

**INFORMATION COLLECTION REQUEST RENEWAL  
FOR THE NO<sub>x</sub> BUDGET TRADING PROGRAM TO REDUCE THE REGIONAL  
TRANSPORT OF OZONE**

**SUPPORTING STATEMENT**

EPA ICR No. 1857.05, OMB Control No. 2060-0445

**1. IDENTIFICATION OF THE INFORMATION COLLECTION**

**1(a) Background**

This Information Collection Request (ICR) addresses the labor hour burden and costs of State reporting requirements contained in the U.S. Environmental Protection Agency's (EPA) rule to control regional transport of ozone season NO<sub>x</sub> emissions contributing to exceedances of the Ozone National Ambient Air Quality Standard (NAAQS) in the eastern United States which was published on October 27, 1998 (63 FR 57350). This rule is known informally as the NO<sub>x</sub> SIP Call. These provisions are incorporated in 40 CFR 51.121 and 51.122. The reporting requirements of this rule under §51.122 are imposed directly on the States, not on industry. However, in order to meet the requirements of this rule, States will of necessity have to impose requirements on industry for installation of continuous emission monitors and for recordkeeping and reporting. Therefore, there will be an indirect record keeping and reporting burden on industry as a result of this rule, and this ICR estimates those burden hours and costs incurred by industry.

The focus of this ICR is the monitoring and reporting burden for States and sources that remain affected by the NO<sub>x</sub> SIP Call, and that are not subject to subsequent rulemaking and addressed in other ICRs. The rule originally encouraged an emissions trading program for fossil fuel-fired NO<sub>x</sub> sources serving electrical generators (EGUs) with a nameplate capacity greater than 25 MW or boilers, combustion turbines, or combined cycle units with maximum design heat input greater than 250 mm BTU/hr. Under the SIP call, many States elected to meet much of the required emission reductions through the federally administered emissions trading program. Most of the units that originally participated in that NO<sub>x</sub> Budget Trading Program (NBP) now participate in an expanded emissions trading program established in conjunction with the Clean Air Interstate Rule (CAIR), and the burdens and costs for those units is covered under EPA ICR #2152.04, OMB Control Number 2060-0570. The only units still subject to this ICR are certain non-EGUs that participated in the NBP but are not participating in CAIR.

In addition to the NO<sub>x</sub> SIP Call burdens, this ICR retains legacy the paperwork burden and costs that would be included if the trading program was reinstated. These costs are related to: (1) transferring and tracking allowances; (2) the allocation of allowances to affected units; (3) permitting; (4) annual year end compliance certification; and (5) meeting the monitoring and reporting requirements of the program. These obsolete historical emissions trading burden sections are identified as "Not Active" and represented in the document as tables with the respondent numbers and burden hours listed but calculated as zero. EPA has ongoing rulemaking related to CAIR court cases (most recently, the December 23, 2008 DC Circuit Court of Appeals case No. 05-1244, which remanded the previous decision vacating CAIR). As a

result, the Agency may, at some future time, reinstitute the NBP. For example, this might happen if both the CAIR and CAIR replacement rules were vacated by the Court.

As part of the NO<sub>x</sub> SIP Call, States are required to report certain data to EPA on an annual or triennial basis. However, both the AERR and CAIR include similar reporting requirements, and all State burdens associated with this type of reporting are now addressed in either the AERR and CAIR ICR's. Thus, the only burdens and costs addressed in this ICR are for the non-trading units discussed above in this section.

### **1(b) Information to be Collected**

To meet the emissions monitoring recordkeeping and reporting requirements, the former NBP trading 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.

The respondent reporting burden for the NO<sub>x</sub> SIP Call collection of information is estimated to be 57,586 hours each year for the years 2010 through 2012. The burden to EPA is estimated to be 848 hours in each year for the years 2010 through 2012.

### **Emissions Trading Program (Not Active)**

As discussed in Section 1(a), background information related to NBP allowance trading, are retained in this ICR in order to account for the costs of ongoing trading programs (now regulated under CAIR) if needed in the future. 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 sources are in place as well. To ensure compliance with the emissions reduction requirements and to provide the region wide consistency needed to foster the allowance market, the designated representative of the owners and operators of each source with affected units is required 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.

