



# **Partners for Clean Air**

## **Annual Luncheon and Awards Ceremony**

**April 22<sup>nd</sup>, 2022**

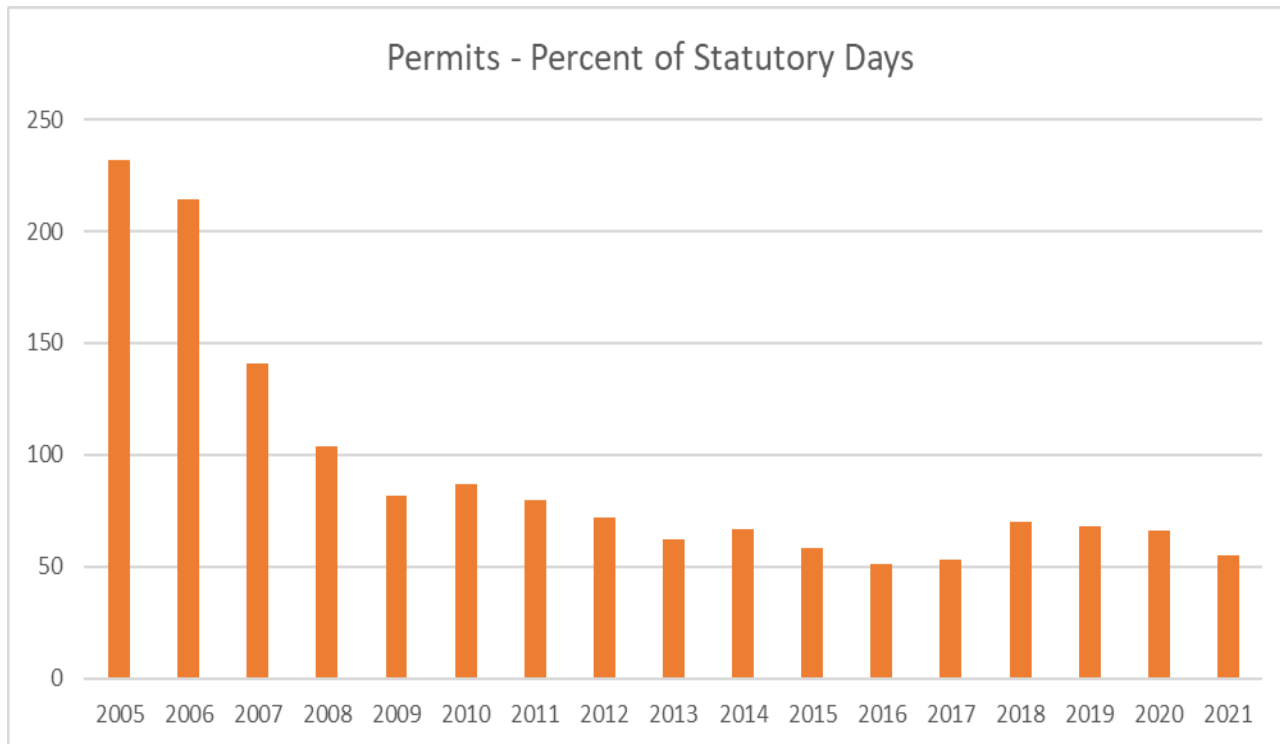
Matthew Stuckey  
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Environmental Management



- The Core Work – Permits and Compliance
- VW Mitigation Settlement
- Ozone Attainment Designations
- Interstate Transport Rule - Ozone
- Regional Haze Rule
- CPP and ACE Rule
- Emission Reductions in Indiana
- Fee Updates
- Environmental Justice
- COVID Updates
- Electronic Reports



