

**SUPPORTING STATEMENT – INFORMATION COLLECTION REQUEST (ICR)  
Federal Implementation Plans to Reduce Interstate Transport of  
Fine Particulate Matter and Ozone (Renewal)**

**1.0 Identification of the Information Collection**

**1.1 Title of the Information Collection**

Federal Implementation Plans to Reduce Interstate Transport of Fine Particulate Matter and Ozone, EPA ICR Number 2391.03, OMB Control Number 2060-0667.

**1.2 Short Characterization/Abstract**

The United States Environmental Protection Agency (EPA) is renewing an information collection request for the Federal Implementation Plans to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Transport Rule) to allow for future implementation of the rule. The Transport Rule was published in the Federal Register on August 8, 2011 (76 FR 48208)<sup>1</sup> and compliance obligations were originally scheduled to commence on January 1, 2012. However, the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit) stayed the rule prior to implementation and subsequently issued an opinion vacating the rule. On April 29, 2014, the U.S. Supreme Court reversed the D.C. Circuit opinion vacating the Transport Rule. On June 26, 2014, the U.S. Department of Justice filed a motion on EPA's behalf at the D.C. Circuit seeking to have the stay lifted and to allow compliance obligations under the rule to commence as of January 1, 2015. The D.C. Circuit has not yet ruled on that motion.

Once implemented, the Transport Rule's requirements would incorporate and supersede the existing requirements under the Clean Air Interstate Rule (CAIR). CAIR's requirements, in turn, incorporated certain requirements under the NO<sub>x</sub> SIP Call. The Transport Rule includes new reporting requirements and, like CAIR and the NO<sub>x</sub> SIP Call, combines these requirements with existing requirements from the Acid Rain Program (ARP) under Title IV of the Clean Air Act (CAA) Amendments of 1990. Each of these existing requirements has an approved ICR in place. The current ICRs are: CAIR (EPA ICR Number 2152.05/OMB Control Number 2060-0570), NO<sub>x</sub> SIP Call (EPA ICR Number 1857.06/OMB Control Number 2060-0445) and ARP (EPA ICR Number 1633.16/OMB Control Number 2060-0258).

This supporting statement and ICR are being submitted to account for the incremental burden associated with the Transport Rule (TR), once it is implemented and supersedes CAIR. As such, this supporting statement references the burden analysis included in EPA ICR Numbers 2152.04, 1857.05, and 1633.15, and estimates the change in burden resulting from the TR beyond the scope of the existing ICR for the ARP. The burden included in this ICR includes (1) for units not subject to the ARP, start-up and capital costs, to the extent those costs were not already incurred under CAIR, and ongoing annualized capital costs originally incurred under CAIR, and (2) for all TR-affected units, operating and maintenance costs incremental to any ARP-related operation and maintenance costs, including any incremental operating and maintenance costs previously incurred under CAIR. Under the TR, the burden and costs

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<sup>1</sup> A supplemental rule extending the Transport Rule's ozone-season NO<sub>x</sub> requirements to sources in five additional states was published in the Federal Register on December 27, 2011 (76 FR 80760).

accounted for under the CAIR ICR (EPA ICR Number 2152.04) would no longer occur as part of CAIR implementation. Instead, all such ongoing burdens and costs would be accounted for under this ICR as part of TR implementation.

EPA has published a Notice of Proposed Rulemaking in the Federal Register that details the additions and changes to reporting requirements associated with the TR. Taken together, the existing emission reporting requirements under the ARP and CAIR cover many of the same sources and have similar or identical emission reporting requirements as the TR. The incremental burden imposed by the TR in general is described below.

First, sources located in Kansas, Minnesota, Nebraska, and Oklahoma, which were not affected under CAIR, will now be affected under the TR. Specifically, sources in Kansas, Minnesota and Nebraska will be subject to TR NO<sub>x</sub> and SO<sub>2</sub> mass emissions annual reporting requirements, and sources in Oklahoma will be subject to TR NO<sub>x</sub> mass emissions ozone season reporting requirements. Non-ARP sources in these states will need to install and operate CEMS (or an approved alternative) and meet 40 CFR part 75 requirements for NO<sub>x</sub> and/or SO<sub>2</sub>, as applicable. ARP sources in these states will need to make a one-time upgrade to their data handling and acquisition system (DAHS) software.

Second, sources located in Georgia and Texas will now be required to report NO<sub>x</sub> mass emissions during the five-month ozone season, in addition to being required to report NO<sub>x</sub> and SO<sub>2</sub> mass emissions for the full year as currently required under CAIR. This change will require some sources to modify their DAHS software.

Third, sources located in Florida, Louisiana, and Mississippi, which under CAIR were required to report NO<sub>x</sub> and SO<sub>2</sub> mass emissions annually, will now only be required to report NO<sub>x</sub> mass emissions for the TR ozone season. (ARP-affected sources in these states will still be required to report SO<sub>2</sub> mass emissions and NO<sub>x</sub> emission rate under that program.) This change is a reduction in reporting requirements, but sources may need to modify their DAHS software.

Fourth, sources located in Connecticut, Delaware, Massachusetts, and the District of Columbia, which were affected under CAIR, are not affected under the TR. (ARP-affected sources in these states will still be required to report SO<sub>2</sub> mass emissions and NO<sub>x</sub> emission rate under that program.) This change is a reduction in reporting requirements for these sources.

Sources located in Alabama, Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin will continue to monitor and report NO<sub>x</sub> and SO<sub>2</sub> mass emissions on a year-round basis (as well as NO<sub>x</sub> mass emissions on an ozone-season basis) under the TR as currently required under CAIR. Sources located in Arkansas will, under the TR, continue to report NO<sub>x</sub> mass emissions for the ozone season only as currently required under CAIR.

To meet the TR emissions monitoring, recordkeeping and reporting requirements, affected units are required to: (1) submit a monitoring plan and certification reports for each monitoring system, (2) record hourly emissions data, and (3) submit reports of their emissions

and operating data to EPA. All sources affected by the TR will be required to monitor and report NO<sub>x</sub> and/or SO<sub>2</sub> emissions in accordance with 40 CFR part 75. Sources with monitors already certified under 40 CFR part 75 may be exempt from initial certification requirements.

Like the ARP, the NO<sub>x</sub> SIP Call, and CAIR, the TR employs emission trading programs as a mechanism to reduce the overall costs of reducing emissions. In addition to the emission monitoring, recordkeeping, and reporting requirements just described, trading programs require other tasks that involve an information collection burden for sources, EPA, and permitting authorities. These tasks include: (1) transferring and tracking allowances; (2) permitting; and (3) determining annual year end compliance. Emission allowance market participants using the CAMD Business System (CBS) to transfer allowances are required either to complete and submit an allowance transfer form for each allowance transfer or to perform the transfer on-line. CBS users that are not covered sources, such as allowance brokers, fuel suppliers, and environmental groups, are also required to file a onetime account information application to establish accounts in CBS.

The TR regulates sources directly through Federal Implementation Plans (FIPs) and does not impose any reporting obligations on non-industry entities. States have the option to replace the FIPs in whole or in part by submitting revisions to their State Implementation Plans (SIPs).

## **2.0 Need for and Use of the Collection**

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

Emissions data are of vital importance to the EPA for fulfilling a host of monitoring, standard-setting, rulemaking, reviewing, and reporting duties. Section 110(a)(2)(D) of the CAA, often referred to as the “good neighbor” provision of the Act, requires states to prohibit certain emissions because of their impact on air quality in downwind states. Specifically, it requires all states, within 3 years of promulgation of new or revised NAAQS, to submit state implementation plans (SIPs) that prohibit certain emissions of air pollutants because of the impact they would have on air quality in other states. The Transport Rule addresses the requirement in section 110(a)(2)(D)(i)(I) regarding the prohibition of emissions within a state that will significantly contribute to nonattainment or interfere with maintenance of NAAQS in any other state. EPA issued two previous rules interpreting and clarifying the requirements of section 110(a)(2)(D)(i)(I). The NO<sub>x</sub> SIP Call, promulgated in 1998, was largely upheld by the U.S. Court of Appeals for the D.C. Circuit in *Michigan v. EPA*, 213 F.3d 663 (D.C. Cir. 2001). CAIR, promulgated in 2005, was remanded by the D.C. Circuit in *North Carolina v. EPA*, 531 F.3d 896 (D.C. Cir.), *modified on rehearing*, 550 F.3d. 1176 (D.C. Cir. 2008).