### **Allowance Transfers (Not Active)**

Participants in the allowance transfer system have two options for submitting transfers: submit electronically using the internet to record their own allowance transfers, either by entering the data on screen or by submitting an 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 onetime account information application using a paper form to establish an account in the Allowance Tracking System (ATS). 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.

### **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 CEMS exception if they certify their use of very-low-sulfur fuel.

### **Submissions Purposes and Procedures (Not Active)**

Allowance transfer notifications may be submitted to EPA electronically or on paper. Emissions reports must be submitted electronically.

The allowance transfer submittal is used to record allowance transfers for compliance purposes and to track the disposition of all allowances in the system.

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.

#### *(i) Capital/Start-up Costs*

While many sources have already installed necessary emissions monitoring equipment due to requirements under other regulations, some sources will need to either install new monitors or upgrade existing monitors. Capital costs also usually include the cost of initial certification of new or upgraded monitors as part of start-up costs.

#### *(ii) Emissions Monitoring*

Emissions monitoring and reporting is the foundation upon which the allowance trading system is based. EPA will use the data contained in the reports to verify actual emissions. 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. To meet the 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 data to EPA.

#### *(iii) Year-end Compliance Certifications (Not Active)*

Each source is required to submit an annual statement providing information on which allowances are to be deducted and certifying that the unit is in compliance with emission limitations and monitoring and reporting requirements.

### **1(c) Terms of Clearance**

Below are the Terms of Clearance for the previous ICR renewal:

- None.

## **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(a) Need/Authority for the Collection**

The State reporting requirements included in the NO<sub>x</sub> SIP Call are necessary for EPA to carry out properly its evaluation of each State's compliance with its ozone season NO<sub>x</sub> emissions budget. The legal authority for the reporting requirements resides in Sections 110(a) and 301(a) of the Clean Air Act. Specifically, the requirement in Section 110(a)(2)(D) that SIPs include "adequate provisions" to mitigate certain transport effects on other States implicitly authorizes emissions inventory reporting to EPA, as needed and appropriate to verify that a State is in fact meeting its NO<sub>x</sub> budget. Section 110(a)(2)(F) provides additional authority for requiring that SIP call submissions include provisions for emissions reporting by sources to a State, correlation of source information by the State, and steps by the State to make the correlated information available to the public. Section 110(a)(2)(K), in turn, requires a State to submit to EPA as requested data related to modeling the effect of NO<sub>x</sub> and other emissions on ambient air quality. The reported emissions inventory data will be used by EPA in air quality modeling to assess the effectiveness of the transport rulemaking's regional strategy. Finally, Section 301(a) grants EPA broad authority to prescribe such regulations as are necessary to carry out its functions under the Clean Air Act.

### **2(b) Practical Utility/Users of the Data**

The EPA believes it is essential that compliance with the regional control strategy be verified. Tracking emissions is the principal mechanism to ensure compliance with the budget and to assure the downwind affected States and EPA that the ozone transport problem is being mitigated.

If tracking and periodic reports indicate that a State is not implementing all of its NO<sub>x</sub> control measures or is off track to meet its statewide budget, EPA will work with the State to determine the reasons for noncompliance and what course of remedial action is needed. The EPA will expect the State to submit a plan showing what steps it will take to correct the problems. Noncompliance with the NO<sub>x</sub> transport SIP may lead EPA to make a finding of failure to implement the SIP and potentially to implement sanctions, if the State does not take corrective action within a specified time period.

### **Emissions Trading Program (Not active)**

#### *(i) Year-end Compliance Certification (Not Active)*

This information will be used by EPA to determine annual compliance and to verify that the monitoring plan for the unit continues to be accurate.

#### *(ii) Allowance Transfers and Tracking (Not Active)*

Information collected on allowance transfers would be used by EPA or its designated agent to track allowances for the purpose of determining compliance with the NO<sub>x</sub> Trading Program. Information on allowance transfers would also be used by participants in the allowance market and the public to evaluate the activities of affected sources and by EPA for program evaluation.

Together, the allowance trading system, operating permits, and emissions data would help to provide the accountability to allow the NO<sub>x</sub> Trading Program to function without more stringent command and control approaches.

The information collected by the industry sources subject to this ICR provide necessary input data to the State emission inventory tracking for regional control strategy compliance.