## Permits – Percent of Statutory Days



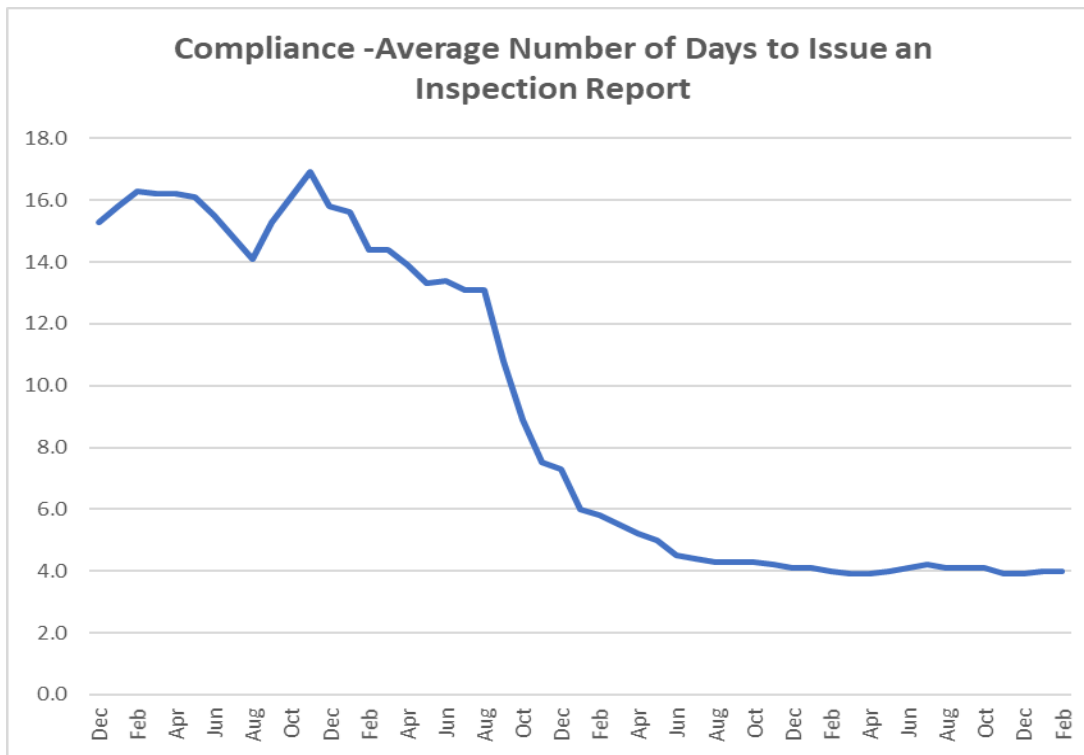


## **IDEM Inspects Facilities Regularly**

- Full compliance evaluations of Part 70 sources once every two (2) years;
- Full compliance evaluations of all Federally Enforceable State Operating Permits once every five (5) years;
- Inspect all Treatment, Storage and Disposal Facilities every two (2) years;
- Compliance inspections at all Confined Animal Feeding Operations every five (5) years;
- Inspect each underground storage tank once every three (3) years;
- Inspect each major and minor NPDES Permitted facility every two (2) years; and
- Inspect each general permitted facility every four (4) years.



# Inspection Report Time Frames





## 2022 OAQ Compliance and Enforcement Activities

- IDEM continues to focus on largest sources of emissions (Title V and FESOP sources) in FY 2022
- IDEM continues to evaluate minor sources and make sure sources have the appropriate level of permit (SSOAs, MSOPs, Registrations, and Permit By Rule)
- IDEM continues to investigate complaints (fugitive dust, odor, asbestos, open burning, etc.)
- Announced inspections were discontinued once the COVID-19 Public Health Emergency order expired
- EPA Region 5 to focus on:
  - reducing VOC & HAP emissions with a focus on EJ areas,
  - Aftermarket defeat devices for gasoline and diesel vehicles
  - Reducing accidental releases, 112r, and Risk Management Plans



# Indiana Volkswagen Mitigation Trust Program

The Beneficiary Mitigation Plan organized the eligible project types into 5 groups. The groups and their allocations are:

