clerical staff reflect the labor rates used in the existing ICR but are updated to 2012 dollars using the BLM Employment Cost Index, consistent with Agency ICR guidance.

#### **6.4.1 Estimating Respondent Burden**

The primary tasks performed by owners and operators of affected units are (1) reviewing the regulations, forms and instructions, (2) responding to EPA generated error messages and audits, (3) installing and reprogramming a DAHS and debugging the software, (4) completing and submitting monitoring plans for each unit at the source, (5) performing appropriate tests and providing test results to certify each monitor, (6) performing quality assurance testing and maintenance upon monitors, (7) assuring the quality of emissions data, preparing quarterly reports of emissions data, and submitting reports to EPA; and (8) fuel sampling.

##### **A. Regulatory Review**

The estimate for time to review instructions and requirements remains consistent with the labor estimates used in previous ICRs (four manager hours and four technician hours) where no substantial changes have been made to the Rule. These estimates apply at the facility level. The estimates for burden in 2008 – 2009 to review the Part 75 rule revision in January 2008 were addressed in the proposed ICR for that rule, and are not expected to be included in the period covered by this ICR (2013 – 2015). These hours cover reviews independent of the reviews that may occur as part of the reviewing task areas listed below. EPA continues to make available a [Part 75 Emissions Monitoring Policy Manual](#), as well as tutorials, questions and answers, and other guidance documents for using ECMPS. Part 75 is available online through the electronic [Code of Federal Regulations \(e-CFR\)](#). In addition, EPA in 2005 posted online a text version of its [Plain English Guide to Part 75](#).

##### **B. Response to Error Messages/Audits**

The EPA provides feedback to sources so that suspected errors in submissions by sources are noted and corrected. With the use of the ECMPS software, this occurs before formal data submission because the ECMPS client tool checks all data with more than 1,000 QA checks, prior to the data being submitted. Thus, EPA believes that the burdens for this activity will decrease over time. At the same time, however, EPA has

increased its audit oversight and expects to continue to conduct a number of electronic and field audits of facilities over the next few years. In particular, EPA makes significant use of electronic audits as a means to provide continuous data quality improvement. This effort has already been factored into respondent burden. In addition, if EPA and the permitting authorities conduct a field audit, the burden to a source could involve from 24 to 36 hours. However, on a per unit basis, these field audit impacts are less significant because not every unit will be subject to an audit in a particular year. EPA projects no more than ten audits per year for the agency and no more than 10 audits per year for each permitting authority. If the average burden of an audit is 30 hours per audit, the per unit burden for all units that would be associated with EPA's or the permitting authority's audit activities is less than one hour of burden per respondent. Note that, because this activity should be inapplicable for the simplified reporting required of low mass emissions units, the total number of respondents for this activity excludes the LME units.

### **C. DAHS Upgrade and Debugging**

During the years immediately preceding the 2010 – 2012 ICR, sources installed computer software designed to implement updated electronic data reporting using XML formats required under the Acid Rain Program. EPA promulgated revisions to Part 75 in late 2006 to accommodate changes in EPA's data systems that manage the data submitted by respondents. These data system changes were necessary to modernize EPA's data systems, and to streamline reporting. The costs of the required DAHS upgrade were analyzed in a separate, but closely related ICR (see EPA Docket EPA-HQ-OAR-2005-0132). The capital costs for ARP facilities associated with that DAHS upgrade are accounted for in this ICR. Use of XML format data systems became mandatory in January 2009, and updated values in this section reflect estimated changes in respondents' burden, some of which may be related to this upgrade. For the time period of this ICR, 2013 through 2015, EPA estimates that 20 percent of units reporting with CEMS would require a DAHS upgrade due to changes in the Protocol Gas Verification Program gas type code data element.

### **D. Monitoring Plans**

Completing and submitting monitoring plans is estimated to require an average of about 20 hours per unit initially. For existing units, initial monitoring plan submissions will be received prior to the time period covered in this renewal ICR, and, consistent with the existing ICR, EPA does not include burden hours for existing units under this initial monitoring plan development task area during 2013 through 2015. The burden associated with revising the monitoring plan is included in the time for preparing and submitting each quarterly emissions report.

Based on EIA's projected one percent per year increase in electricity generating capacity, EPA projects that the number of new units in 2013 through 2015 will increase approximately one percent per year over the number of units reporting in 2012. These units have a separate line item for initial monitoring plan preparation.

### **E. Monitor Certification**

Based on information gathered as part of the 1999 rule revisions, EPA included assumptions in the previous ICR renewal to include labor burdens for monitor certification activity as well as test contractor costs. For existing units, only recertifications are included in the estimated activities for 2013 through 2013. The Agency estimates a labor burden of 50 hours and a contractor cost of \$3,482 per respondent. The cost and burden figures exclude the costs and burdens associated with conducting a RATA as part of the recertification process because those costs are incorporated within the annual QA costs for previously certified monitoring systems.

Under Part 75, sources are required to recertify the monitoring systems whenever the source makes a replacement, modification, or change in a certified CEMS or continuous opacity monitoring system that may significantly affect the ability of the system to accurately measure or record the SO<sub>2</sub> or CO<sub>2</sub> concentration, stack gas volumetric flow rate, NO<sub>x</sub> emission rate, percent moisture, or to meet the QA and QC requirements. Recertification is also necessary whenever the source makes a replacement, modification, or change to the flue gas handling system or the unit operation that may significantly change the flow or concentration profile. Examples of changes which require recertification include: replacement of the analyzer, change in location or orientation of the sampling probe or site; and complete replacement of an existing CEMS or continuous opacity monitoring system.

For new units, the monitor certification costs are included in the capital/startup costs.

### **F. Quality Assurance**

Quality assurance (QA) testing and maintenance upon monitoring systems is the largest burden item under the monitoring, reporting and recordkeeping requirements for the Acid Rain Program. The requirements include daily, quarterly and annual QA requirements, depending on the monitoring approach being used. For reporting units that use a full set of CEMS (SO<sub>2</sub>, flow, NO<sub>x</sub> and CO<sub>2</sub>), the Agency has developed a per unit labor burden based primarily on information gathered from affected sources. For units that also are required to install and maintain a continuous opacity monitoring system (COMS) as a result of Part 75, additional labor burdens apply. For units that rely on Appendix D excepted methods for SO<sub>2</sub> but use a NO<sub>x</sub> and CO<sub>2</sub> CEMS, reduced labor burden estimates apply because the quality assurance activities for the excepted methods are less than for a CEMS. The labor burdens for these excepted methods were derived primarily from cost estimates provided by a group of affected utilities (see Docket A-97-35, Item II-D-48). For units that rely on the excepted methods under both Appendix D and E (i.e., units without CEMS), the burden estimates are reduced further because no CEMS QA is required. For the relatively small number of units that require moisture correction, labor burdens for moisture monitoring QA activities were added based on information supplied by an affected utility (see Docket A-97-35, Item II-D-94). Finally, for units that use the LME provisions, no QA requirements apply except for units that use the unit-specific default value option. Those units are required to test the unit to determine a unit specific value. That cost has been included as a contractor cost for all new LME units. In addition to previously established quality assurance costs, this ICR incorporates burdens from EPA ICR Number 2203.04, OMB Control Number 2060-0626. See Appendix B for background and discussion of how



these permanent cost increases were derived. Using the data discussed above, EPA estimates that the average respondent (using a weighted average for the units that fall under Models A – F) will require approximately 450 labor hours to meet the QA requirements of Part 75. Consistent with the existing ICR, this labor is expected to be almost entirely technician labor.