Section 301(a)(1) of the CAA also gives the EPA Administrator general authority to prescribe such regulations as are necessary to carry out her functions under the Act, 42 U.S.C. § 7601(a)(1). Pursuant to this section, EPA has the authority to clarify the applicability of CAA requirements. In this action, among other things, EPA is clarifying the applicability of section 110(a)(2)(D)(i)(I) by identifying NO<sub>x</sub> and SO<sub>2</sub> emissions that must be prohibited with respect to the PM<sub>2.5</sub> NAAQS promulgated in 1997 and 2006 and the 8-hour ozone NAAQS promulgated in 1997. In addition, section 110(k)(1)(A) calls for the Administrator to establish criteria for

determining whether SIP submissions are complete, 42 U.S.C. sec. 7410(k)(1)(A). Among other things, this action helps to clarify what SIP submissions must contain to address the requirements of section 110(a)(2)(D)(i).

Section 110(c)(1) of the Act also requires EPA to act in certain circumstances where state SIP deficiencies exist. Specifically, section 110(c)(1) requires the Administrator to promulgate a federal implementation plan (FIP) at any time within two years after the Administrator either (1) finds that a state has failed to make a required SIP submission; (2) finds that a SIP submission is incomplete; or (3) disapproves a SIP submission. The Administrator must promulgate a FIP in the above-described scenarios unless the state corrects the deficiency and the Administrator approves the SIP revision before the Administrator promulgates the relevant FIP. 42 U.S.C. sec. 7410(c)(1).

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

Emissions data and related information on stationary point and nonpoint sources, as well as nonroad mobile and onroad mobile sources, are routinely used by OAP, OAQPS, and the EPA Regional Offices in carrying out a variety of activities. These activities support regulatory functions as well as functions that are more programmatic in nature such as trend analyses. Such projects include:

- Evaluation of existing control strategies, such as the Transport Rule, for states and larger areas;
- Evaluation of proposed control strategies for states and larger areas, including applications of regional scale models;
- Development of national control strategies and preparation of Regulatory Impact Analyses (RIAs);
- Preparation and publication of national summaries of emissions, including trend analyses;
- Development and maintenance of a database to assist in the identification of important source categories for future regulation; and
- Preparation of the stationary source portion of a report to Congress on SO<sub>2</sub> emissions. This report is required by Section 406 of the CAA and is due on a five-year cycle that began on January 1, 1995. The report must contain an inventory of national annual SO<sub>2</sub> emissions from industrial sources (as defined in Title IV of the CAA).

EPA's Office of Research and Development (ORD) uses emission source data in determining priorities for control technology research and as a key data component in the application of regional scale models. The EPA's Regional Offices use emission and other source parameters to support source inspections and in the analyses of the impact of new or modified sources within an area. EPA's Emission Factor and Inventory Group (EFIG) uses the data to assess and analyze trends in criteria pollutant emissions over time.

In addition to supporting projects and initiatives internal to EPA, both the Office of Air Quality Planning and Standards (OAQPS) and the Regional Offices respond to numerous requests for reports on emissions from sources. Most requests come from contractors and consultants involved in special studies; a smaller number come from the press, universities, and others involved in research.

The collection of emissions data specific to nonattainment areas for certain criteria air pollutants is necessary to comply with requirements specified in Title I of the CAA. States with nonattainment areas rely on current emissions information from point, nonpoint, and mobile sources to revise their SIPs and to plan for emission reductions mandated by the CAA. In addition, a state-wide inventory compiled at least every three years for all point, nonpoint, and mobile sources is considered to be a key tool to assist states in meeting CAA requirements that address emissions tracking, compliance issues, and mid-course adjustments. State-wide emission inventories can be used by states affected by pollution transport from upwind areas to develop more efficient control strategies to meet NAAQS. State-wide emission inventories that were developed by EPA (the National Emissions Inventory, or NEI) are being used by the Regional Planning Organizations (RPOs) as the starting point for the development of state-wide emission inventories used in the regional haze program to define control strategies.

Accurate data from emissions monitoring under 40 CFR part 75 is indispensable to successful implementation of the trading programs for two reasons:

- Accurate emissions data is integral in EPA and state assessment of the impact of the trading programs in reducing NO<sub>x</sub> and SO<sub>2</sub> emissions, and therefore in assisting states in meeting the ozone and fine particulate matter NAAQS. By reducing levels of NO<sub>x</sub> and SO<sub>2</sub> emissions, the trading programs reduce the adverse effects of the transport of ozone, ozone precursors, and fine particles from upwind states.
- EPA enforces the program (in part) by comparing emissions data measured, recorded, and reported under 40 CFR part 75 from affected sources with the number of allowances held in the respective compliance accounts of such affected sources.

Information collected on allowance transfers in the CAMD Business System (CBS) is used by EPA to track allowances for the purpose of determining compliance with the NO<sub>x</sub> and SO<sub>2</sub> trading programs. Information on allowance transfers is also used by participants in the allowance market and the public to evaluate the activities of affected sources, and by EPA for program evaluation.

Permit applications, including proposed compliance plans, are used by states and EPA to issue operating permits. A permit application is legally binding on the owners, operators, and designated representative of a source until the permit is issued. Affected sources rely on the permit for information regarding the applicable 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.

Together, the emissions data, CBS, and operating permits help to provide the accountability to allow the NO<sub>x</sub> and SO<sub>2</sub> trading programs to function without more stringent command and control approaches.

### **3.0 Nonduplication, Consultations, and Other Collection Criteria**

#### **3.1 Nonduplication**

Reporting requirements for affected sources for the TR NO<sub>x</sub> and SO<sub>2</sub> trading programs are integrated with existing reporting formats under 40 CFR part 75. These reporting formats are currently used by ARP-affected units under Title IV of the Act, as well as by CAIR-affected units. Thus, for units subject to ARP or TR quarterly reporting requirements, or both, only one submission will need to be made on a quarterly basis. (CAIR trading program reporting will be superseded by TR reporting.)

Permitting requirements for TR-affected sources are integrated with other source permitting requirements under Title V.

#### **3.2 Public Notice**

EPA previously provided public notice of the proposed ICR in the Federal Register on February 6, 2014 (79 FR 7179). EPA received no comments during the comment period announced in that notice. Docket ID No. EPA-HQ-OAR-2009-0491 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 Ave., NW, Washington, D.C.

#### **3.3 Consultations**

During the development of CAIR, discussions were held with the National Association of Clean Air Agencies (NACAA) to clarify EPA's logic in developing the emissions reporting requirements contained within the rule and to answer questions. Information arising from those discussions, as well as the decision handed down in the *North Carolina v. EPA* court case related to CAIR (531 F.3d at 908), was taken into consideration when developing the TR emission reporting requirements.

The requirements for the TR have been developed using the methodology found in existing trading programs, consultations with interested parties, and reflections on the decision handed down in the *North Carolina* court case (531 F.3d at 908). EPA modified the cap-and-trade strategy previously used in the ARP, the Ozone Transport Commission's NO<sub>x</sub> Budget Program, the NO<sub>x</sub> SIP Call, and CAIR in order to address the D.C. Circuit's concerns related to "emissions from sources that contribute significantly and interfere with maintenance" in another state. *North Carolina* (531 F.3d at 908). This resulted in the development of an unlimited intrastate and limited interstate trading program based on state-specific budgets rather than regional caps.