### **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(a) Nonduplication**

To minimize the reporting burden on State agencies, the reporting requirements for 40 CFR 51.122 are based on existing annual and periodic emission inventory reporting requirements as much as possible. In large part, the emission inventory requirements under the NO<sub>x</sub> SIP Call are now met through the comparable requirements associated with CAIR, and the direct State burdens associated with inventory reporting for the regional control program is now included in the CAIR ICR. The only burdens remaining under this ICR reflect emissions reporting for sources not covered under CAIR that are part of the SIP Call control strategy.

Almost all information requested from respondents under this ICR renewal is not available from other sources. Where EPA needs information that has already been submitted, EPA is simply requiring a photocopy of the prior submittal or the retransmission of stored electronic data.

#### **3(b) Public Notice Required Prior to ICR Submission to OMB**

For the renewal ICR, a public notice was published in the Federal Register on March 25, 2010 on availability of the draft supporting statement for the ICR renewal. A 60 day comment period for public comments was provided in the notice. EPA received no comments in response to the public notice that was published in the Federal Register (see Docket ID No. EPA-HQ-OAR-2006-0947).

#### **3(c) Consultations**

EPA contacted via telephone three affected sources for comment on the respondent costs/burdens detailed in this ICR renewal. Specifically, EPA contacted Spring O'Mara with the Conoco Philips Trainer Refinery at 610-364-8058, Jennifer Marshall with the Tate and Lyle

Facility at 217-421-2620, and Catherine Lanter with the Conoco Philips Wood River Refinery at 618-255-2505. Spring O'Mara and Jennifer Marshall responded and were provided a copy of the ICR supporting statement for review. Neither Jennifer Marshall nor Spring O'Mara had any comments regarding the costs/burdens detailed in this ICR renewal. No response was received from Catherine Lanter.

Additionally, EPA held numerous consultations during initial development of the NO<sub>x</sub> SIP Call, during development of CAIR, and during the ongoing development of a replacement rule for CAIR. The reduced burdens accounted for under this renewal ICR reflect that most of the burden under the NO<sub>x</sub> SIP Call is now addressed under CAIR (or its replacement rule in the future).

For the initial rule development, on January 13, 1998, EPA held a one-day pre-proposal workshop with the States to discuss tracking issues. The objective of the workshop was to determine what type and frequency of inventory reporting is feasible for the different source sectors (power generating sources, other point sources, area sources, nonroad mobile, and highway mobile sources), to identify key reporting issues related to each sector, and to develop recommendations on reporting requirements to ensure compliance with the NO<sub>x</sub> budgets. The goal was to share information and ideas rather than to reach consensus. A summary of the meeting is contained in the docket (docket no. A-96-56, item V-B-18) for the NO<sub>x</sub> SIP Call rulemaking. The reporting requirements included in 40 CFR 51.122 are based, in part, on the suggestions of participants in the workshop.

The recordkeeping and reporting requirements in §51.122 were included in the supplemental proposal (63 FR 25902, May 11, 1998) on which public comments were solicited. Comments received were reviewed and where appropriate were incorporated into the rule requirements as currently given in 40 CFR 51.122.

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

### **3(d) Effects of Less Frequent Collection**

If this information collection were not carried out annually for sources being controlled to meet the NO<sub>x</sub> budgets, EPA would not be able to verify that NO<sub>x</sub> emission reductions necessary to meet each State's NO<sub>x</sub> emission budget were being achieved.

Quarterly collection of emissions data for the former NBP units allows the opportunity to check data for errors and provide rapid feedback on needed adjustments to data collection systems, and thereby promoted 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 reporting period both for regulated sources and for EPA. This would slow down the process for the verification of compliance.

As an option for this program, EPA will allow for ozone season reporting instead of quarterly reports for the entire calendar year. Under this option, units would only be required to submit two reports per year (covering the second and third calendar quarters). However, because the Agency believes that full-year quarterly reporting will be beneficial for both the source and the Agency, this ICR assumes most units will elect to comply with the standard quarterly reporting requirement.

### **3(e) General Guidelines**

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

### **3(f) Confidentiality**

As required by Section 114 of the Clean Air Act, estimates or measurements of emissions must be treated as nonconfidential. 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, EPA Regional Office should be consulted for final reconciliation.