### **G. Quarterly Reports**

Tasks performed by utilities in preparing quarterly reports include: (1) assuring the quality of the data, (2) preparing the quarterly report, (3) revising the monitoring plan, if necessary, (4) preparation of hard copy documentation accompanying the quarterly reports, and (5) managerial review. EPA has been improving electronic file transfer procedures over the past few years and has been developing automated tools that allow sources to quality assure their reports. EPA believes these efforts have reduced the average burdens per report over time. In addition, because the program is maturing, the respondents have developed procedures and methods to increase their efficiency with reporting. The 1996 ICR estimated 240 hours per unit for this activity. As a result of the 1999 Part 75 revisions, this estimate was decreased to 204 hours, but that estimate was not based on consideration of potential changes in burden that may have occurred outside the scope of the specific reduced reporting requirements in the 1999 rule revisions. Based on consultations with a few utility representatives in 2002, EPA determined that this burden activity area significantly overstated the average burden levels, although it may have been accurate for some units. The contacts provided a fairly wide range of estimates for this activity, however, and thus EPA conservatively used a 102 hour per unit estimate in the 2002 ICR renewal (a 50 percent reduction from the 1999 ICR). This burden estimate was used in the prior ICR renewal as well. For this renewal, consultations with affected sources continued to show a wide range of estimates for this activity. EPA contacted several sources in September 2012 to determine if these prior estimates were still valid or should be revised upward or downward. No significant changes were needed. For LME units, the estimate remains at 16 hours per year for each LME unit.

#### **6.4.2 Estimating Respondent Costs**

Exhibit 7 summarizes the annual respondent costs. The following discussion describes how those costs were derived.

### **A. Estimating Total Capital and Annual Operations and Maintenance Costs**

Capital/start-up costs include the cost of installing required CEMS or alternatives. The Agency developed the capital cost estimates for the CEM and other equipment based on EPA CEM cost models, existing ICRs, and comments from various affected utilities. The cost estimates vary depending on the number and type of monitors that are required. Annualized capital cost estimates are included for each of the Models A – F on Exhibit 5. These annualized capital costs were originally drawn from CAIR EPA ICR #2152.05 (OMB Control Number 2060-0570), and have been updated for this ICR using a factor based on the rate of inflation shown for 2009 through 2012 in Industrial Commodities Producer Price Index (PPI) maintained by the Bureau of Labor Statistics. The annualized costs ranged from \$30,282 for units with a full set of CEMS (Model A), to \$19,661 for a unit that uses NO<sub>x</sub> CEMS and Appendix D methods (Model C), to \$2,359 for units that use both

Appendix D and Appendix E methods without any CEMS (Model D). There are no capital/start-up costs for LME units. A discussion of how the capital/start-up costs were annualized follows in Section C. Annualizing Capital Costs. As noted earlier, this ICR includes annualized capital costs for recent DAHS upgrades at all ARP facilities.

In addition to capital/start-up costs, respondents incur operation and maintenance (O&M) costs (exclusive of labor costs) that reflect ongoing costs to a unit. These costs include both contractor costs for the required recertification, diagnostic, and quality assurance (QA) testing, and other direct maintenance-related expenses (e.g., spare parts and calibration gases). The cost estimates used in this renewal ICR are generally the same as the CAIR EPA ICR #2152.05, and were derived from EPA CEM cost models, existing ICRs, Agency staff experience under the Acid Rain Program, information gathered during development of the 1999 and 2002 Part 75 revisions, and supplemental estimates provided by affected utilities and others related to the various cost items (see, e.g., EPA Air Docket A-97-35, Item II-D-48). These O&M costs have also been updated to 2012 dollars based on the PPI and include the permanent increase due to incorporation of the ARP burdens associated with EPA ICR Number 2203.04, OMB Control Number 2060-0626. See Appendix B for background and discussion of how these permanent cost increases were derived. The total cost for these operation and maintenance cost items (other than fuel sampling) is estimated at \$32,268 for a unit with a full set of CEMS, while units that use alternate methodologies have reduced costs.

Note that testing contractor costs for certification, recertification and annual RATAs also are presented as other direct costs and are not converted to equivalent source labor hours. This approach is consistent with the common business practice for obtaining outside contractors to conduct certification/recertification tests and annual relative accuracy test audits. For initial certification, the certification test costs are commonly bundled with equipment purchase contracts, according to information provided by a range of CEMS equipment vendors. For RATAs that are conducted either as part of the annual quality assurance requirements or as part of recertification, industry contacts have indicated that RATA testing is usually performed under a fixed price contract basis, except for travel costs that may be billed on an hourly basis beyond the basic contract cost. For annual RATAs, the sources indicated that an annual contract between a testing company and utility is often used. One municipal utility representative indicated that the applicable municipal regulations required that outside contracts be on a flat fee, not hourly, basis.

## **B. Capital/Start-up vs. Operating and Maintenance (O&M) Costs**

Capital costs reflect one-time costs for purchase of equipment which will be used over a period of years. Conversely, operating and maintenance costs are those costs which are incurred on an annual or other scheduled basis. For instance, costs associated with quality assurance activities, such as spare parts or contractor costs for work, will be incurred on an annual basis.

## **C. Annualizing Capital Costs**

The relevant capital costs for the emissions trading portion of this ICR were annualized at a rate of seven percent (i.e., the annualized capital cost was calculated assuming money to purchase the capital equipment was

borrowed at a seven percent annual interest rate). The cost of the loan was amortized over the life of the loan to repay original borrowed amount plus interest. The result is the annualized capital cost reported.) The annualized cost of the necessary monitoring equipment capital purchases varies from \$2,320 to \$30,282, per year, per unit, depending on the type of monitoring methodology. Exhibit 7 contains a breakdown of annual costs by monitoring methodology. The capital costs are from the CAIR EPA ICR #2152.05, updated from 2009 dollars to 2012 dollars by a factor (1.024) based on the PPI for industrial commodities.

#### **D. Protocol Gas Verification Program Increased Cylinder Costs**

This increased protocol gas verification program cylinder costs were derived from EPA ICR Number 2203.04, OMB Control Number 2060-0626. EPA assumes that each affected unit using on average six cylinders a year at an increased cost of two dollars per cylinder. See Appendix B for more background information.