EPA held two workshops with states that participated in the NO<sub>x</sub> SIP Call or OTC programs to discuss lessons learned in those programs when formulating the emission trading requirements of CAIR. Additionally, EPA has had frequent interaction with affected sources and states in the course of implementing the ARP, NO<sub>x</sub> SIP Call, and CAIR trading programs. In 2009, EPA held a series of conference calls and meetings with stakeholders to identify potential options for addressing the *North Carolina v. EPA* court decision. EPA received comments following the workshops and through other interactions and considered and incorporated those comments into the TR and this ICR.

Finally, as part of updating the ICR for the ARP monitoring requirements (40 CFR part 75), EPA contacted various affected parties to gather information on CEM capital costs, CEM operation and maintenance costs, fuel meter capital costs, and CEM/fuel meter testing costs. That information has been used in this ICR, as appropriate.

### **3.4 Effects of Less Frequent Collection**

Submittal of allowance trading and emissions information on an annual basis (and/or on an ozone-season basis, as applicable) provides the data necessary to determine whether state budgets have been exceeded. If this information collection were not carried out annually for sources subject to the TR, EPA would not be able to verify that emission reductions necessary to meet each state's NO<sub>x</sub> and SO<sub>2</sub> emission budgets were being achieved. Because the NO<sub>x</sub> and SO<sub>2</sub> budgets prescribed have been deemed essential in order to aid downwind states in attaining the NAAQS in a timely manner, data collected less frequently would be of little or no use.

Quarterly collection of emissions data allows for frequent checking of data for errors and provides rapid feedback to industry of needed adjustments to data collection systems, thereby promoting more accurate and reliable emissions data. Also, 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 reporting period both for regulated sources and for EPA, and would slow down the process of compliance determination.

### **3.5 General Guidelines**

This ICR does not violate any of OMB's guidelines for information collections.

### **3.6 Confidentiality**

Any data that is submitted to EPA under this rule will be considered in the public domain and cannot be treated as confidential.

As required by Section 114 of the CAA, estimates or measurements of emissions must be treated as non-confidential. Under Agency procedures, data items relating to the computation of emissions may be identified as sensitive by a state and are then treated as "state-sensitive" by EPA. The potentially state-sensitive items include the following: Process rate, boiler design capacity, emission estimation codes, percent space heat, operating rate, and maximum operation

rate/hour. Where federal and state requirements are inconsistent, the appropriate EPA Regional Office should be consulted.

### **3.7 Sensitive Questions**

This information collection does not ask any questions concerning sexual behavior or attitudes, religious beliefs, or other matters usually considered private.

## **4.0 The Respondents and the Information Requested**

### **4.1 Respondents/Standard Industrial Classification (SIC) Codes**

This ICR estimates a burden for affected industry sources to monitor NO<sub>x</sub> and SO<sub>2</sub> mass emissions and demonstrate compliance with NO<sub>x</sub> and SO<sub>2</sub> control measures. Sources report data directly to EPA as required to meet the monitoring and reporting requirements of 40 CFR part 75. This rule affects large electric utility sources which are generally classified as either SIC 4911 - *Electric Services*, or 4931 - *Electric and Other Services Combined* [NAICS 221112 Electric Power Distribution].

As noted above, the TR regulates sources directly through FIPs and does not impose any reporting obligations on non-industry entities. However, states have the option to replace the FIPs in whole or in part by submitting revisions to their SIPs, including limited SIP revisions that would change only how TR emission allowances are allocated among the state's affected sources. This ICR estimates a burden for each of the 28 states with TR-affected sources to submit SIP revisions for that purpose.

### **4.2 Information Requested**

The ARP and NO<sub>x</sub> SIP Call established the basic emission reporting requirements under 40 CFR part 75. CAIR modified these requirements and the TR would continue to implement the changes included in the CAIR requirements. Only the incremental changes to the ARP and NO<sub>x</sub> SIP Call reporting requirements that would change reporting burden are discussed here.

This section describes 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.

#### **(i) Data Items, Including Recordkeeping Requirements**

##### **(a) Allowance Tracking**

There are several data items required for allowance tracking activities. For each affected source, the designated representative must submit a certificate of representation. Under 40 CFR §§ 97.416, 97.516, 97.616, and 97.716, a complete certificate of representation includes:

- Identification of the source and unit;



- Dates on which the unit commenced commercial operation;
- Name and contact information for the TR designated representative and alternate (if applicable);
- A list of the owners and operators of each unit; and
- A certification statement and signature of the TR designated representative and alternate (if applicable).

Certification applications are to be kept for a period of five years pursuant to the general requirements imposed for Title V permitted facilities.

Sources and other trading program participants must also submit allowance transfer, allowance deduction, and compliance assurance information, as necessary.

#### (b) Permitting

The basic requirement for permitting is an application for a permit revision to a source's operating permit issued under Title V of the Act. Although there is some possibility that a non-Title V source could be affected under the TR, all TR-affected sources are assumed to be Title V sources for purposes of this ICR. It is assumed the permit revision application and all other monitoring, reporting, or recordkeeping requirements associated with Title V permitting are part of the baseline Title V requirements. Title V permit applications must be kept for five years pursuant to Title V recordkeeping requirements.

#### (c) Monitoring and Reporting

TR-affected sources are required to monitor NO<sub>x</sub> and/or SO<sub>2</sub> mass emissions and record and report emissions data using the requirements of 40 CFR part 75. The 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, (3) record hourly operational, pollutant monitor, and flow monitor data for each affected unit, and (4) submit quarterly reports of their emissions data to EPA.

Respondents are required under 40 CFR 75.64 to submit the quarterly NO<sub>x</sub> and SO<sub>2</sub> mass emissions data via direct electronic submission to EPA. Such data must include a certification statement by the designated representative of the facility attesting to the accuracy, truthfulness, and completeness of the submission. Generally, all monitoring records are required to be kept for three years.

#### (ii) Respondent Activities

The primary tasks that will be 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

monitors and submitting test results to EPA; (3) recording hourly emissions data (this activity is generally performed electronically); (4) performing operation and maintenance activities associated with 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 such submissions. In addition, respondents will have to purchase the necessary monitoring hardware and electronic data reporting software (or software upgrades).

For respondents that are also subject to the ARP, most of the burden associated with these activities is included in the ARP ICR.

## **5.0 The Information Collected – Agency Activities, Collection Methods, and Information Management**

### **5.1 Agency Activities**

The EPA activities associated with the TR include:

- Receiving, reviewing, and storing emission inventory data submitted by each source;
- Processing and updating data submitted by sources, including performing quality assurance of data, and coordination of efforts to resolve errors and anomalies; and
- Fulfilling information requests.

Other EPA activities related to the TR include (1) allocation of allowances to affected units, (2) maintenance and administration of the NO<sub>x</sub> allowances, (3) reviewing and processing certificates of representation, (4) reviewing permit applications, (4) reviewing monitoring plans and certification applications, (5) processing, reviewing, and evaluating reports of quarterly emissions data from affected units, (6) calculating/reviewing annual emissions from affected sources, and aggregating such annual emissions for compliance assurance purposes, and (7) reviewing total annual emissions data submitted to track each state's progress toward meeting its budgets and creating a summary report of emissions. EPA uses a computer system to track and maintain monitoring and emissions information, and will also answer respondent questions and conduct audits of data submissions.

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

To ensure consistency region wide and to expedite data entry, EPA requires that standard formats used for reporting under 40 CFR part 75 be used to submit the information collected for the TR.

Several computer systems and associated databases have been developed to (1) track allowance activity, (2) record quarterly emissions monitoring data, and (3) calculate the number of allowances to be deducted each year. These systems and databases are designed to provide

easy access to information for use by the Agency, states, regulated community, and general public.

The EPA has also established a Clean Air Markets website, which includes detailed information collected from emissions reports. Those without access to the internet may use the Clean Air Markets Hotline to request information, including summary reports. The Agency will rely on these electronic means to disseminate information about the TR as the program is implemented.