1. Onroad Equipment and Vehicles (Class 4-8 trucks, Class 4-8 school, shuttle, and transit buses)
  - A. 52% or \$21.32 million
    - i. 40% or \$8.53 million to school buses
      - a. 30% or \$2.56 million to electric school buses
2. Nonroad equipment and Vehicles (Airport ground support equipment, forklifts and port cargo handling equipment, ferries and tugboats, and freight-switcher locomotives)
  - A. 20% or \$8.2 million
3. DERA Option Project Types (Idle reduction technologies, diesel engine repowers and replacements using fuel options not permitted under VW CD, diesel engine upgrades, and exhaust after-treatments)
  - A. 10% or \$4.1 million
4. Light-Duty Electric Infrastructure (Level 2 and Direct-Current Fast Charging stations)
  - A. 15% or \$6.15 million (10% of total to L2 - 90% of total to DC Fast)
5. Administrative Costs to IDEM and VW Committee
  - A. 3% or \$1.23 million



## Current Financial Estimates of IN VW Mitigation Trust Fund

Project Categories	Allocation from Indiana BMP	Obligated to Date	Remaining Balance	VW Percentage Remaining
Onroad Equipment and Vehicles (EMA 1, 2, 6)	\$21,320,000.00	\$21,550,522.00	(\$230,522.00)	(1.08%)
Nonroad Equipment and Vehicles (EMA 3, 4, 5, 7, 8)	\$8,200,000.00	\$4,949,064.00	\$3,250,936.00	39.65%%
DERA Option (EMA 10)	\$4,100,000.00	\$4,139,383.67	(\$39,383.67)	(0.95%)
EV Infrastructure (EMA 9)	\$6,150,000.00	\$6,046,000.00	\$104,000.00	1.69%
Program Administration	\$1,165,880.59	\$800,000.00	\$365,880.59	31.38%
<b>Totals</b>	<b>\$40,935,880.59</b>	<b>\$37,484,969.67</b>	<b>\$3,450,910.92</b>	<b>8.43%</b>

Note: IDEM has flexibility within the project categories for reallocation as needed





## Northwest Indiana VW Diesel Projects to Date (Top 15 Project Totals - Rounds 1 through 3)

Award Recipient	Project City	Project Fuel Type	Number of Vehicles Funded	Project Award	Project Total
GE Marshall	Valparaiso	Clean Diesel	4	\$338,468.00	\$4,692,340.00
Metro Ports	Burns Harbor	Clean Diesel and Electric	3	\$642,452.00	\$2,569,808.00
Homewood Disposal	Gary	CNG	6	\$600,375.00	\$2,401,500.00
City of Portage	Portage	CNG	7	\$549,689.00	\$2,198,756.00
Gary Public Transit Corp	Gary	Electric	2	\$800,000.00	\$1,935,000.00
Scrap Metal Services	Burns Harbor	Electric	2	\$1,375,851.00	\$1,834,468.00
Kindra Lake Towing	East Chicago	Clean Diesel	1	\$435,020.00	\$1,740,080.00
Jack Gray Transport	Gary	Clean Diesel	11	\$725,881.00	\$1,711,637.00
ADS Logistics	Chesterton	Clean Diesel	9	\$800,000.00	\$1,557,711.00
City of Hobart	Hobart	CNG	6	\$360,884.00	\$1,443,536.00
School City of Hammond Schools	Hammond	Propane	10	\$325,877.00	\$1,303,508.00
Lake Central Community Schools	St. John	Propane	10	\$298,004.00	\$1,192,016.00
Indiana Harbor Belt	Hammond	Diesel APU	33	\$493,776.00	\$1,097,280.00
ArcelorMittal Burns Harbor	Burns Harbor	Electric	1	\$472,500.00	\$1,050,000.00
School City of Hammond	Hammond	Propane	7	\$230,349.00	\$921,396.00
<b>TOTALS</b>			<b>112</b>	<b>\$8,449,126.00</b>	<b>\$26,727,640</b>