##### **6.4.3 Estimating Agency Burden and Cost**

The tasks that will be performed by EPA include processing, reviewing, and evaluating emissions data reports submitted by utilities, and conducting appropriate CEMS and data audit activities to verify the information provided. The estimated Agency burden has been remains at one hour per report basis, which is consistent with the previous ICR. EPA's increased audit oversight efforts are more than offset by burden reductions from increasing familiarity with the program and improved automated tools. Assuming that affected sources will submit 3,616 emissions reports to EPA per quarter, the total annual burden incurred by the Agency will be 14,464 hours. This ICR also incorporates the agency burden previously calculated under EPA ICR Number 2203.04, OMB Control Number 2060-0626 which results in an increase of 90 additional hours on an annual basis. (See Appendix B for more background information.) The total annual cost to EPA for processing, reviewing, and evaluating these quarterly emissions reports will be approximately \$783,145. Exhibit 6 summarizes the Agency burden and costs associated with emissions reporting including conducting CEMS audits and reviewing CEMS conducted by government contractor.

##### **6.4.4 Estimating the Respondent Universe and Total Burden and Costs**

Based on the number of units reporting in 2012 and the EIA projection that electricity generation capacity will increase by about one percent per year, EPA estimates that, during the 2013 – 2015 time period: (a) 1,234 sources will review instructions and requirements; (b) 1,201 sources (this number excludes sources with only low mass emissions units and new units) will reprogram and debug DAHS computer software; (c) 3,616 units will submit quarterly reports; and (d) 3,471 units will respond to EPA generated error messages (of which about ten units will also respond to EPA audit activities), and perform QA testing and maintenance (units using the LME methodology are excluded from these activities). From 2006 through 2008, an average of 913 units recorded recertification events annually; however for this ICR, EPA estimates that approximately 600 units will recertify annually. EPA is using a lower number for recertifications from 2013 through 2015 ICR based on the average number of recertifications received during the 2009-2012 period, and will again revisit the data when preparing the next (2016 – 2018) renewal of the ARP ICR. Exhibit 5 shows the total burden and total cost based on this respondent universe.

**EXHIBIT 5**  
**ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR EMISSIONS MONITORING**

INFORMATION COLLECTION ACTIVITY	Mgr. \$102.71/Ho	Tech. \$66.03/Hou	Respondent Hours/Year	Labor Cost/Year	Cont./O&M Cost	Capital/ Start-up Cost	No. of Respondent s	Total Hours/Year	Total Cost/Year
1. Review Instructions and Requirements.	4	4	8	\$673	\$ -	\$ -	1,234	9,872	\$830,235
2. Respond to EPA Generated Error Messages, EPA, and Permitting Authority Field Audits.	6	18	24	\$1,802	\$ -	\$ -	3,471	83,304	\$6,253,215
3a. DAHS Upgrade.					\$ -	\$570	1,279		\$739,030
3b. DAHS Debugging.	4	12	16	\$1201	\$ -	\$ -	1,279	20,064	\$1,536,130
4. New Unit Monitoring Plans.	10	10	20	\$1,682	\$ -	\$ -	37	740	\$62,234
5. Recertify Monitors.	38	12	50	\$4,675	\$3,482	\$ -	600	30,000	\$4,893,852
6. Startup/Capital Items and Perform QA Testing and Maintenance.									
(a) Model A (CEMS).	50	480	530	\$36,803	\$31,949	\$30,282	678	359,340	\$67,361,148
(b) Model B (COMS).	-	171	171	\$11,291	\$295	\$3,733	807	106,704	\$9,559,039
(c) Model C (App D -- NO <sub>x</sub> CEM).	20	375	395	\$26,805	\$17,818	\$19,661	2,790	1,102,050	\$179,349,710
(d) Model D (App D and E).	5	30	35	\$2,492	\$1,843	\$2,359	300	10,500	\$1,266,389
(e) Model E (LME).	-	-	-	\$ -	\$1,991	\$ -	145	-	\$291,595
(f) Model F (H <sub>2</sub> O).	-	40	40	\$2,641	\$8,192	\$895	52	2,080	\$609,892
7a. Assure Data Quality, Prepare Reports (inc. monitor plan update), Submit Reports.	20	82	102	\$7,458	\$ -	\$ -	3,616	368,832	\$26,967,622
7b. LME Reporting.	4	12	16	\$1,201	\$ -	\$ -	145	2,320	\$174,151
8. PGVP cylinder Costs	-	-	-	\$ -	\$ -	\$ -	-	-	\$ 43,392
<b>Total</b>								<b>2,096,206</b>	<b>\$299,937,634</b>

Capital cost and O&M cost increase factor equal to 1.024 based on the 2009 to 2012 increase in PPI for industrial commodities.

Adding one percent per year for each of three years, an average of 87 additional units will report each year. These additional units were apportioned to the various models based on the percent change in each model from 2010 to 2012.

Annualized capital costs for DAHS upgrades were drawn from the proposed DAHS upgrade ICR (EPA Docket EPA-HQ-OAR-2005-0132).

**EXHIBIT 6**  
**ANNUAL AGENCY BURDEN/COST ESTIMATES FOR EMISSIONS REPORTING**

<b>Tasks</b>	<b>Hours per Report</b>	<b>Quarterly Cost per Report<sup>a,b</sup></b>	<b>Number of Reports<sup>c</sup></b>	<b>Total Burden per Year (hours) (2013 – 2015)</b>	<b>Total Cost</b>
Process, review, and evaluate quarterly report and issue feedback letter.	1	\$49.49	14,464	14,464	\$715,823
Conducted and Review EPA Field Audits	35	\$49.49	10	350	\$17,322
Independent Contractor CEMS Audits	0	\$0.00	0	0	\$50,000
Manage PGVP AETB <sup>d</sup>	-	-	-	140	\$6,928.60
<b>Total</b>				<b>14,954</b>	<b>\$790,073</b>

<sup>a</sup> Based on an average total compensation rate of \$49.49 per hour.

<sup>b</sup> Updated to 2012 dollars.

<sup>c</sup> Assumes 3,616 emission data reports each quarter and an average of 10 CEMS audits per year.

<sup>d</sup> See Appendix B for a background on how this burden was derived.

## 6.5 Auctions

This part presents estimates of the burden and costs to participants and the Federal government associated with the auction program.

Auctions are held only once a year. No restrictions are placed on the number of allowances for which a participant may bid. Multiple bids from a given participant are permitted, but each bid is treated individually and requires a separate bid submission. Based on the average number of bids in the past three auctions, EPA estimates that 56 bids will be received each year.