### **5.3 Small Entity Flexibility**

The TR applies to fossil fuel-fired units (stationary boilers and combustion turbines) that serve an electrical generator with nameplate capacity greater than 25 MWe. Some cogeneration units and solid waste incinerators are exempt from the TR if they meet certain criteria.

The low mass emissions provisions under 40 CFR 75.19 provide for optional reduced monitoring, quality assurance, and reporting requirements for certain units that combust natural gas and/or fuel oil. Such units must emit no more than 100 tons of NO<sub>x</sub> annually, 50 tons of NO<sub>x</sub> during the ozone season (May 1 – September 30), and 25 tons of SO<sub>2</sub> annually, and calculate no more than these same amounts based on specified procedures for calculating and reporting emissions. Units that qualify are exempted from certain requirements to install and operate monitoring equipment, conduct fuel sampling, and perform quality assurance or quality control tests. Moreover, emissions reporting requirements are significantly simplified for these units.

Gas- or oil-fired units that do not qualify for the low mass emissions unit provisions under 40 CFR part 75 may still meet criteria that allows for the use of alternative methods to measure emissions. As discussed in the Regulatory Impact Analysis of the final ARP regulations (October 19, 1992), smaller utilities are more likely to be dependent on these oil- and gas-fired units, especially very small utilities.

### **5.4 Collection Schedule**

Collection frequency under the TR is on a quarterly basis. All affected industry sources will use the Emission Collection and Monitoring Plan System (ECMPS) to submit monitoring plan, quality assurance, certification test, and emissions data to EPA quarterly. In addition, the TR requires the collection of allowance trading information as transfers are submitted, as well as information regarding other "event" submissions made on a one-time or annual basis.

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

### **6.1 Estimating Respondent Burden**

This section estimates the paperwork burden and cost of submitting permit applications, certificates of representation, and allowance tracking and transfer materials; year-end compliance activities, submittal of monitoring plans, obtaining certification of each monitoring system,

conducting monitor quality assurance activities, and recording and reporting data from CEM systems (or approved alternatives).

To estimate the burden and/or cost of each requirement, EPA utilized prior estimates of the costs of activities, estimates provided by affected utilities in comments to the Agency, and/or estimates based on the Agency's experience in implementing existing trading programs.

The TR generally requires all affected sources to monitor their NO<sub>x</sub> emission rate, SO<sub>2</sub> emission rate, and heat input in order to determine NO<sub>x</sub> mass emissions and SO<sub>2</sub> mass emissions (except that the TR does not require SO<sub>2</sub> monitoring for sources subject to only the TR NO<sub>x</sub> ozone program). Coal-fired units use NO<sub>x</sub>, SO<sub>2</sub>, and flow CEMS to meet those requirements. Oil and gas units have alternatives. For SO<sub>2</sub>, these units can use fuel sampling and analysis (or an SO<sub>2</sub> default factor for pipeline natural gas) combined with a fuel flow meter. In addition, peaking units that burn natural gas and/or fuel oil may use an alternative method for calculating NO<sub>x</sub> emission rates. EPA will also allow certain low mass emissions units to use assumed emissions factors together with operational data to calculate emissions.

For purposes of this ICR, burdens and costs are calculated only in terms of incremental impacts for units subject to the ARP. Units subject to the ARP already have much of the monitoring and reporting capability required under the TR, and the associated burdens and costs are entirely or largely accounted for under the ARP ICR. Non-ARP units subject to CAIR similarly already have all or much of the monitoring and reporting capability required under the TR, but their burden and costs have been accounted for under the CAIR ICR and the ongoing burden, including annualized capital costs originally incurred under CAIR, will be accounted for under this ICR once the TR supersedes CAIR. Thus, it should be noted that the labor hours and cost estimates per unit identified in this document represent the weighted average burden and cost for all units and do not represent the actual burden and cost for a particular unit. See the following table for a graphical reference of state reporting classifications related to CAIR, the NO<sub>x</sub> SIP Call, and the TR.

**Table 6-1:  
State Reporting Classifications for the CAIR and the TR**

State	CAIR Ozone	CAIR Annual (NO <sub>x</sub> & SO <sub>2</sub> )	TR Ozone	TR Annual (NO <sub>x</sub> & SO <sub>2</sub> )
<b>States with No Change in Classification from CAIR to TR</b>				
Alabama	X	X	X	X
Arkansas	X		X	
Illinois	X	X	X	X
Indiana	X	X	X	X
Iowa	X	X	X	X
Kentucky	X	X	X	X
Maryland	X	X	X	X
Michigan	X	X	X	X
Missouri	X	X	X	X
New Jersey	X	X	X	X
New York	X	X	X	X
North Carolina	X	X	X	X
Ohio	X	X	X	X
Pennsylvania	X	X	X	X
South Carolina	X	X	X	X
Tennessee	X	X	X	X
Virginia	X	X	X	X
West Virginia	X	X	X	X
Wisconsin	X	X	X	X
<b>CAIR Annual-Only States Becoming TR Annual/Ozone States</b>				
Georgia		X	X	X
Texas		X	X	X

**Table 6-1:  
State Reporting Classifications for the CAIR and the TR (cont.)**

State	CAIR Ozone	CAIR Annual (NO <sub>x</sub> & SO <sub>2</sub> )	TR Ozone	TR Annual (NO <sub>x</sub> & SO <sub>2</sub> )
<b>CAIR Annual/Ozone States Becoming TR Ozone-Only States</b>				
Florida	X	X	X	
Louisiana	X	X	X	
Mississippi	X	X	X	
<b>CAIR Non-Covered States Becoming TR Covered States</b>				
Kansas <sup>1</sup>				X
Minnesota				X
Nebraska				X
Oklahoma			X	
<b>CAIR Covered States Becoming TR Non-Covered States</b>				
Connecticut	X			
Delaware	X	X		
District of Columbia	X	X		
Massachusetts	X			

<sup>1</sup> Kansas is subject to the TR annual programs only. However, in 2011 EPA proposed a SIP call for Kansas to address transport obligations under the 1997 ozone NAAQS. 76 FR 763 (Jan. 6, 2011). If that SIP call were finalized as proposed, it is possible that Kansas's obligations could be met by including Kansas sources in the TR ozone-season program. To avoid the need for an ICR revision in that event, this ICR encompasses the small incremental burden that would arise under that contingency.

The following discussion highlights some of the basic differences for the categories of units. Included in this discussion is the consideration of monitoring and reporting that is done by many of these sources under the ARP and CAIR Programs.

Existing units in states whose TR program coverage is the same as their CAIR program coverage – i.e., the 18 states subject to both the annual and ozone-season programs under both CAIR and the TR, and Arkansas, which is subject to only the ozone-season program under both rules – will have no incremental burden with regard to monitoring and reporting. These units are already monitoring and reporting both NO<sub>x</sub> and SO<sub>2</sub> mass emissions on a year-round basis (except for Arkansas units, which under both CAIR and the TR are only required to report NO<sub>x</sub> mass emissions for the ozone season) and will not incur additional burdens (or capital, operating, and maintenance costs) as a result of the TR since they have already installed and are operating CEMS (or approved alternatives) and meet 40 CFR part 75 requirements for NO<sub>x</sub> and/or SO<sub>2</sub>, as appropriate. For ARP-affected units in these states, the burden and costs associated with the required ongoing monitoring are accounted for in the ARP ICR. This ICR incorporates the

burden and costs associated with ongoing monitoring at non-ARP units in these states, including annualized capital costs incurred under CAIR that would continue to be borne under the TR.

