The Honorable Andrew Wheeler, Administrator
U.S. Environmental Protection Agency
William Jefferson Clinton Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Re: Comments relating to Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR): Project Emissions Accounting (84 Fed. Reg. 39,244); Docket ID: EPA-HQ-OAR-2018-0048

Dear Administrator Wheeler,

On behalf of the Commonwealth of Kentucky, the Energy and Environment Cabinet, Division for Air Quality (Division) respectfully submits the following comments relating to the United States Environmental Protection Agency’s (EPA) proposed rule Prevention of Significant Deterioration (PSD) and Nonattainment New Source Review (NNSR): Project Emissions Accounting.¹

The Division supports the proposal as it provides regulatory clarity that both emissions increases and decreases from a major modification are to be considered during Step 1 of the two-step New Source Review (NSR) applicability test (also known as project emissions accounting or previously as project netting). Regulatory certainty is imperative in that it will eliminate confusion during the permitting process, provide for the timely issuance of permits, and spark economic growth.²

The Division urges the EPA to continue rulemaking as it relates to New Source Review, with the corresponding opportunity for comment, instead of issuing additional guidance memos and documents. Pursuant to Kentucky law, KRS 13A.130, the Energy and Environment Cabinet is prohibited from regulating by guidance documents. As such, codification of EPA’s New

¹ 84 Fed. Reg. 39,244 (August 8, 2019).
² See also, Testimony of Mr. Scan Alferi on “Legislation Addressing New Source Review Permitting Reform” before the United States House of Representatives, Energy and Commerce Subcommittee on Environment (May 16, 2018), attached hereto and incorporated herein as a part of the Cabinet’s comments.
Source Review guidance memos and documents will provide regulatory certainty to the Commonwealth, as well as the regulated community.

The Division appreciates EPA’s consideration of the above comments. If you have questions or comments, please contact me at your convenience.

Sincerely,

[Signature]

Melissa K. Duff, Director
Division for Air Quality