### 6.5.1 Estimate of Respondent Burden and Costs

Exhibit 7 depicts the burden and costs to auction participants. Auction participants must complete and submit the information electronically along with a certified check, letter of credit, or wire transfer. EPA estimates that the auction bid submission takes approximately 30 minutes to prepare, and obtaining a means of payment takes approximately one hour. This estimate includes time allocated to research the required information, enter the information on-line, arrange for a certified check, letter of credit, wire transfer, and send the material to EPA. The burden and cost to auction participants is estimated to be 84 hours and \$7,974.96 per year respectively.

**EXHIBIT 7**  
**ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR AUCTIONS**

<b>Collection Activities</b>	<b>Burden Hours Per Bid</b>	<b>Cost Per Bid<sup>a</sup></b>	<b>Burden Hours Per Year</b>	<b>Cost Per Year</b>
1. Submitting bid information. <sup>b</sup>	0.5	\$47.47	28	\$2,658.32
2. Obtaining means of payment. <sup>b</sup>	1	\$94.94	56	\$5,316.64
<b>TOTAL</b>	<b>1.5</b>	<b>\$142.41</b>	<b>84</b>	<b>\$7,974.96</b>

<sup>a</sup> Based on an average rate of \$94.94 per hour (for costing purposes, it is assumed that 80 percent of the total hours will be Managerial (\$102.17 per hour) and 20 percent will be Technical (\$66.03 per hour). These estimates are based on 2012 dollars.

<sup>b</sup> The 56 bids represents an average number of bids over the past three EPA auctions.

### 6.5.2 Estimate of Agency Burden and Costs

Exhibit 8 depicts the burden and cost to EPA for the auction program. Based on past experience, the burden and cost to the Agency will be about the same each year. Setting up and revising allowance tracking system accounts for auction participants is estimated to take ten hours, the handling of bid information and checks is estimated to take 20 hours, tabulation, checking, and announcing the auction results is estimated to take fifteen hours, and transferring allowances and proceeds is expected to require 40 hours per year. As Exhibit 8 shows, the total burden to EPA for auction activities is 85 hours at a cost of \$4,207.

**EXHIBIT 8**  
**ANNUAL AGENCY BURDEN/COST ESTIMATES FOR AUCTIONS**

<b>Collection Activities</b>	<b>Burden Hours Per Year</b>	<b>Cost Per Year<sup>a</sup></b>
1. Setup allowance tracking system accounts.	10	\$494.90
2. Handle bids and checks.	20	\$989.80
3. Tabulate, check, and announce results.	15	\$742.35
4. Transfer of allowances and proceeds.	40	\$1,979.60
<b>TOTAL</b>	<b>85</b>	<b>\$4,206.65</b>

<sup>a</sup> 2012 dollars.

## **6.6 The Opt-in Program**

This subsection describes projections for (1) the number and types of sources that elect to participate in the opt-in program for the time period covered by this ICR, (2) the paperwork burden hours for both respondents and EPA associated with the program, and (3) the total costs of the tasks required by the opt-in program.

As a result of changes to CAIR and the current price of allowances there are as of 2012 no ongoing applications for opt-in facilities and EPA does not anticipate receiving any applications during the 2013-2015 time frame. The following section is retained with actual estimates for new applications set to zero. Based on 2012 counts, 20 units at 5 facilities will continue to report under the Opt-in program and will continue incur Opt-in utilization form and thermal energy compliance reporting burdens.

### **6.6.1 Respondent Burden/Cost Estimates for the Opt-in Program**

The tasks under this program are divided into the major categories of reporting -- permitting, emissions monitoring, and annual compliance certification. This section includes only the burden for these task categories for opt-in sources. Those affected sources covered by the mandatory requirements of the Acid Rain Program are covered in previous sections.

#### **A. Opt-in Permit Applications**

EPA estimates that no sources will submit opt-in permit applications in the years covered by this ICR. Sources that file an application must select a designated representative, report operating and fuel consumption data from past years, and report the actual and allowable emissions rates for 1985 (or their first year of operations, if after 1985) as well as the current allowable emission rate. As shown below in Exhibit 9, EPA estimates a burden of zero hours and a no additional cost for this activity.

#### **B. Emissions Data Reporting**

Emissions reporting is performed only by operating sources. The tasks for opt-in sources are identical to other affected sources and are listed in Exhibit 5. The burden and costs for emissions reporting from opt-in sources are included in the total in Exhibit 5.

#### **C. Annual Reconciliation**

Annual reconciliation is performed by all opt-in sources. Each unit at an opt-in source is required to submit an opt-in utilization form. Additionally, if the source is covered by a thermal energy compliance plan, it must submit a thermal energy compliance report. If an opt-in source has reduced utilization due to energy

conservation or improved unit efficiency measures, it has the option of submitting an energy confirmation and improved unit efficiency confirmation report to verify the savings and offset the corresponding reduced utilization. To date none of the opt-in sources have verified energy conservation or improved unit efficiency measures, so EPA is assuming no sources will do so during the three years covered by this ICR. Finally, EPA assumes that half of the opt-in units will submit an optional allowance deduction form, which specifies the serial numbered allowances for deduction.

Total respondent burden and costs for annual compliance certification by opt-in sources are an estimated 484 hours and \$34,450, respectively. Exhibit 10 presents respondent burden and costs for annual reconciliation by opt-in sources.

### 6.6.2 Agency Burden/Cost Estimates for the Opt-in Program

In 2013 through 2015, the Agency's burden includes; processing opt-in applications, processing quarterly emissions reports (which is included in Exhibit 8), and processing annual reconciliation reports. The Agency's total annual estimated burden and cost related to the opt-in program are 45 hours and \$2,227 respectively. Exhibit 11 presents the Agency's burden and costs for opt-in program.

#### EXHIBIT 9 RESPONDENT BURDEN/COST ESTIMATES FOR OPT-IN PERMIT APPLICATIONS

Tasks	Burden Hours per Occurrence	Cost per Occurrence <sup>a</sup>	Total Burden (hours)	Total Cost
Select a designated representative. <sup>b</sup>				
Managerial.	20	\$1,838.80	0	\$0
Technical.	7	\$446.18	0	\$0
Prepare opt-in permit application. <sup>b</sup>				
Managerial.	20	\$1,838.80	0	\$0
Technical.	85	\$5,417.90	0	\$0
Prepare thermal energy compliance plan.				
Managerial.	15	\$1,379.10	0	\$0
Technical.	55	\$3,505.70	0	\$0
Complete withdrawal notification. <sup>d</sup>				
Managerial.	2	\$183.88	0	\$0
Technical.	3	\$191.22	0	\$0
<b>TOTAL</b>			<b>0</b>	<b>\$0</b>



- <sup>a</sup> 2012 dollars.  
<sup>b</sup> Assumes zero opt-in sources submit applications.  
<sup>c</sup> Assumes no sources file a thermal energy compliance plan.  
<sup>d</sup> Assumes that sources that have made the investment to opt-in will not withdraw.

