



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# Good Neighbor Plan

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A Federal Implementation Plan

April 19, 2023

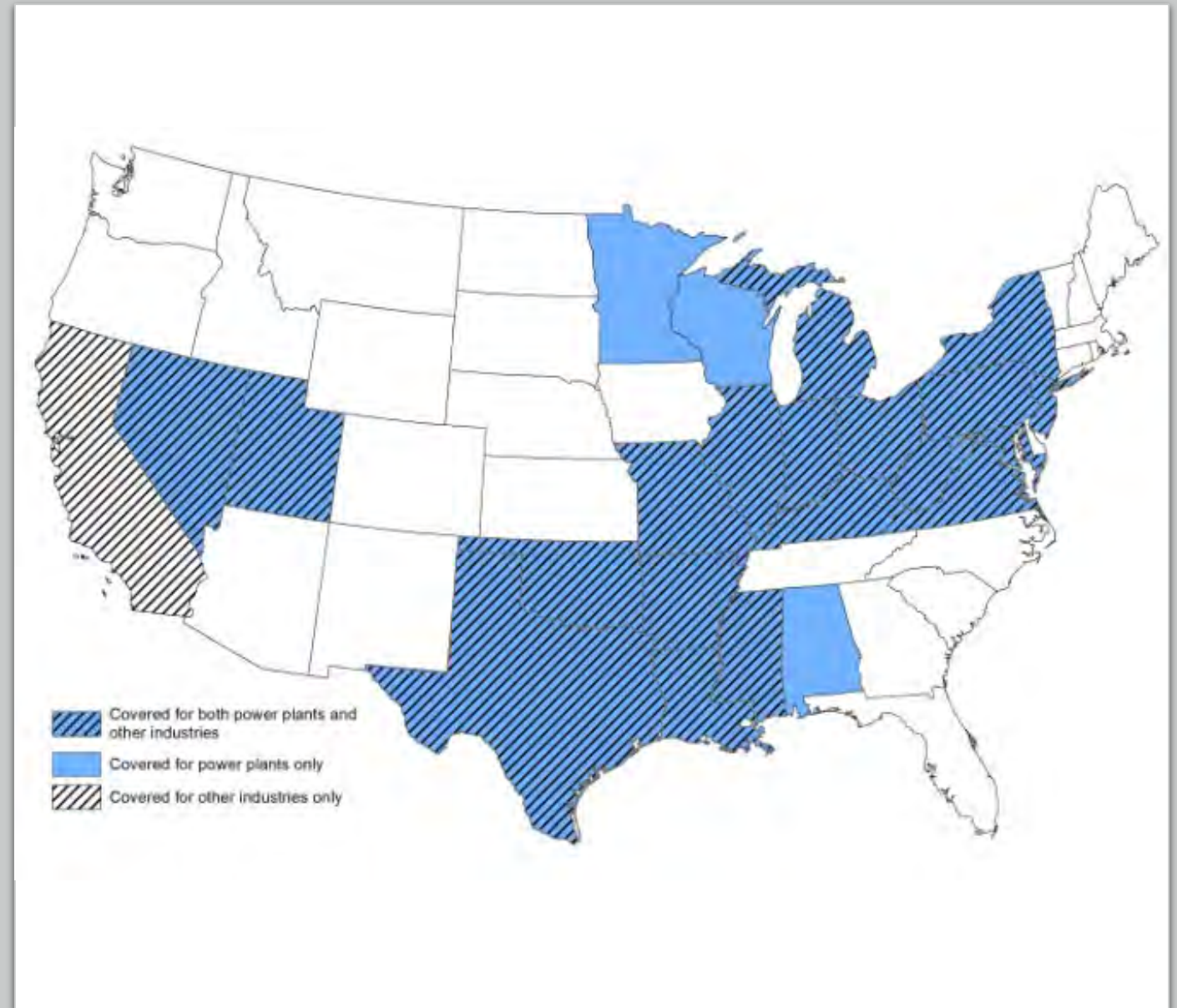
# Good Neighbor Plan (GNP)

- A Federal Implementation Plan (FIP)
- Requirement of the Clean Air Act (CAA)
- Meant to address interstate transport of pollution (NO<sub>x</sub>, an O<sub>3</sub> precursor) impacting state's ability to meet National Ambient Air Quality Standards (2015 O<sub>3</sub>)
- No state obligation/plan to develop rules or strategies
- Cap-and-trade program w/backstop emission limits. 6<sup>th</sup> iteration of similar programs (NO<sub>x</sub> SIP call, CAIR, NBTP, CSAPR x 3)
- Uses modeling to determine impacts – expected to reduce ozone values in Michigan



# States/source Types Impacted

- 23 states affected - A result of many states submitting insufficient transport plans for ISIP
- Power plants are part of cap-and-trade program w/ some limits
- Nine other industrial source categories have limits for specified emission units
- Michigan has both power plants and industrial sources in the nine categories that will need to participate/comply



# Impacted Sources

## Electric Generation Units

- Cap-and-trade (still) – but overall budget is reassessed and reduced based on retirements and installation of control equipment.
- Has a “backstop” daily emission rate for large coal fired steam units.
- Requires controls be used year round (vs. just in ozone season, important to other states).

## Non-EGUs

- Has backstop emission limit, monitoring options and work plans

Source type (based on NAICS)	# Sources in Michigan
Pipeline Transportation of Natural Gas	30 to 40
Cement and Concrete Product Manufacturing	< 10
Iron and Steel Mills and Ferroalloy Manufacturing	< 10
Glass and Glass Product Manufacturing	1
Metal Ore Mining, Basic Chemical Manufacturing, Petroleum and Coal Products Manufacturing, and Pulp, Paper, and Paperboard Mills	30 to 40
Municipal Waste Combustors	1

# Ramifications to Michigan

## Monitors

Positive impact?

- SEMI area is downwind of many sources
- West Michigan nonattainment areas are heavily impacted by transport from upwind states
- Not much of an upwind contributor to nonattainment in other states based on latest modeling (two monitors > 1 ppb)

## Permitting

Permitting for New Source Review (NSR) and Renewable Operating Permit (ROP)

- New materials would need to be created for ROP (and possibly PTI) to incorporate these new requirements
- May need new NSR permits or reopen ROPs
- AQD staff verifying compliance with requirements not delegated to AQD

# Special Note

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Based on historical precedent, court challenges seem likely given past transport rules and some new strategies used in GNP.