### **3(g) Sensitive Questions**

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

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

This section lists the major categories of businesses that participate in the NO<sub>x</sub> Budget Trading 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(a) Respondents/SIC Codes**

This ICR estimates the burden for affected industry sources to monitor NO<sub>x</sub> mass emissions so that states and EPA can track compliance with state emission budgets and NO<sub>x</sub> control measures. Sources may report data directly to EPA if a source is required to meet the monitoring and reporting requirements of Subpart H of Part 75. Electric utility combustion sources are generally classified as either SIC 4911 - *Electric Services*, or 4931 - *Electric and Other Services Combined* [NAICS 221112 Electric Power Distribution]. Large industrial combustion sources (e.g., boilers, turbines, and internal combustion engines) are expected to fall under SIC codes for the manufacturing sector, i.e., SIC Major Groups 29-40 [NAICS 31-33 Manufacturing].

## **4(b) Information Requested**

This section describes the industry reporting requirements needed to enable state agencies to meet their reporting and recordkeeping requirements in §51.122. States must report NO<sub>x</sub> emissions data as specified in 40 CFR §51.122.

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

The former NBP units that are not participating in CAIR will continue to monitor NO<sub>x</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; 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. Appendices A and B to the CAIR ICR (EPA ICR # 2152.04) contain 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 NO<sub>x</sub> mass emissions data electronically, by direct electronic submission to EPA, and must also include a certification statement by the designated representative of the unit. All monitoring records are to be kept for three years, with one possible exception under a voluntary option for fuel flowmeter calibration testing.

### *(ii) Respondent Activities*

The former NBP units will (1) complete and submit appropriate monitoring plan forms for each affected source and each affected unit at a source; (2) conduct tests to certify the operation of monitors, and submitting test results to EPA; (3) record hourly emissions data (this activity generally is performed electronically); (4) conduct operation and maintenance activities associated with the monitoring, including quality assurance activities; (5) assure data quality, prepare quarterly reports of emissions data and submit these reports to EPA; and (6) respond to error messages generated by EPA. In addition, respondents will have to purchase the necessary monitoring hardware and purchase the electronic data reporting software (or software upgrades).

## **Emissions Trading Program (Not Active)**

This section describes the data items requested from affected sources to facilitate an emissions trading program if active.

### Allowance Tracking

There are several data items required for allowance tracking activities. First, the utility must submit account certificates of representation for the NO<sub>x</sub> authorized account representative and (if desired) alternate NO<sub>x</sub> authorized account representative. This documentation, found in 40 CFR §96.13, must include:

- Identification of the source and unit;

- Name and contact information for the NO<sub>x</sub> authorized account representative and alternate;
- A list of the owners and operators of each source and unit; and
- A certification statement and signature of the NO<sub>x</sub> authorized account representative and alternate.

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

### Year-end Compliance Certifications

On or before November 30 of each year, the NO<sub>x</sub> authorized account representative for each source must submit a compliance certification report covering all units at the source. Under 40 CFR §96.30, the report must include the following:

- Identification of each unit;
- Serial numbers of each NO<sub>x</sub> allowance to be deducted from the unit's compliance account (Optional);
- For units sharing a common stack, the percentage of allowances to be deducted from the unit's compliance account (Optional); and
- Compliance certification, including certification that the unit was operated in accordance with the emission limitation, verification that the monitoring plan is complete and accurate, a statement that all NO<sub>x</sub> emissions have been monitored and reported appropriately, and whether the basis for certification has changed (and, if so, details of the change).

## **5. 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 sources that are required to submit monitoring and test 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 this ICR to small entities. The last part outlines the schedule for collecting information.

### **5(a) Agency Activities**

The tasks that will be performed by EPA include processing, reviewing, and evaluating emissions data reports submitted by the former NBP units, and conducting appropriate audit activities to verify the information provided.

## **5(b) Collection Methodology and Management**

Several computer systems and associated databases have been developed to record quarterly emissions monitoring data under Part 75. ; 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 EPA also has established a Clean Air Markets Home Page on the internet, which includes detailed information collected from emissions reports. The Data and Maps section of the EPA's Clean Air Markets Home Page on the internet includes detailed information collected from emissions reports, and facility or source data. Those without access to the Internet may use the Clean Air Markets Hotline to request information.