**EXHIBIT 10**  
**ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR**  
**OPT-IN ANNUAL COMPLIANCE CERTIFICATION**

Tasks	Burden Hours per Occurrence	Cost per Occurrence <sup>a</sup>	Total Burden (hours)	Total Cost
Opt-in Utilization form. <sup>b</sup>				
Managerial.	2	\$204.34	40	\$4,086.80
Technical.	16	\$1,056.48	320	\$21,129.60
Thermal energy compliance report (shutdown opt-in sources and replacement units). <sup>c</sup>				
Managerial.	10	\$1,021.70	40	\$4,086.80
Technical.	21	\$1,386.63	84	\$5,546.52
Allowance deduction form (optional). <sup>d</sup>				
Managerial.	1	\$91.94	0	\$0
Technical.	2	\$127.48	0	\$0
Energy conservation/improved unit efficiency confirmation report. <sup>e</sup>				
Managerial.	5	\$459.70	0	0
Technical.	25	\$1,593.50	0	0
Excess emissions penalty payment. <sup>e</sup>				
Managerial.	4	\$367.76	0	0
Technical.	5	\$318.70	0	0
<b>TOTAL</b>			<b>484</b>	<b>\$34,849.72</b>

- <sup>a</sup> 2012 dollars.  
<sup>b</sup> Assumes 5 opt-in sources and 20 opt-in units.  
<sup>c</sup> Assumes 5 sources file reports.  
<sup>d</sup> Assumes zero opt-in units submit allowance deduction forms.

<sup>e</sup> EPA assumes no sources will claim savings from energy conservation or improved unit efficiency or have excess emissions.

**EXHIBIT 11**  
**ANNUAL AGENCY BURDEN/COSTS FOR THE OPT-IN PROGRAM**

<b>Tasks</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Occurrence<sup>a</sup></b>	<b>Total Burden (hours)</b>	<b>Total Cost</b>
Review certificates of representation and record information. <sup>b</sup>	1	\$49.49	0	\$0
Review permit application, issue proposed and final permit, and assign allowances. <sup>b</sup>	80	\$3,959.20	0	\$0
Review and process annual reconciliation submissions. <sup>c</sup>	2	\$98.98	40	\$1,979.60
Deduct allowances and send reconciliation reports. <sup>c</sup>	1	\$49.49	5	\$247.45
<b>TOTAL</b>			<b>45</b>	<b>\$2,227.05</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes zero opt-in sources submit a permit application.

<sup>c</sup> Assumes five opt-in sources and 20 opt-in units each year.

## 6.7 NO<sub>x</sub> Permitting

This section estimates the burden and cost of renewing and revising Phase II NO<sub>x</sub> compliance plans.

### 6.7.1 Estimate of Respondent Burden and Costs

Exhibit 12 presents the burden and costs to applicants for preparing and submitting NO<sub>x</sub> Compliance Plan renewal applications and revising NO<sub>x</sub> compliance plans. Permits, including NO<sub>x</sub> Compliance Plans for units affected for NO<sub>x</sub>, must be renewed every five years. Therefore, EPA assumes 20 percent of all units affected for NO<sub>x</sub> (i.e., 200 units) will submit NO<sub>x</sub> Compliance Plan renewal applications each year. Based on previous years of the program, EPA expects to receive 27 NO<sub>x</sub> compliance plan revisions each year.

For each compliance plan renewal, EPA estimates that the applicant will require about five hours, while compliance plan revisions will require about ten hours. The total respondent burden for NO<sub>x</sub> permitting, as shown in Exhibit 14, is estimated to be 1,270 hours each year. The costs associated with NO<sub>x</sub> permitting are estimated at \$103,193 per year.

**EXHIBIT 12**  
**RESPONDENT BURDEN/COST ESTIMATES FOR NO<sub>x</sub> PERMITTING**

Tasks	Burden Hours per Occurrence	Cost per Occurrence <sup>a</sup>	Total Burden (hours)	Total Cost
Prepare NO <sub>x</sub> Compliance Plan renewal applications. <sup>b</sup>				
Managerial.	2	\$204.34	400	\$40,868.00
Technical.	3	\$198.09	600	\$39,618.00
Revise NO <sub>x</sub> Compliance Plan (e.g., emissions averaging plans). <sup>c</sup>				
Managerial.	5	\$510.85	135	\$13,792.95
Technical.	5	\$330.15	135	\$8,914.05
<b>TOTAL</b>			<b>1,270</b>	<b>\$103,193.00</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes 200 units (20 percent of all NO<sub>x</sub> affected units) submit NO<sub>x</sub> compliance plan renewals each year.

<sup>c</sup> Assumes 27 respondents revise emissions averaging plans each year.

### 6.7.2. Estimate of Agency/Permitting Authority Burden and Costs for NO<sub>x</sub>

Exhibit 15 presents the burden and costs to EPA for NO<sub>x</sub> permitting. The total annual burden and cost for renewing and revising NO<sub>x</sub> compliance plans is estimated at 127 hours and \$6,285.23, respectively.

The tasks involved in reviewing applications will include reviewing forms for completeness and entering the revised data from the plans into a NO<sub>x</sub> compliance database.

**EXHIBIT 13**  
**AGENCY BURDEN/COST ESTIMATES FOR NO<sub>x</sub> PERMITTING**

<b>Tasks</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Occurrence<sup>a</sup></b>	<b>Total Burden (hours)</b>	<b>Total Cost</b>
Renew NO <sub>x</sub> compliance plans. <sup>b</sup>	0.5	\$24.75	100	\$4,949.00
Revise NO <sub>x</sub> emissions averaging plans. <sup>c</sup>	1	\$49.49	27	\$1,336.23
<b>TOTAL</b>			<b>127</b>	<b>\$6,285.23</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Assumes 200 units (20 percent of all NO<sub>x</sub> affected units) submit NO<sub>x</sub> compliance plan renewals each year.

<sup>c</sup> Assumes 27 respondents revise emissions averaging plans each year.

### **6.8 Summary of Burden Hours and Costs**

Exhibit 14 summarizes the annual aggregate burden and cost estimates to respondents for the period of January 2013 through December 31, 2015 for collections associated with allowance transfers, , permits, emissions monitoring and reporting, auctions, the opt-in program, and NO<sub>x</sub> permitting. Exhibit 15 summarizes the aggregate burden and cost estimates to EPA and permitting authorities for these collections.

### **6.9 Reasons for Change in Burden**

This ICR renewal reflects a few differences from the previous ICR. This section discusses the changes in burden since the last clearance.

Overall, the estimated annual burden in 2012 from the last clearance was 2,056,946 hours. This ICR estimates the annual burden in 2013 will be 2,123,405 hours, which increases the burden by 66,459 hours, about three percent. The reasons for this burden increase are explained below.