Existing units in states covered by CAIR but whose TR program coverage differs from their CAIR program coverage – i.e., Georgia and Texas, which are covered by only the CAIR annual programs but are covered by both the TR annual and ozone-season programs, and Florida, Louisiana, and Mississippi, which are covered by both the CAIR annual and ozone-season programs but are covered by only the TR ozone-season program – will also have a very small incremental burden with regard to monitoring and reporting. These units are already monitoring and reporting both NO<sub>x</sub> and SO<sub>2</sub> mass emissions on a year-round basis and have already installed and are operating CEMS (or an approved alternative) and meet 40 CFR part 75 requirements for both NO<sub>x</sub> and SO<sub>2</sub>. Their only additional burden resulting from the TR will consist of minor one-time DAHS software upgrades to change what information that is already being monitored and recorded will be reported to EPA. For ARP-affected units in these states, the burden and costs associated with the required ongoing monitoring are accounted for in the ARP ICR. This ICR incorporates the burden and costs associated with ongoing monitoring at non-ARP units in these states, including annualized capital costs incurred under CAIR that would continue to be borne under the TR.

In states covered by the TR but not covered by CAIR – i.e., Kansas, Minnesota, and Nebraska, which are covered by the TR annual programs, and Oklahoma, which is covered by the TR ozone-season program – the TR will result in very minor incremental burdens for ARP-affected units, but more substantial burdens for non-ARP units. ARP-affected units in these states are already monitoring and reporting SO<sub>2</sub> mass emissions and NO<sub>x</sub> emission rates on a year round basis and in accordance with 40 CFR part 75. Monitoring of SO<sub>2</sub> mass emissions requires heat input measurement that can be used with the NO<sub>x</sub> emission rate information to calculate NO<sub>x</sub> mass emissions. Therefore, these sources would need to make minor one-time DAHS software upgrades in order to compute and report NO<sub>x</sub> mass emissions under the TR, either on an annual or ozone-season basis as appropriate, but would not likely need to purchase additional monitoring equipment. The burden and costs associated with the required ongoing monitoring for these ARP-affected units are accounted for in the ARP ICR.

The non-ARP-affected existing units in states covered by the TR but not covered by CAIR were not previously required to monitor under 40 CFR part 75 under either the ARP or CAIR (or the NO<sub>x</sub> SIP Call), although some units may have had similar monitoring requirements under other regulatory programs. Under the TR, these units will be required to monitor and report both NO<sub>x</sub> and SO<sub>2</sub> mass emissions on a year-round basis, in the case of Kansas, Minnesota, and Nebraska, or to monitor and report NO<sub>x</sub> mass emissions on an ozone-season basis, in the case of Oklahoma. The units will have to install and operate CEMS (or an approved alternative) and meet 40 CFR part 75 requirements for NO<sub>x</sub> and/or SO<sub>2</sub>, as appropriate. The monitoring burden depends in part on the type of fuel combusted and the amount of time the unit is operated. Therefore, the costs will vary depending on what monitoring alternative is appropriate for the unit and what monitoring requirements apply to the unit under other regulatory programs. This ICR includes estimated burden and costs for these newly affected non-ARP sources in TR states.

New units covered by the TR will in most cases also be covered by the ARP. The TR creates no material incremental burden or costs for these units, and their burden and costs (both capital/startup and ongoing) are accounted for in the ARP ICR. This ICR includes monitoring and reporting burden and costs for an estimated number of new TR units not covered by the ARP.

Sources will be subject to TR NO<sub>x</sub> and SO<sub>2</sub> monitoring and reporting requirements starting once the TR supersedes CAIR. Table 6-5 shows the burden associated with monitoring NO<sub>x</sub> and SO<sub>2</sub> under the TR at various types of sources.

The primary tasks under the TR with information collection-related burden and costs are (1) permitting, (2) monitoring, recording, and reporting emissions data, and (3) allowance trading activities.

(i) Respondent Permitting Activities

Under the TR, the designated representative for each affected source must submit a certificate of representation to EPA. Since most existing TR-affected sources are already subject to the ARP and/or CAIR, the Agency believes that the DRs for most TR-affected sources will only need to revise their certificates of representation, and that such revisions are routine. The Agency therefore estimates that, on a per unit basis, about one half hour of managerial time and one half hour of technical time will be required to revise the certificate of representation.

Some sources will also be required to construct additional facilities, and therefore will need to complete a permit to construct application. Based on the existing CAIR ICR, the Agency estimates that this task will take 20 hours of managerial and 20 hours of technician time, per permit.

(ii) Agency Permitting Activities

Agency permitting activities (including activities of permitting authorities) include receiving and processing certificates of representation, permit applications, and retired unit exemptions. The Agency estimates that these activities will require 2,926 hours per year (see Table 6-6).

The ICR also includes a one-time allocation of burden for staff at permitting authorities to read the requirements of the TR.

(iii) Respondent Monitoring Activities

For monitoring, the burdens differ greatly based on the amount and type of monitoring the unit is already subject to and the particular subtask of monitoring being conducted. The specific elements of this burden are described below.

*Start-up Activities*



A large part of start-up activities, involving both capital expenditures and labor costs, concerns the acquisition, installation, and testing of monitoring equipment, as follows:

- 1) For all units in states whose TR program coverage is the same as their CAIR program coverage, the TR imposes no start-up burdens beyond existing programs.
- 2) For all units in states covered by both the TR and CAIR, but with a change in program coverage (Florida, Georgia, Louisiana, Mississippi, and Texas), and for ARP-affected units in states covered by the TR but not by CAIR (Kansas, Minnesota, Nebraska, and Oklahoma), the owner or operator will incur some small amount of burden and costs associated with DAHS upgrades for changing what information that is already monitored and recorded is reported to EPA.
- 3) For non-ARP units in states covered by the TR annual programs and not by CAIR (Kansas, Minnesota, and Nebraska), the burdens and costs reflect purchase and certification of NO<sub>x</sub> and SO<sub>2</sub> monitoring systems.
- 4) For non-ARP units in states covered by the TR ozone-season program and not by CAIR (Oklahoma), the burdens and costs reflect purchase and certification of NO<sub>x</sub> monitoring systems.

Note that where the start-up burdens were already incurred as a result of CAIR, this ICR reflects minimal burden hours or non-capital costs, but continues to account for annualized capital costs incremental to burdens accounted for in the ARP ICR.

#### *Regulatory Review*

The ICR includes an allocation of time for the managerial and technical staff to review the TR regulatory requirements as well as the XML formats and instructions associated with electronic emissions data submissions. The units not in the ARP or CAIR programs will have a burden similar to that estimated for ARP units in the ARP ICR -- 16 hours of managerial time and 16 hours of technician time in year one of the program and four hours each for managerial and technician time, per year, after year one. The burden estimates for all units previously included in the ARP or CAIR is reduced because of the similar requirements involved in these trading programs. The estimates for these units are ten hours of managerial time and ten hours of technician time in year one and one hour each per year after year one.

#### *Response to Error Messages*

The Agency provides feedback for errors that are found in monitoring plans or other reports. The Agency estimates that for each unit not previously included in the ARP, an owner or operator will spend approximately four hours of managerial time and eight hours of technician time responding to these error messages each year. (The time for the other sources is accounted for in other ICRs.)

### *DAHS Debugging*

Based on experience with the ARP and CAIR Programs, some effort will be involved to fix problems with the DAHS software used to report in the 40 CFR part 75 formats. This burden is assumed to fall primarily on units that have not previously been affected under the ARP or CAIR. Consistent with the existing ARP ICR, the Agency estimates that about 14 managerial and 80 technician hours will be spent on this task in the first year of implementation, and then one managerial and four technician hours will be required in the second and subsequent years of implementation. Units that are subject to the ARP, and/or were previously subject to CAIR, are expected to incur the "subsequent years" burden.

### *Monitoring Plans*

The regulations require submittal of monitoring plans. Because most of the monitoring plan elements are now part of the reporting format, the effort involved in developing and maintaining the plans are incorporated into the overall reporting burden estimate.