## **5(c) Small Entity Flexibility**

The rulemaking, which EPA published by notice in 63 FR 57356 (October 8, 1998), would simply require States to develop, adopt, and submit SIP revisions. Pursuant to 5 U.S.C. 605(b), in the rulemaking, the Administrator certified that the rule will not have a significant economic impact on a substantial number of small entities.

In addition, under Part 75, there are options for reduced monitoring that may assist smaller sources. The low mass emitter exception (40 CFR 75.19), allows optional reduced monitoring, quality assurance, and reporting requirements for units that combust natural gas and/or fuel oil and that emit no more than 50 tons of NO<sub>x</sub> annually (or, at the source's election, 25 tons per ozone season) and that calculate no more than the same amount based on specified procedures for calculating and reporting emissions. Qualifying sources are not required to keep monitoring equipment installed on (or conduct 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 "low mass emissions unit" exception, the monitoring provisions of Part 75 do allow for the use of alternative methods to determine emissions. 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).

## **5(d) Collection Schedule**

Former NBP trading units conduct ongoing monitoring, with quarterly reporting.

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

## **6(a) Determining Federal Wage Rates**

In estimating labor costs for industry, EPA used the following amounts: \$91.94 per hour for managers and \$63.74 per hour for technicians. These rates were used in the existing

Acid Rain Program (EPA ICR Number 1633.15, OMB Control Number 2060-0258) and are the consistent with the Current Employment Cost Index year 2009.

Federal Agency labor rates were assumed to be \$49.38 per hour. This labor rate was derived from the Federal government's 2009 U.S. Office of Personnel Management General Schedule "Salary Table 2009-GS" (<http://opm.gov/oaca/09tables/html/gs.asp>) using the factors in the following table.

**Table 6-1: Determination of Federal Wage Rates**

Annual Salary of Technical Staff, GS 11, Step 3		\$52,846
Annual Cost of Supervisory Staff, GS 13, Step 3	\$75,323	
Factor (1/11)	0.09	
		\$6,779
Annual Cost of Support Staff, GS 6, Step 6	\$35,145	
Factor (1/8)	0.13	
		\$4,569
Annual Applicable Salary of Permit Staff		\$64,194
Benefits	1.6	
Total Cost per FTE		\$102,710
Total Hourly Cost (total per FTE dividend divided by 2,080 hours per year)		\$49.38

### **6(b) Estimating Respondent Burden for Former NBP Units Not Covered under CAIR**

This section estimates the paperwork 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). This applies to the former NBP units that continue to monitor in accordance with Part 75 under the NO<sub>x</sub> SIP Call.

To estimate the burden and/or cost, EPA has relied on the estimates included in the most recent Acid Rain Program ICR (OMB Control Number 2060-0258) renewal for labor hour estimates of each activity. In addition, the hourly labor rates for managerial, technical, and clerical staff reflect the labor rates used in the Acid Rain ICR in 2009 dollars, consistent with Agency ICR guidance.

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 the prior two ICR renewals and the CAIR ICR (OMB Control Number 2060-0570).

### **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) 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.

#### *(i) 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. EPA continues to make available online fully searchable versions of the Part 75 Emissions Monitoring Policy Manual and the Electronic Data Reporting Instructions (Versions 2.1 and 2.2), and is in the process of adding a fully searchable unofficial version of Part 75 to this integrated search Webpage. In addition, EPA in 2005 posted online a text version of its Plain English Guide to Part 75.

#### *(ii) 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, EPA believes that the burdens for this activity have decreased over time. At the same time, however, EPA has increased its audit oversight and expects to conduct a number of electronic and field audits of facilities over the next few years. In particular, EPA anticipates making significant use of electronic audits as a means to provide continuous data quality improvement. This effort will result in increased burdens for respondents.

#### *(iii) DAHS Debugging.*

Each source must purchase (or create) and install computer software designed to implement the electronic data reporting (EDR) formats required under the Acid Rain Program. EPA promulgated revisions to Part 75 in late 2007 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 over time should streamline reporting. The costs of the required upgrade were analyzed in a separate ICR that was issued in conjunction with the Part 75 revisions. For the time period of this ICR, 2010-2012, no other changes would require a DAHS upgrade and therefore there are no burden hours for this activity.