Most of the change in burden for this collection is due to adjustments. Adjustments stem from actions outside the Agency's control. Adjustments include changes to the number of responses and the time it takes to respond to a particular activity. Some new estimates for the number of responses are based on queries of EPA databases for activities reported in recent years. At this time, EPA does not believe any changes in burden are warranted as a result of the change to ECMPS. Although the process may impact average burden, the basic information being requested remain basically the same, and it is too early at this juncture to determine if the new process will significantly impact a source's reporting burden. The adjustments and corresponding change in burden are as follows:

- Increased numbers of units and different mix reporting and monitoring methodology. Overall the number of ARP affected respondents increased from 2009 to 2012. Additionally the number of CEMs, COMs, etc. has changed since the previous iteration of this ICR.
- Incorporation of the Protocol Gas Verification Program and Air Emissions Protocol Testing Body ICR requirements from the EPA ICR Number 2203.04, OMB Control Number 2060-0626.
- Conclusion of the Conservation and Renewable Energy Allowances program.
- Reduction in the number of expected Opt-in Units

## **6.10 Burden Statement**

The respondent reporting burden for this collection of information is estimated to be 2,123,405 hours each year for the years 2013 through 2015. The burden to EPA is estimated to be 18,303 hours in each year for the years 2013 through 2015.

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 83 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OAR-2009-

0022, which is available for online viewing at [www.regulations.gov](http://www.regulations.gov), or in person viewing at the Air and Radiation docket in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, NW, Washington, D.C. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air and Radiation docket is (202) 566-1742. An electronic version of the public docket is available at [www.regulations.gov](http://www.regulations.gov). This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, D.C. 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2009-0022 and OMB Control Number 2060-0258 any correspondence.

**EXHIBIT 14**  
**AGGREGATE ANNUAL RESPONDENT BURDEN AND**  
**COST OF COLLECTIONS**

<b>Program</b>	<b>Total Burden (hours)</b>	<b>Total Costs<sup>a</sup></b>
Allowance transfers and deductions.	5,880	\$544,455.70
Permits	19,481	\$1,740,465.67
Emissions reporting.	2,096,206	\$299,937,634
Auctions.	84	\$7,974.96
Opt-in. <sup>b</sup>	484	\$34,849.72
NO <sub>x</sub> permitting.	1,270	\$103,193.00
<b>TOTAL</b>	<b>2,123,405</b>	<b>\$302,368,573.05</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Includes permitting and annual reconciliation burdens for opt-in sources.

**EXHIBIT 15**  
**AGGREGATE ANNUAL AGENCY BURDEN AND COST OF COLLECTIONS**

Program	Total Burden (hours)	Total Costs <sup>a</sup>
Allowance transfers and deductions.	50	\$4,454.60
Permits.		
Permitting Authority.	2,132	\$105,512.68
EPA.	870	\$43,056
Emissions reporting.	14,954	\$790,073
Auctions.	85	\$4,206.65
Opt-in.	45	\$2227.05
NO <sub>x</sub> permitting.	127	\$6,285.23
Operation & Maintenance of data systems. <sup>b</sup>	N/A	\$1,500,000.00
<b>TOTAL</b>	<b>18,303</b>	<b>\$2,455,815.97</b>

<sup>a</sup> 2012 dollars.

<sup>b</sup> Average annual operation and maintenance costs associated with running electronic data systems are assumed to be incurred by an EPA contractor. Therefore, EPA will not incur any labor burden for these activities.

## Appendix A

### Acid Rain Program Forms and Instructions

EPA Acid Rain Program Forms and Instructions are shown below, and can be downloaded from the Forms for Clean Air Markets Programs website, <http://www.epa.gov/airmarkt/business/forms.html>.

Acid Rain Program and CAIR Forms

[Certificate of Representation Form](#)

Certificate of Representation data can also be submitted online using the [CAMD Business System \(CBS\)](#) Allowance Transfer Form (see also: [single signature requirement](#))

[General Account Form](#)

[Retired Unit Exemption Form](#)

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#### **Acid Rain Program**

#### **EPA SO<sub>2</sub> Allowance Auction**

[2012 How to Bid Factsheet](#)

[2012 Bid Form and Instructions](#)

[2012 Offer Form and Instructions](#)

[Notification for Distribution of Proceeds from EPA Auctions](#)

(This document is used for changing a recipient name on proceeds checks.)

[2012 Letter of Credit Form and Instructions](#)

For more information, see the [Acid Rain Program Allowance Auction Fact Sheet](#)

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#### **Acid Rain Permitting**

[Acid Rain Permit Application](#)

[Acid Rain NO<sub>x</sub> Compliance Plan](#)

[Acid Rain NO<sub>x</sub> Averaging Plan](#)

[Acid Rain New Unit Exemption](#)

For more information, see [Acid Rain Permits and Applicability](#)



## Monitoring

EPA form 7610-14, Certification Application, is no longer required. For information on monitoring, see [Emissions Monitoring](#) and [Report Emissions](#)

Monitoring, QA, and Emissions Data [Reporting Instructions](#) (Data Elements)

## Phase II Annual Reconciliation

### Allowance Deduction Form

For more information, see the [Acid Rain Program Annual Reconciliation Fact Sheet](#)

For information and forms for opting into the Acid Rain Program, see:  
<http://www.epa.gov/airmarkets/progsregs/arp/opt-in.html#how>.

## **Appendix B**

### **Summary of ARP Burdens Incorporated from Amendments to the Protocol Gas Verification Program and the Minimum Competency Requirements for Air Emission Testing, EPA ICR Number 2203.04, OMB Control Number 2060-0626**

#### **1.0 Identification of the Information Collection (To be Incorporated)**

##### **1.1 Title of the Information Collection**

Revisions to the Emissions Monitoring Rule under the Acid Rain Program, NO<sub>x</sub> Budget Trading Program, Clean Air Interstate Programs; Amendments to the Protocol Gas Verification Program (PGVP) and the Minimum Competency Requirements for Air Emission Testing (AETB), EPA ICR Number 2203.04, OMB Control Number 2060-0626

##### **1.2 Background**

The PVGP AETB ICR outlines new, revised reporting and recordkeeping requirements for facilities subject to Part 75. The final rule requires such facilities to follow requirements that assure that facilities properly use Air Emission Testing Bodies (AETBs) that meet certain standards and obtain EPA Protocol gas from vendors that participate in EPA's Protocol Gas Verification Program (PGVP). The PGVP program requires any participating EPA protocol gas production site to meet certain requirements and notify the Administrator of its intent to participate on an annual basis. Under the quality assurance and quality control requirements, Part 75 facilities must use AETBs that meet the revised requirements under Appendix A to Part 75, Section 6.1.2, which includes a specification that the requirements (e.g., qualification exams) of ASTM D7036-04 apply to RATAs, stack testing, and NO<sub>x</sub> emission testing. These new requirements clarify the documentation needed for proof of compliance, including certification, quality assurance, and quality control record provisions. Some of these changes may in fact, reduce the burden for sources and AETBs by streamlining the process.

