

1. TITLE OF RULE FILING:

Sulfur Limitations in Fuel

2. ADOPTING AGENCY:

Agency of Natural Resources

3. PRIMARY CONTACT PERSON:

(A PERSON WHO IS ABLE TO ANSWER QUESTIONS ABOUT THE CONTENT OF THE RULE).

Name: Elaine O'grady

Agency: Agency of Natural Resources

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E-Mail: elaine.ogrady@state.vt.us

Web URL(*WHERE THE RULE WILL BE POSTED*):

<http://www.anr.state.vt.us/air/htm/proposedamendments.htm>

4. SECONDARY CONTACT PERSON:

(A SPECIFIC PERSON FROM WHOM COPIES OF FILINGS MAY BE REQUESTED OR WHO MAY ANSWER QUESTIONS ABOUT FORMS SUBMITTED FOR FILING IF DIFFERENT FROM THE PRIMARY CONTACT PERSON).

Name: Richard Valentinetti

Agency: Agency of Natural Resources

Mailing Address: Air Pollution Control Division, 103 South Main St., Bldg. 3 South, Waterbury, Vt 05671

Telephone: 802 241 - 3860 Extension: Fax: 802 241 - 2590

E-Mail: dick.valentinetti@state.vt.us

5. LEGAL AUTHORITY / ENABLING LEGISLATION:

(THE SPECIFIC STATUTORY OR LEGAL CITATION FROM SESSION LAW INDICATING WHO THE ADOPTING ENTITY IS AND THUS WHO THE SIGNATORY SHOULD BE. THIS SHOULD BE A SPECIFIC CITATION NOT A CHAPTER CITATION).

10 V.S.A. §§ 554 and 558

6. CONCISE SUMMARY (150 WORDS OR LESS):

The proposed rule seeks to amend section 5-221(1) of the Air Pollution Control Regulations to require lower sulfur limits for fuel used for heat or power generation as part of a regional strategy agreed to by mid-Atlantic and Northeast states to reduce regional haze. The amendments

will reduce the sulfur content of No. 2 and lighter distillate oils and animal and vegetable oil fuel oils to 0.0015% by weight; the sulfur content of No. 4 residual oil to 0.25% by weight; and the sulfur content of No. 5 and No. 6 residual oils and heavier residual oils to 0.5% sulfur by weight. Vermont is working in coordination with other states in the region to adopt these sulfur limits. The proposed rule allows existing stocks in Vermont to be used and sold after the effective dates of the applicable limits. Corresponding revisions to Vermont's State Implementation Plan (SIP) will be submitted to the U.S. Environmental Protection Agency.

7. EXPLANATION OF WHY THE RULE IS NECESSARY:

This rule is necessary to comply with section 169A of the federal Clean Air Act (CAA) and the U.S. EPA's regional haze rule. The goal of these federal laws is to improve visibility in the national parks and wilderness areas designated as Class I areas by the CAA, including Lye Brook in Vermont. EPA's regional haze rule sets forth the requirements for state implementation plans to meet this objective, including: (1) for states with Class I areas, the setting of reasonable progress goals for each Class I area providing for an improvement in visibility for the most impaired days and ensuring no degradation in visibility for the least impaired days; and (2) the development of long term strategies for improving visibility, including enforceable emissions limitations, to achieve the reasonable progress goals. The sulfur limits in the proposed rule, which are part of a regional strategy, will allow Vermont to obtain its share of emission reductions needed to meet the reasonable progress goals.

8. LIST OF PEOPLE, ENTERPRISES AND GOVERNMENT ENTITIES AFFECTED BY THIS RULE:

The fuel oil industry, including distributors, wholesalers and refiners, heating oil consumers, gas turbine driven peaking units that use the affected fuels, electric consumers, Vermonters with respiratory ailments, and the Air Pollution Control Division of the Department of Environmental Conservation will be potentially affected by the adoption of this rule.

9. BRIEF SUMMARY OF ECONOMIC IMPACT(150 WORDS OR LESS):

The removal of sulfur from fuel oil is a refinery process step that will add cost that is expected to be passed on to consumers. While the estimated cost of low sulfur fuel varies, studies generally conclude that shifting to low sulfur heating oil should yield net savings for heating oil consumers due to decreased heating system maintenance costs and a small increase in efficiency. The economic impact to gas turbines and electric consumers should be minimal because the affected turbines only operate a few hours a year to provide extra electricity needed during emergencies and peak usage periods. In addition, the rule will help reduce regional haze, which could have a positive economic impact on Vermont's tourism industry. The rule will also provide substantial public health benefits by reducing SO₂, NO_x, and PM emissions and is estimated to result in almost \$30 million in health benefits in Vermont.

10. A HEARING IS SCHEDULED .**11. HEARING INFORMATION**

(THE FIRST HEARING SHALL BE NO SOONER THAN 30 DAYS FOLLOWING THE POSTING OF NOTICES ONLINE).

IF THIS FORM IS INSUFFICIENT TO LIST THE INFORMATION FOR EACH HEARING PLEASE ATTACH A SEPARATE SHEET TO COMPLETE THE HEARING INFORMATION NEEDED FOR THE NOTICE OF RULEMAKING.

Date: 6/21/2011

Time: 06:00 PM

Location: Auditorium in the Pavilion Office Building,
109 State Street, Montpelier, Vermont

Date:

Time: PM

Location:

Date:

Time: PM

Location:

Date:

Time: PM

Location:

12. **DEADLINE FOR COMMENT** (NO EARLIER THAN 7 DAYS FOLLOWING LAST HEARING):

6/28/2011

13. **KEYWORDS** (PLEASE PROVIDE AT LEAST 3 KEYWORDS OR PHRASES TO AID IN THE SEARCHABILITY OF THE RULE NOTICE ONLINE).

sulfur

fuel

distillate oil

residual oil

Run Spell Check