### *Monitor Certification/Recertification*

Initial certification burdens and costs for new monitoring equipment are addressed above under start-up activities since these costs are often part of the overall purchase expense for the equipment. For some non-ARP-affected units, however, there will be burdens associated with certifying existing monitors used under other programs, as well as burdens for recertification to the extent a change in a monitoring system requires recertification. Based on the current CAIR ICR, EPA estimates that approximately ten percent of all units will have to recertify each year following the year in which the initial certification occurs. The ICR incorporates a labor burden estimate generally consistent with existing Agency models for the labor burdens associated with certification. However, note that the ICR reduces the labor hours for this activity to avoid double counting hours that are already accounted for in the quality assurance activity area (see the following subsection). The double counting would occur because a portion of the labor incurred for the certification or recertification event replaces the labor burden that is generally allocated to the annual relative accuracy test audit (RATA) in the year in which the certification event occurs.

### *Quality Assurance*

Quality assurance (QA) activities and other routine maintenance for monitoring systems is the largest burden item under the TR. These requirements generally include daily, quarterly, and annual QA requirements, depending on the monitoring approach being used. For reporting units that use a CEMS, the Agency has assumed a per unit labor burden based on a variety of sources, including the existing ARP ICR, information provided by ARP and CAIR sources, a CEM cost model developed by EPA, and comments submitted in response to the section 110 SIP Call for ozone transport. For units that rely on alternative methodologies, reduced labor burden estimates apply because the quality assurance activities for the excepted methods are less than for a CEMS. Consistent with the existing ARP and CAIR ICRs, the labor burden is expected to be almost entirely technician labor.

### *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. The existing Acid Rain ICR was used as the basis for these estimates.

### *Fuel Sampling*

To calculate heat input where the source is using the fuel flow meter option for an oil or gas-fired unit, the source must obtain gross calorific value data from sampling in accordance with Appendix D of 40 CFR part 75. For purposes of this ICR, it is assumed that the GCV data would be collected as part of standard business operating procedures to assure compliance with contractual specifications. Thus no additional fuel sampling burdens or costs should be incurred.

#### (iv) Agency Monitoring Activities

Agency activities related to the monitoring and reporting of emissions data include processing, reviewing, and evaluating reports of quarterly emissions data from affected units. The Agency estimates that these activities will require 4,500 hours per year (see Table 6-10).

#### (v) Respondent Allowance Transaction Activities

The Agency anticipates the average number of additional allowance transactions will be approximately 7,500 per year beginning in sometime after 2014. This estimate is based on transaction data associated with the current CAIR trading programs. A portion of all sources will likely conduct transactions in each year solely as a result of this program. The Agency believes that each transaction will involve about one hour each of managerial and technician time.

#### (vi) Agency Allowance Transaction Activities

Agency activities related to allowance transactions include allocating allowances to existing and new units, reviewing allowance transfer information, recording transfers, notifying transfer participants, entering deduction data and deducting allowances, and ensuring compliance assurance provisions are met. In the event that compliance assurance provisions are not met it is estimated that the burden for each state exceeding compliance assurance levels would be 160 hours, however the agency assumes that zero states would exceed the limit during the 2014 and beyond time period. The Agency estimates that these activities will require 290 hours per year (see Tables 6-8 and 6-9).

#### (vii) State SIP Allowance Allocation Activities

The FIPs promulgated by EPA specify default allocations of TR emission allowances for each TR trading program among each state's affected sources. States that wish to revise these default allocations may do so by submitting limited SIP revisions for that purpose. The Agency has conservatively assumed that all states with TR-affected sources will choose to submit such

revisions, and that the activities to prepare the submissions will require 100 hours per year (see Table 6-4).

## 6.2 Estimating Respondent Costs

Table 6-4 presents state and local respondent annualized hours and costs for each information collection activity. To estimate annualized hours and costs for one-time activities, the burden estimate is divided by three to estimate the burden over a three-year period. Table 6-5 summarizes the annual industry respondent costs. The following discussion describes how the costs were derived.

### (i) Estimating Labor Costs

For this ICR, the labor rate used for technical staff at state agencies is \$42.95 per hour, and the labor rate for managerial employees at state agencies is \$52.01. These labor rates include benefits and overhead, and are derived from data shown on the Bureau of Labor Statistics website at <http://stats.bls.gov/news.release/ecec.toc.htm>. Wage and salary rates are shown at the link "Table 3: State and local government, by major occupation and industry group (December 2013)." The wage and salary rates from this table account for benefits provided to workers. When considering both technical and managerial hours, labor costs for state and territorial agencies are estimated to be \$54,000 per year per respondent, and labor costs for local agencies are estimated to be \$35,000 per year per respondent for the emissions reporting requirements.

In estimating labor costs for industry, EPA used the following amounts: \$95.10 per hour for managers and \$67.38 per hour for technicians. These rates were used in the existing ARP ICR (EPA ICR Number 1633.16) and are the consistent with the Current Employment Cost Index year 2014.

Federal Agency labor rates were assumed to be \$77.27 per hour. This labor rate was derived from the federal government's 2014 U.S. Office of Personnel Management General Schedule "Salary Table 2014-GS" (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2014/GS.pdf>) using the factors in Table 6-2 below.

**Table 6-2:  
Determination of Federal Wage Rates**

<b>Labor Category</b>	<b>Factors</b>	<b>Total</b>
Annual Salary of Technical Staff, GS 13 Step 8		\$89,282
Annual Cost of Supervisory Staff, GS 15, Step 8	\$124,102	
Factor (1/11)	0.09	
		\$11,169
Benefits	1.6	
Total Cost per FTE		\$160,722
Total Hourly Cost (total per FTE dividend divided by 2,080 hours per year)		\$77.27

(ii) Estimating Capital and Operations and Maintenance Costs

Capital/start-up costs include the cost of installing required CEMS or alternatives. Operation and maintenance costs (exclusive of labor costs) reflect ongoing costs to a unit and 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). These cost estimates have been derived from EPA CEM cost models, existing ICRs, Agency staff experience under the ARP, CAIR, and NO<sub>x</sub> SIP Call programs, and supplemental estimates provided by affected utilities and others related to the various cost items.

All units in states covered by both the TR and CAIR to the same extent are not expected to incur any non-labor costs associated with this program. All units in states covered by both the TR and CAIR, but to different extents, and ARP-affected units in states covered by the TR but not by CAIR, are expected to incur a \$4,000 non-labor startup cost for a DAHS upgrade. This cost estimate is based on the existing CAIR ICR. Non-ARP units in states covered by the TR but not by CAIR are expected require some combination of NO<sub>x</sub> diluent, SO<sub>2</sub>, and/or flow CEMS. The estimated costs for these units range from \$15,000 to \$192,000. Cost variance is due to the monitoring methodology used and what monitoring equipment may already be in place at the unit.

Note that testing contractor costs for certification, recertification and annual relative accuracy test audits (RATAs) are presented as other direct costs and are not converted to equivalent source labor hours. This approach is consistent with the common business practice of obtaining outside contractors to conduct certification/recertification tests and annual RATAs. 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.

The Agency also notes that this ICR does not include a cost for the purchase of monitoring equipment for all affected units. Many sources covered by the TR are already required to have CEMS under other regulatory programs. Therefore, to the extent that no new equipment is needed by these sources, capital costs are not included because those costs were included in the ICRs of those other programs. Thus, the capital and other costs included in Table 6-5 represent weighted average costs for each respondent, not the total individual cost for any particular respondent.

EPA has concluded that the Capital and Operations and Maintenance Costs estimated for the Agency under the ARP ICR are sufficient to accommodate the modest changes in reporting burden for the TR. Therefore, no further estimate of Capital and Operations and Maintenance Costs for the Agency were made for this ICR.

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

Capital costs for emissions trading 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.

### (iv) Annualizing Capital Costs

The relevant capital costs for 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 the borrowed amount plus interest. The result is the annualized capital cost reported.) The annualized cost of the necessary capital purchases varies from \$600 to \$29,572 per year per unit, depending on the type of monitoring methodology. Table 6-5 contains a breakdown of annual costs by monitoring methodology.