The PVGP AETB ICR covers the specific elements and burden that will result from the new AETB requirements, including passing the Qualified Stack Test Individual (QSTI) competency exam and development of a QA manual by affected stack testing companies, and the new PGVP requirements including annual notifications and re-notifications that include the specialty gas company name; the name, e-mail address, and telephone number of a contact person for that specialty gas company; the name and address of each participating EPA Protocol gas production site owned or operated by the specialty gas company; and the name, email address and phone number of a contact person at each production site. The PVGP AETB ICR also covers the burden associated with some minor changes to the recordkeeping and reporting requirements under Part 75. The cost incurred on affected sources (or respondents) will be in the form of increased fees charged by AETBs and vendors participating in the PGVP, which are expected to pass along the costs necessitated by the new requirements in the final rule as well as the burden associated with ensuring that the minor modifications to the requirements for reporting AETB and PGVP related information to EPA are met on an ongoing basis. The

PVGP AETB ICR also covers the one time Agency cost to implement the AETB and PGVP changes to EPA reporting software, along with a small increase in Agency burden to manage these programs and track compliance

In addition to covering the increased fees and burden to Part 75 sources resulting from the revisions to AETB and PGVP requirements, the PVGP AETB ICR also covers some additional reporting requirements. These include revisions to §§75.53, 75.58, and 75.59, that add various data elements that were inadvertently left out of the August 22, 2006 proposed rule and the January 24, 2008 final rule. These data elements have already been incorporated in the DAHS of Part 75 affected units and are required to ensure that EPA's new reporting software data requirements are consistent with the regulatory requirements.

### **1.3 Information to Be Collected**

The existing requirements in 40 CFR Part 75 are mandatory for all sources subject to the Acid Rain Program under Title IV of the Clean Air Act, as well as certain other emissions trading programs administered by EPA. These requirements are covered by existing ICRs for the Acid Rain Program (ICR No. 1633.15, OMB Control Number 2060-0258) and the Clean Air Interstate Rule (ICR 2152.03, OMB Control Number 2060-0570). The information requirements in the PVGP AETB ICR are based on revisions to the minimum competency requirements for air emission testing, and reflect the increase in costs to sources that need to pay for services provided by stack testers and stack testing companies. The final rule contains some minor reporting and recordkeeping provisions related to the AETB and PGVP requirements, and EPA assumes that there will be a small additional burden associated with these requirements. Thus, the PVGP AETB ICR covers: (1) the incremental increase in testing costs that will be passed along to sources from air emission testing bodies (i.e., stack testers and stack testing companies) due to the increased burden resulting from revisions to the minimum competency requirements for these companies; (2) the incremental increase in the cost of EPA Protocol gas cylinders that will be passed along to sources from vendors participating in PGVP due to the increased burden resulting from revisions to the cylinder analysis, reporting and notification requirements for these companies; (3) the one time labor burden for sources to review the new requirements included in the rule; and (4) the increase in burden to Part 75 affected sources for complying with the modified recordkeeping and reporting requirements associated with the AETB and PGVP provisions.

#### **4.2.1 Data Items, Including Recordkeeping Requirements**

There are a small number of new data items requested from respondents under the final rule. These include revisions to §§75.53, 75.58, and 75.59, that add various data elements that were inadvertently left out of the August 22, 2006 proposed rule and the January 24, 2008 final rule. These data elements have already been incorporated in the DAHS of Part 75 affected units and are required to ensure that EPA's new reporting software data requirements are consistent with the regulatory requirements. As such, the incremental changes to the recordkeeping and reporting requirements add only a small additional burden for sources. The PVGP AETB ICR covers the small one-time burden associated with the respondents' review of the Part 75 revisions included in the final rule, the small annual burden associated with ensuring compliance with the additional recordkeeping

and reporting requirements, and the marginal increase in fees charged by AETBs and vendors participating in the PGVP to respondents (i.e., the increase that can be attributed to the new testing competency requirements in the rule and the new cylinder analysis, reporting and notification requirements for PGVP vendors).

Emissions monitoring requirements specify that affected sources must: (1) submit a monitoring plan for each affected unit at a source; (2) submit data for certification of each monitor; and (3) record hourly operational, pollutant monitor, and flow monitor data for each affected unit and submit quarterly reports of their emissions data to EPA. Respondents are required by 40 CFR 75.64 to submit the quarterly emissions data electronically, by direct electronic submission to EPA, and must also include a certification statement by the designated representative of the unit. Under the 2002 rule revisions, EPA requires the certification statement to be submitted electronically unless it approves a hardcopy submission. All records are to be kept for three years.

#### **4.2.2 Respondent Activities**

The primary tasks that are performed by respondents to meet the emissions monitoring requirements are: (1) completing and submitting appropriate monitoring plan forms for each affected source and each affected unit at a source; (2) conducting tests to certify the operation of monitors, and submitting test results to EPA; (3) recording hourly emissions data (this activity generally is performed electronically); (4) operation and maintenance activities associated with the monitoring, including quality assurance activities; (5) assuring data quality, preparing quarterly reports of emissions data and submitting these reports to EPA; and (6) responding to error messages generated by EPA as a part of automated data checks or electronic audits, or to field audits conducted by EPA. In addition, respondents must purchase the necessary monitoring hardware (or pay for fuel sampling and analysis in some cases) and purchase the electronic data reporting software (or software upgrades).

The PVGP AETB ICR covers the marginal increase in burden associated with respondents' review of the new requirements in the rule, the marginal increase in burden associated with ensuring compliance with the modified recordkeeping and reporting requirements (i.e., to report AETB and PGVP-related information along with other emissions data), and the marginal increase in fees imposed on respondents by AETBs and PGVP vendors as necessitated by changes in EPA's requirements for verification of AETB (including Qualified Individuals) and cylinder analysis, notification and re-notification from vendors participating in PGVP.

### **5.0 The Information Collected -- Agency Activities, Collection Methodology, and Information Management**

The first part of this section describes Agency (EPA) activities related to the acquisition, analysis, storage, and distribution of the information collected from designated representatives of affected sources that are required to submit monitoring and emissions data. The second part describes the information management techniques employed to increase the efficiency of collections. The third part discusses the burden or benefits of the collection activities described in the PVGP AETB ICR to small entities. The last part outlines the schedule for collecting information.

## **5.1 Agency Activities**

The major EPA activities related to emissions monitoring and reporting include: (1) reviewing monitoring plans and certification applications; and (2) processing, reviewing and evaluating reports of quarterly emissions data from affected units. These activities are covered by existing ICRs. The PVGP AETB ICR includes the incremental additional burden associated with maintaining and updating the list of vendors that participate in the PGVP, annually posting cylinder analysis results, reviewing the reported EPA Protocol gas production sites, and credentials of Qualified Individuals associated with an AETB. EPA staff will maintain a list of participating PGVP vendors (and will update that list on an as-needed, ongoing basis) on EPA's website.