*(iv) Monitoring Plans.*

Consistent with the existing ICR, 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 2010 – 2012. The burden associated with revising the monitoring plan is included in the time for preparing and submitting each quarterly emissions report.

For new units, EPA has used an estimated number of new units as a projection for the average number of new units expected in 2010 – 2012. These units have a separate line item for initial monitoring plan preparation.

*(v) Monitor Certification.*

For existing units, only recertifications are included in the estimated activities for 2010 – 2012. The Agency estimates a labor burden of 50 hours and a contractor cost of \$3,400 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 NO<sub>x</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.

*(vi) Quality Assurance.*

Quality assurance (QA) testing and maintenance upon monitoring systems is the largest burden item under the monitoring, reporting and recordkeeping requirements. The requirements include daily, quarterly and annual QA requirements, depending on the monitoring approach being used. For reporting units that use flow and NO<sub>x</sub> CEMS, the Agency has developed a per unit labor burden based primarily on information gathered from affected sources. 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 have been added based on information supplied by an affected utility (see Docket A-97-35, Item II-D-94).

*(vii) 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.

### **Estimating Respondent Costs**

Table 6-4 summarizes the annual respondent costs. The following discussion describes how those costs were derived.

*(i) 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. These annualized capital costs are from the Rule to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule) EPA ICR #2152.04. The annualized costs ranged from \$28,879 for units with a full set of CEMS, to \$18,750 for a unit that uses NO<sub>x</sub> CEMS and Appendix D methods, to \$2,250 for units that use both Appendix D and Appendix E methods without any CEMS. There are no capital/start-up costs for LME units. A discussion of how the capital/start-up costs were annualized follows in Section (iii), below.

In addition to capital/start-up costs, respondents incur operation and maintenance 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 Rule to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule) EPA ICR #2152.04, and have been 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). The total cost for these operation and maintenance cost items (other than fuel sampling) is estimated at \$31,200 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.

*(ii) 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.

*(iii) 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 capital purchases varies from \$2,250 to \$ 28,879, per year, per unit, depending on the type of monitoring methodology. The capital costs are from the Rule to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule), EPA ICR #2152.02.

*(iv) Fuel Sampling*

To calculate heat input where the source is using the fuel flowmeter option for an oil or gas-fired unit, the source must obtain gross calorific value data from sampling in accordance with Appendix D of 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. This is consistent with the Rule to Reduce Interstate Transport of Fine Particulate Matter and Ozone (Clean Air Interstate Rule), EPA ICR #2152.04.

### **Estimating the Respondent Universe and Total Burden and Costs for Former NBP Units**

EPA estimates that there are 122 former NBP units that will continue to conduct monitoring in accordance with Part 75 solely under the NO<sub>x</sub> SIP call. Table 6-4 shows the total burden and total cost for this respondent universe.

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

The tasks that will be performed by EPA include processing, reviewing, and evaluating emissions data reports submitted by the former NBP units, and conducting appropriate audit activities to verify the information provided. Assuming that the former NBP units will submit an average of 106 emission reports to EPA per quarter, the total annual burden incurred by the

Agency will be 848 hours. (The annual total of 424 emissions reports is based on 90 quarterly reporting and an additional 32 Ozone Season only reporting facility counts.) The total annual cost to EPA for processing, reviewing, and evaluating these quarterly emissions reports will be approximately \$41,875. Table 6-5 summarizes the Agency burden and costs associated with emissions reporting.