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

State and local permitting authorities will incur a burden associated with review of TR-related permit submissions, which is included in Table 6-6. The total number of permitting authorities (including authorities for areas not covered by the TR) is estimated to be 50 states and the District of Columbia, four territories and 49 local agencies, totaling 104 authorities. Table 6-4 details state, territory, and local agency one-time burdens associated with reading the rule upon publication. Additionally this ICR contains burdens to allow for States to allocate allowances as part of the SIP process. While state allocation of allowances is optional under the TR, for conservative estimation purposes this ICR estimates that all 28 states with sources covered by the TR will incur an annual burden of 100 hours to allocate allowances at the state level. This burden is also included in Table 6-4.

The number of industry respondents varies depending on the activity in question. Activities such as Title V permit application submission or allowance transfers can involve nearly two thousand sources. The number of units which will be required to install a particular type of monitoring equipment is fewer since many already have the necessary monitoring equipment, especially if they are ARP units or are in CAIR states. Table 6-5 gives estimates of annual industry burdens beginning in once compliance obligations under the TR commence. These burdens include monitoring, reporting, and other activities involved in participating in an emissions trading program. The total number of respondents is estimated to be 1,201 facilities. Tables 6-6 through 6-10 give estimates of Agency and permitting authority burdens associated with permitting and managing the emissions trading programs.

#### 6.4 Bottom Line Burden Hours and Cost Table

Table 6-3 summarizes the bottom line burden and costs for state, industry, and Agency respondents.

**Table 6-3:  
Total Estimated Burden and Cost Summary**

	<b>Number of Respondents</b>	<b>Total Hours Per Year (All Respondents)</b>	<b>Total Costs Per Year (All Respondents)</b>
State and Local	104	2,869	\$129,826
Industry Respondents	1,201	185,132	\$26,589,016
Agency	1	7,716	\$596,215

#### 6.5 Reasons for Change in Burden

The largest burden associated with this rule is the cost of monitoring, certifying, quality assuring, and reporting emissions data from the large electric generating units regulated under the TR. This burden is tempered, however, by the integration of these monitoring and reporting requirements with those already required under the ARP and (prior to TR implementation) under CAIR. Otherwise, the burden and costs reported under this ICR would be significantly higher and the number of sources reported under this ICR would be greater. Differences between this renewal and the previous ICR are due to revised current year labor costs, and the inclusion of 100 hours annually per state (28 states) to allocate allowances as part of the SIP process, which was inadvertently omitted from the original rule ICR Supporting Statement.

#### 6.6 Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 11 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, 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, maintaining, disclosing, and providing information; adjusting the existing ways to comply with any previously applicable instructions and requirements; training personnel to be able to respond to a collection of information; searching data sources; completing and reviewing the collection of information; and transmitting or otherwise disclosing 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 facilitate 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 No. EPA-HQ-OAR-2009-0491, which is available for public viewing at the Air and Radiation Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. 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 and Information Center 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, to 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, DC 20503, Attention: Desk Officer for EPA. Please include EPA Docket ID No. EPA-HQ-OAR-2009-0491 and OMB Control Number 2060-0667 in any correspondence.

**Table 6-4:  
Annual State and Local Burden and Cost by Activity**

Activity	Hours and Costs				Total Hours and Costs		
	Mgr. \$52.01/Hr <sup>1</sup>	Tech. \$42.95/Hr <sup>1</sup>	Respondent Hours/Yr	Labor Cost/Yr	Number of Respondents	Total Hours/Yr <sup>2</sup>	Total Cost/Yr <sup>3</sup>
<b>One-time (Annualized)</b>							
Read the reporting requirements of the rule	0.33	0.33	0.66	\$31	104	69	\$3,224
<b>Annual</b>							
State SIP allowance allocation	25	75	100	\$4,522	28	2,800	\$126,602
<b>Total</b>					104	2,869	\$129,826



- <sup>1</sup> See Section 6.2 (i) for labor and overhead rates.
- <sup>2</sup> Hours per year are rounded to the nearest hour.
- <sup>3</sup> Costs per year are rounded to the nearest dollar.

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
Permit to Construct (units)	20	20	40	\$3,250			8	320	\$26,000
Certificate of Representation	0.50	0.50	1	\$81			1201	1,201	\$97,281
<b>Startup/Capital Items</b>									
<b>Kansas, Minnesota, Nebraska, Oklahoma (Previously Not Affected)</b>									
a. DAHS modification (facilities)	2	4	6	\$460	\$1,333		35	210	\$62,745
b. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	34	23	57	\$4,783	\$29,752		7	399	\$241,746
c. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	64	10	74	\$6,760	\$19,200		17	1,258	\$441,323
d. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	20	10	30	\$2,576	\$2,304		29	870	\$141,514

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital				
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost	Number of Respondents	Total Hours/Year	Total Cost/Year
<b>Startup/Capital Items (cont.)</b>									
<b>Georgia and Texas (Ozone Status Changes, Annual Status Remains)</b>									
a. DAHS modification (facilities)	2	4	6	\$460	\$600		161	966	\$170,615
b. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	0	0	0	\$0	\$29,752		1	0	\$29,752
c. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	0	0	0	\$0	\$19,200		38	0	\$729,600
d. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	0	0	0	\$0	\$2,304		39	0	\$89,856

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Startup/Capital Items (cont.)</b>									
<b>Mississippi, Florida, and Louisiana (Now Ozone Season Only)</b>									
a. DAHS modification (facilities)	2	4	6	\$460	\$600		27	162	\$28,612
b. Solid Fuel: NO <sub>x</sub> and Flow CEMS (units)	0	0	0	\$0	\$22,500		6	0	\$135,000
c. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	0	0	0	\$0	\$19,200		6	0	\$115,200
d. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	0	0	0	\$0	\$2,304		62	0	\$142,848
<b>States with No Change in Classification</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	0	0	0	\$0	\$29,752		64	0	\$1,904,128
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	0	0	0	\$0	\$19,200		67	0	\$1,286,400
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	0	0	0	\$0	\$2,304		533	0	\$1,228,032

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital				
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost	Number of Respondents	Total Hours/Year	Total Cost/Year
<b>Review Instructions and Requirements</b>									
States with No Change in Classification	4	4	8	\$650			261	2,088	\$169,629
States in which Ozone Season Status Changes, Annual Status Remains – Georgia, Texas	4	4	8	\$650			161	1,288	\$104,637
States now Ozone Season Only - Mississippi, Florida, Louisiana	4	4	8	\$650			27	216	\$17,548
States Not Previously Covered - Kansas, Minnesota, Nebraska, Oklahoma	8	8	16	\$1,300			35	560	\$45,494

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital				
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost	Number of Respondents	Total Hours/Year	Total Cost/Year
<b>Respond to EPA Generated Error Messages</b>									
States with No Change in Classification	6	18	24	\$1,783			261	6,264	\$465,478
States in which Ozone Season Status Changes, Annual Status Remains – Georgia, Texas	6	18	24	\$1,783			161	3,864	\$287,134
States now Ozone Season Only – Mississippi, Florida, Louisiana	6	18	24	\$1,783			27	648	\$48,153
States Not Previously Covered - Kansas, Minnesota, Nebraska, Oklahoma	6	18	24	\$1,783			35	840	\$62,420
<b>Debug Computer Software</b>									
States with No Change in Classification	1	4	5	\$365			261	1,305	\$95,166
States in which Ozone Season Status Changes, Annual Status Remains – Georgia, Texas	6	18	24	\$1,783			161	3,864	\$287,134

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Debug Computer Software (cont.)</b>									
States now Ozone Season Only - Mississippi, Florida, Louisiana	1	4	5	\$365			27	135	\$9,845
States Not Previously Covered - Kansas, Minnesota, Nebraska, Oklahoma	16	88	104	\$7,451			35	3,640	\$260,786
<b>Certify Monitors</b>									
<b>Kansas, Minnesota, Nebraska, Oklahoma (Previously Not Affected)</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	15	48	63	\$4,661		\$2,800	1	63	\$7,461
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	10	32	42	\$3,107		\$2,800	1	42	\$5,907
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	8	24	32	\$2,378		\$10,000	5	160	\$61,890

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Certify Monitors (cont.)</b>									
<b>Georgia and Texas (Ozone Status Changes, Annual Status Remains)</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	15	48	63	\$4,661		\$2,800	1	63	\$7,461
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	10	32	42	\$3,107		\$2,800	4	168	\$23,629
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	8	24	32	\$2,378		\$10,000	4	128	\$49,512
<b>Mississippi, Florida, and Louisiana (Now Ozone Season Only)</b>									
a. Solid Fuel: NO <sub>x</sub> and Flow CEMS (units)	15	48	63	\$4,661		\$2,800	1	63	\$7,461
a. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	10	32	42	\$3,107		\$2,800	1	42	\$5,907
b. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	8	24	32	\$2,378		\$10,000	6	192	\$74,268

(cont.)