In addition to the annual costs above EPA, will incur a one-time upfront cost associated with the modification of the agency reporting software to accommodate and validate the new AETB and PGVP data elements.

## **5.2 Collection Methodology and Management**

To ensure consistency nationwide and to expedite (1) data entry, (2) the allocation of allowances, and (3) permit issuance, EPA requires that standard reporting forms or equivalent formats or standard electronic reporting formats be used to submit all information to be collected under the PVGP AETB ICR. In 2008, EPA made revisions to Part 75 monitoring, recordkeeping, and reporting requirements to accord with the fundamental changes in EPA's data systems, which are designed to unify and simplify data reporting, as well as to provide flexibility to respondents. EPA also has established the Clean Air Markets Home Page on the Internet, which includes detailed information collected from emissions reports. Those without access to the Internet may use the Acid Rain Hotline to request information. EPA will maintain a current list of PGVP vendors that is posted and maintained on EPA's website. Sources may use this list to ensure that they are purchasing EPA Protocol gas cylinders from a participating vendor.

## **6.0 Estimating the Burden and Cost of Collections**

This section estimates the annual paperwork burden and cost to sources for adapting their recordkeeping and reporting systems to the revised requirements. The information requirements in the PVGP AETB ICR are based on the revisions to the AETB and PGVP requirements as well as the minor additions to required reporting data elements. The estimates in the PVGP AETB ICR reflect the increase in burden to the AETBs and PGVP vendors that will be necessitated by these new requirements and passed on to Part 75 sources in the form of increased testing fees (i.e., for using AETB's that meet ASTM D7036-04) and increased costs associated with EPA Protocol gas purchases. In addition, the estimates in the PVGP AETB ICR reflect a small burden to Part 75 sources for a one-time rule review and an incremental increase in the annual burden associated with minor modifications to the recordkeeping and reporting requirements (i.e., for tracking AETB and PGVP-related information and data).

### 6.3 Estimating Agency Burden and Costs

EPA estimates that there will be an incremental additional burden associated with maintaining and updating the list of vendors that participate in the PGVP, and associated with reviewing the reported credentials of Qualified Individuals associated with an AETB. EPA will:

1. Review PGVP applications, post the PGVP participants on Agency web sites, and make adjustments as needed;
2. Review and post cylinder analysis results; and
3. Develop and implement annual work assignments for obtaining cylinders for auditing purposes.
4. One time update to the Agency reporting software.

EPA estimates that one staff person will need to spend a total of 100 hours per year to complete these tasks. In addition, there will be a one-time burden of 600 hours associated with software programming that will be necessary to ensure that each Part 75 stack test has basic information for the corresponding AETB and Qualified Individual. EPA estimates a burden of 40 hours per year to review and resolve any issues or problems associated with ensuring that the AETB and Qualified Individual information is both accurate and current.

Government cost is based on GS-13 salary for professional engineers (\$43.99/hr), adjusted by a factor of 1.6 to account for government benefits, resulting in a final rate of \$70.38/hr. The hourly rate was obtained from the U.S. Office of Personnel Management, "Salary Table 2009-GS" ([http://www.opm.gov/oca/09tables/html/g\\_s\\_h.asp](http://www.opm.gov/oca/09tables/html/g_s_h.asp)). Agency time is estimated for managing the PGVP (which encompass all four activities listed above) in Table 1 below. Note that there are no capital or operation and maintenance costs associated with the Agency burden.

**Table 1**  
**Agency Burden and Cost**

<b>Information Collection Activity</b>	<b>Number of Responses</b>	<b>Labor Cost Per Response (\$70.38/hr)</b>	<b>Hours Per Response</b>	<b>Total Hours Per Year</b>	<b>Total Cost Per Year</b>
Manage PGVP	50	140.76	2	100	\$7,038
Software Programming for AETB	1	492.66	200	200	\$14,076
Quality Assurance for AETB Information	5	563.04	8	40	\$2,815
<b>TOTAL</b>				<b>340</b>	<b>\$23,929</b>

In addition to the respondent burden associated with rule review and compliance with the modified reporting requirements, EPA estimated the burden associated with increased annual quality-assurance and maintenance for each unit. Based on information provided by stack testing firms, a conservative one percent increase was applied to the previously established annual O&M costs per unit at each respondent facility. This is based on the average stack testing industry costs of preparing a QA/QC manual (\$6,000), obtaining QSTI certification (\$1,200), and annual operating costs of maintaining the quality control system (\$5,000 – \$50,000 depending on size). The increased stack testing overhead costs translate into an increased performance test cost of \$68 to \$549 per RATA test depending on the size of the company. The increase cost per test drops even further if applied to all types of tests performed by typical stack testing companies.

The PGVP vendors that were contacted estimated an increased cost of two dollars or less per cylinder. This estimate was derived from correspondence with both large and small specialty gas companies, who based their estimates on the number of cylinders they sold per year and the following cost estimates. The estimate assumes that NIST analyzes 4 cylinders from each production site, and the total annual cost due to the PGVP would be approximately \$7,200 per production site. The \$7200 estimate includes cylinder analysis and report production by NIST (\$1,667/cylinder), average one-way shipping costs back to the production site (\$91/cylinder), and average rental (\$7/cylinder/month). The total cost of NIST analysis, report production, six months cylinder rental, and shipping back to the production site is approximately \$1,800 per cylinder. EPA assumes that both the AETB and PGVP costs will be passed on to respondents. To calculate increased O&M costs per respondent, EPA assumed an average six cylinders per year per unit at an increased cost of two dollars per cylinder.

**Table 3**  
**Increased Annual QA and Maintenance Costs<sup>1</sup>**

<b>Information Collection Activity</b>	<b>Previously Established Cont./O&amp;M Cost</b>	<b>Increased Cont./O&amp;M Cost per Respondent</b>	<b>Number of Respondents (Units)</b>	<b>Increased Total Cost/Year</b>
ARP Perform QA Testing and Maintenance				
Model A (CEMS)	\$31,949	\$319	-	\$-
Model C (App D -- NO <sub>x</sub> CEM)	\$17,818	\$178	-	\$-
Model D (App D and E)	\$1,843	\$19	-	\$-
Model E (LME)	\$1,991	\$20	-	\$-
One Time DAHS Upgrade <sup>2</sup>		\$500	-	\$-
PGVP Increased Costs				
(\$2 per cylinder at an assumed average of 6 cylinders per year)		\$12	-	\$-
<b>Total</b>				<b>\$-</b>

<sup>1</sup> As discussed in text, no increased labor burdens; marginal O&M cost increases only.

<sup>2</sup> To calculate the number of units required to perform a DAHS upgrade, it was assumed that 80% of applicable CEMS units would be covered by an existing service contract and not subject to the annualized \$1500 fee.