**TABLE 6-4: ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR FORMER NBP UNITS**

<b>Information Collection Activity</b>	<b>Mgr. \$91.94/ Hour</b>	<b>Tech. \$63.74/ Hour</b>	<b>Respondent Hours/Year</b>	<b>Labor Cost/Year</b>	<b>Cont./ O&amp;M Cost</b>	<b>Capital/ Startup Cost</b>	<b>Number of Respondents</b>	<b>Total Hours/ Year</b>	<b>Total Cost/Year</b>
1. Review Instructions and Requirements	4	4	8	\$623	\$0	\$0	53	424	\$33,004
2. Respond to EPA Generated Error Messages, Field Audits	6	18	24	\$1,699	\$0	\$0	122	2,928	\$207,273
3. DAHS Debugging	4	12	16	\$1,133	\$0	\$0	122	1,952	\$138,182
4. New Unit Monitoring Plans	10	10	20	\$1,557	\$0	\$0	12	2740	\$18,682
5. Recertify Monitors	38	12	50	\$4,259	\$3,400	\$0	12	600	\$51,103
6. Startup/Capital Items and Perform QA Testing and Maintenance									
(a) NO <sub>x</sub> and Flow CEMS	50	480	530	\$35,192	\$31,200	\$28,879	0	0	\$0
(b) NO <sub>x</sub> CEM and Fuelmeter	20	375	395	\$25,741	\$17,400	\$18,750	101	39,895	\$2,599,871
(c) App. E and Fuelmeter	5	30	35	\$2,372	\$1,800	\$2,250	21	735	\$49,810
7. Assure Data Quality, Prepare Reports (inc. monitor plan update), Submit Reports <sup>a</sup>	20	82	102	\$7,065	\$0	\$0	122	10,812	\$748,890
<b>TOTAL:</b>								57,586	\$3,689,951

<sup>a</sup> Based on an assumption of 90 annual reporting and 32 Ozone Season only reporting facilities.

**TABLE 6-5: ANNUAL AGENCY BURDEN/COST ESTIMATES  
FOR FORMER NBP UNITS**

Tasks	Quarterly Burden Hours per Report	Quarterly Cost per Report <sup>a</sup>	Number of Reports <sup>b</sup>	Total Burden per Year (hours) (2010–2012)	Total Cost
Process, review, and evaluate quarterly report and issue feedback letter.	2	\$98.76	424	848	\$41,875

<sup>a</sup> Based on an average total compensation rate of **\$49.38** per hour.

<sup>b</sup> Based on an assumption of 90 annual reporting and 32 Ozone Season only reporting facilities.

**6(c) Emissions Trading Program Burdens (Not Active)**

The following sections contain exhibits and text covering the burdens associated with the NBP Emissions Trading Program, but zeros out those values that are now covered under other ICRs. This option will facilitate a possible revision to the ICR to include the costs of the trading process and monitoring requirements, in case those costs become reassociated with the NO<sub>x</sub> SIP Call program in the future.

Under the NO<sub>x</sub> Budget Trading Program (NBP), EPA estimated the burden and/or cost of each incidence of the various proposed rule revisions, EPA had available prior estimates of the costs of various activities, estimates provided by affected utilities in comments to the Agency, and estimates based on the Agency's experience in implementing the existing trading programs.

The NBP required all affected sources to install a NO<sub>x</sub> emission rate (or concentration) CEM and a flow CEM (or approved alternative). Affected gas- and oil-fired units could elect to use a NO<sub>x</sub> emissions rate CEM and a fuel flowmeter. In addition, peaking units that burn natural gas and/or fuel oil could use an alternative method for calculating NO<sub>x</sub> emission rates. EPA also allowed certain low mass emissions units to use assumed emissions factors together with operational data to calculate emissions.

**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, and were estimated based on the number of transfers recorded by EPA in the previous year.

Affected units had the option of identifying specific serial numbered allowances to be deducted by EPA. Based on past experience, EPA assumed that approximately one fifth of all affected units would submit an optional allowance deduction form each year.

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

Table 6-7 presents the annual burden and costs to participants in allowance transfers and deductions that would be incurred should the NBP be reinstated. Participants that were not affected units would be required to negotiate an agreement, to designate an authorized account representative, and to file a new account application. These activities would be required only one time, prior to or simultaneous with the participant's first transfer of allowances. All participants would be required to complete and submit allowance transfer information for each transfer of allowances. Under the NBP, EPA estimated about 10 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.

**TABLE 6-6: 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>	Total Cost
Designate an authorized account representative and file new account application				
Managerial	3			
Technical	7			
Prepare and submit allowance transfer information				
Managerial	1			
Technical	1			
Allowance deduction form (optional)				
Managerial	1			
Technical	2			
TOTAL				

<sup>a</sup> Insert dollar year.

<sup>b</sup> Assumes 0 participants file new account applications, 0 transfers are made, and 0 optional deduction forms are submitted.