**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Certify Monitors (cont.)</b>									
<b>States With No Change in Classification</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	15	48	63	\$4,661		\$2,800	6	378	\$44,764
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	10	32	42	\$3,107		\$2,800	7	294	\$41,350
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	8	24	32	\$2,378		\$10,000	50	1,600	\$618,896
<b>Perform QA Testing and Maintenance</b>									
<b>Kansas, Minnesota, Nebraska, Oklahoma (Previously Not Affected)</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	50	600	650	\$45,183		\$31,949	7	4,550	\$539,924
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	20	375	395	\$27,170		\$17,818	17	6,715	\$764,788
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	5	30	35	\$2,497		\$1,843	29	1,015	\$125,857

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Perform QA Testing and Maintenance (cont.)</b>									
<b>Georgia and Texas (Ozone Season Status Changes, Annual Status Remains)</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	40	400	440	\$30,756		\$31,949	1	440	\$62,705
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	20	375	395	\$27,170		\$17,818	38	15,010	\$1,709,525
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	5	30	35	\$2,497		\$1,843	39	1,365	\$169,256
<b>Mississippi, Florida and Louisiana (Now Ozone Season Only)</b>									
a. Solid Fuel: NO <sub>x</sub> and Flow CEMS (units)	40	400	440	\$30,756		\$31,949	6	2,640	\$376,230
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	20	375	395	\$27,170		\$17,818	6	2,370	\$269,925
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	5	30	35	\$2,497		\$2,209	62	2,170	\$291,766

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Perform QA Testing and Maintenance (cont.)</b>									
<b>States With No Change in Classification</b>									
a. Solid Fuel: SO <sub>2</sub> , NO <sub>x</sub> , and Flow CEMS (units)	40	400	440	\$30,756		\$31,949	64	28,160	\$4,013,120
b. Gas-Oil: NO <sub>x</sub> CEMS and Appendix D fuel monitoring (units)	20	375	395	\$27,170		\$17,818	67	26,465	\$3,014,463
c. Gas-Oil Peaking Units: Appendix D fuel sampling, Appendix E, or LME methods (units)	5	30	35	\$2,497		\$1,843	533	18,655	\$2,313,167
<b>Assure Data Quality, Prepare Reports, Submit Reports</b>									
States with No Change in Classification	16	42	58	\$4,352			261	15,138	\$1,135,757
States in which Ozone Season Status Changes, Annual Status Remains – Georgia, Texas	16	42	58	\$4,352			161	9,338	\$700,601

(cont.)

**Table 6-5:  
Annual Industry Respondent Burden and Cost by Activity (cont.)**

				Respondent Labor Cost/Year	Annual Capital		Number of Respondents	Total Hours/Year	Total Cost/Year
	Manager \$95.10 Per Hour (2013)	Technical \$67.38 Per Hour (2013)	Respondent Hours/Year		Startup Costs	O&M Cost			
<b>Perform QA Testing and Maintenance (cont.)</b>									
States now Ozone Season Only - Mississippi, Florida, Louisiana	8	21	29	\$2,176			27	783	\$58,746
States Not Previously Covered - Kansas, Minnesota, Nebraska, Oklahoma	16	42	58	\$4,352			35	2,030	\$152,305
<b>Other Trading Program Activities</b>									
Allowance Transfers	1	1	2	\$162			7500	15,000	\$1,218,600
Compliance Assurance Activities <sup>1</sup>	.5	1	1.5	\$112			0	0	0
<b>TOTAL</b>								185,132	\$26,589,016

1. Assumes that no States will exceed their limits for the years covered by this ICR so, overall there would be zero burden for these provisions to industry.

**Table 6-6:  
Agency Burden – Permitting**

<b>Information Collection Activity</b>	<b>Burden Hours per Occurrence</b>	<b>Cost per Source<sup>1</sup></b>	<b>Total Burden (Hours)</b>	<b>Total Cost</b>
EPA reviews certificates of representation and records information. <sup>2</sup>	0.5	\$38.64	600	\$46,632
Review permit application, and issue draft, proposed, and final permit. <sup>3</sup>				
Permitting Authority action.	8	\$618.16	2,000	\$154,540
EPA review.	1	\$77.27	240	\$18,545
Receive and process retired unit exemptions. <sup>4</sup>				
Permitting Authority action.	2	\$154.54	66	\$5,100
EPA review.	0.3	\$23.18	20	\$1,545
<b>TOTAL</b>			<b>2,926</b>	<b>\$226,092</b>

1. 2014 dollars.
2. Assumes 1201 sources submit a certificate of representation.
3. Assumes 240 sources (approximately 20% of all affected sources) will submit a permit application each year.
4. Assumes 33 retired unit exemptions are submitted each year.

**Table 6-7:  
Agency Burden – Emissions Reporting**

<b>Information Collection Activity</b>	<b>Quarterly Burden Hours per Report</b>	<b>Quarterly Cost per Report<sup>1</sup></b>	<b>Number of Reports<sup>2</sup></b>	<b>Total Burden per Year (Hours)</b>	<b>Total Cost</b>
Process, review, and evaluate quarterly report and issue feedback letter.	1	\$77.27	4,500	4,500	\$347,715

1. Based on an average total compensation rate of \$77.27 per hour.
2. Assumes 1125 TR only emissions data reports are submitted each quarter.

**Table 6-8:  
Agency Burden - Allowance Allocations**

Information Collection Activity	Total Burden (Hours)	Total Cost
Initial and annual allocation of allowances to existing and new units.	200	\$15,454

**Table 6-9:  
Agency Burden – Allowance Transfer & Deduction Burden**

Information Collection Activity	Burden Hours per Occurrence	Cost per Occurrence <sup>1</sup>	Total Burden <sup>2</sup> (Hours)	Total Cost
Review allowance transfer information, record transfer, and notify transfer participants.	1	\$77.27	40	\$3,091
Enter deduction data and deduct allowances.	0.5	\$38.64	50	\$3,864
Compliance Assurance Provisions <sup>3</sup>	1	\$77.27	40	\$3,091
<b>TOTAL</b>			<b>90</b>	<b>\$6,954</b>

1. 2014 dollars.
2. Assumes 20 transfers and 100 optional deduction forms are submitted annually.
3. Assumes zero states would exceed the limit during the ICR time frame.

**Table 6-10:  
Agency Burden – Aggregate**

Information Collection Activity	Total Burden (Hours)	Total Cost <sup>1</sup>
Annual allocation of allowances to existing and new units.	200	\$15,454
Allowance transfers and deductions.	90	\$6,954
Permits.		
Permitting Authority.	2,066	\$159,640
EPA.	860	\$66,452
Emissions reporting.	4,500	\$347,715
<b>TOTAL</b>	<b>7,716</b>	<b>\$596,215</b>

1. 2014 dollars.