*Estimate of Agency Burden and Costs for Transfers*

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

**Allowance Tracking System**

Under the NBP, the allowance system regulations set the general requirements for the tracking system, which was developed by EPA. In order to track allowances, the allowance tracking system required information on: (1) allowance allocations for each affected facility; (2) allowance transfers and deductions; and (3) allowance holders. EPA made the information compiled in the allowance tracking system publicly available in several formats on the internet and worked to continually improve electronic access.

### Allowance Transfer System

Under the NBP, EPA estimated that it would require an average of one hour for each transfer notification on paper. Upon receipt of an optional allowance deduction form, in hard copy, EPA recorded the data into the EPA data system. This was estimated to take about 30 minutes per form. Table 6-8 summarizes Agency burden and cost estimates for recording and transferring allowances.

**TABLE 6-7: ANNUAL AGENCY BURDEN/COST ESTIMATES FOR ALLOWANCE TRANSFERS**

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence <sup>a</sup>	Total Burden <sup>b</sup> (Hours)	Total Cost
Review allowance transfer information, record transfer, and notify transfer participants.	1			
Enter deduction data and deduct allowances.	0.5			
TOTAL				

<sup>a</sup> Insert dollar year.

<sup>b</sup> Assumes 0 transfers and 0 optional deduction forms are submitted annually.

### Annual Compliance Certifications

#### Respondent Burden and Cost Estimates for Annual Compliance

When the trading program was in place, each year between October 1 and November 30, annual compliance certification was required from all affected sources. Each authorized representative was required to submit one annual compliance certification report that included a list of all affected units he or she represents. Table 6-9 presents respondent burden and costs for annual compliance certification.

**TABLE 6-8: ANNUAL RESPONDENT BURDEN/COST ESTIMATES FOR ANNUAL COMPLIANCE CERTIFICATION**

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence <sup>a</sup>	Total Burden (Hours)	Total Cost
Annual compliance certification report <sup>b</sup>				
Managerial	1			
Technical	4			
Common stack allowance Deduction form <sup>c</sup>				
Managerial	0.5			
Technical	2			
<b>TOTAL</b>				

<sup>a</sup> Insert dollar year.

<sup>b</sup> Assumes 0 reports covering 0 affected units are submitted.

<sup>c</sup> Assumes 0 optional common stack allowance deduction forms are submitted.

**Estimate of Agency Burden and Costs for Annual Compliance**

Under the NBP Emissions Trading Program, the three primary tasks performed by the Agency during annual compliance certification were; reviewing and processing the annual form submissions, calculating and deducting and sending out allowance deduction or reconciliation reports to the source designated representatives. Table 6-10 presents the Agency's annual burden and cost for annual compliance certification.

**TABLE 6-9: ANNUAL AGENCY BURDEN/COSTS FOR ANNUAL COMPLIANCE CERTIFICATION**

Tasks	Burden Hours Per Occurrence	Cost Per Occurrence <sup>a</sup>	Total Burden (Hours)	Total Cost
Review and process annual compliance certification submissions <sup>b</sup>	1			
Common stack allowance Deduction form <sup>b</sup>	0.5			
Send allowance reconciliation reports <sup>b</sup>	0.5			
<b>TOTAL</b>				

<sup>a</sup> Insert dollar year.

<sup>b</sup> Assumes 0 reports covering 0 affected units are submitted.

### **6(d) Summary of Burden Hours and Costs**

Table 6-10 summarizes the annual aggregate burden and cost estimates to both the respondents and the agency for the period of 2010 through 2012.

**TABLE 6-10: AGGREGATE ANNUAL RESPONDENT AND AGENCY BURDEN AND COST OF COLLECTIONS (2010 – 2012)**

<b>Program</b>	<b>Total Annual Burden (Hours)</b>	<b>Total Annual Costs<sup>a</sup></b>
Annual Industry Respondent Burden	57,586	\$3,689,951
Annual Agency Burden	848	\$41,875
TOTAL	58,434	\$3,731,826

<sup>a</sup> 2009 dollars.

### **6(e) Reasons for Change in Burden**

Hourly burden estimates in this ICR renewal are reduced from those in the previous ICR. Decreases are due to the shift of trading activity from the NOx Budget Trading Program to the CAIR NOx trading programs.

### **6(f) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 136 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-2006-0947, 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-2006-0947 and OMB Control Number 2060-0445 any correspondence.