# North Central Indiana DC Fast EV Charging Stations Funded Through Indiana VW Program

Station Location	Type of Station	Number of Stations Funded	Project Award	Project Total
City of Crown Point	Level 2	2	\$18,000.00	\$38,016.00
City of Lake Station	Level 2	1	\$9,000.00	\$20,208.00
City of Michigan City	Level 2	2	\$18,000.00	\$20,208.00
Town of Burns Harbor	Level 2	1	\$9,000.00	\$20,208.00
City of Whiting	Level 2	1	\$9,000.00	\$20,208.00
Digital Crossroads	Level 2	1	\$8,000.00	\$19,008.00
Town of Highland	Level 2	2	\$18,000.00	\$37,910.00
Town of Munster	Level 2	1	\$9,000.00	\$17,808.00
City of Gary	Level 2	1	\$9,000.00	\$17,888.00
Town of Merrillville	Level 2	1	\$9,000.00	\$17,808.00
Ports of Indiana	Level 2	1	\$9,000.00	\$20,208.00
Chesterton	DC Fast	1	\$90,734.00	\$250,000.00
Michigan City	DC Fast	1	\$90,734.00	\$250,000.00
Merrillville	DC Fast	1	\$90,734.00	\$250,000.00
Portage	DC Fast	2	\$181,468.00	\$500,000.00
Hammond	DC Fast	1	\$90,734.00	\$250,000.00
Lowell	DC Fast	1	\$90,734.00	\$250,000.00
Gary	DC Fast	1	\$90,734.00	\$250,000.00
<b>TOTALS</b>		<b>22</b>	<b>\$851,872.00</b>	<b>\$2,249,478.00</b>



## Lake and Porter Counties-2008 8-Hour Ozone Standard

- Lake and Porter Counties were designated nonattainment in 2012 and classified as “marginal” with an attainment deadline of 2015.
  - Monitors within Lake and Porter counties have complied with the standard since 2009, but the counties were designated nonattainment based on monitoring data from SE Wisconsin and NE Illinois.
- The area failed to attain by 2015 and the area was bumped-up to “moderate” in 2016, with a new attainment deadline of 2018.
- The area failed to attain in 2018 and was bumped-up to a “serious” classification in 2019.
- All monitors within the area met the standard at the close of the 2019 ozone season.
- Indiana petitioned the U.S. EPA for redesignation to attainment in February 2020.
- U.S. EPA proposed redesignation to attainment in May 2020.



## Lake and Porter Counties-2008 8-Hour Ozone Standard (Continued)

- The Northbrook monitor in Illinois' portion of the area recorded a potential re-violation in June 2020.
  - The 2018-2020 design value for the Northbrook monitor includes multiple days impacted by wildfires that Illinois believed should be classified as “exceptional events”, and therefore removed from the data set.
- EPA did not concur with the designation of these high values as exceptional events, and so the design value for the Northbrook monitor was above the standard and the area remained as nonattainment for the 2008 ozone standard.
- As of October 2021, all monitors in the Chicago area met the 2008 standard. The 2021 data for Illinois, Wisconsin, and Indiana, have been certified and a redesignation request was submitted by each of the respective states.
- The redesignation for Indiana will likely be effective May 2022.



## 2015 Ozone Standard

- In 2015 EPA lowered the primary and secondary ozone standards to 70 ppb
- Indiana had 2 areas designated as Marginal nonattainment: 5 townships in Lake County, Northwest Indiana (Chicago area), and 2 counties in Southeast Indiana (Louisville area), Clark and Floyd
- In response to federal litigation, the attainment designation for Porter County was remanded back to EPA for reconsideration. In response to this remand, the EPA reclassified the northern 8 townships as Marginal nonattainment.
- The areas in Lake and Porter counties did not meet the standard by the end of 2021, so EPA has proposed a “bumped-up” to Moderate nonattainment



## Interstate Transport-Ozone

- U.S. EPA established the Cross-State Air Pollution Rule (CSAPR) in 2011 to replace the remanded Clean Air Interstate Rule (CAIR).
- CSAPR and its predecessor CAIR were established to address interstate transport under the 1997 ozone and fine particle standards.
- U.S. EPA tightened emission caps under CSAPR in 2016 in order to aid states in addressing their obligations associated with ozone transport under the 2008 8-hour ozone standard.
- Indiana submitted its State Implementation Plan addressing Interstate Transport under the 2008 ozone standard in November 2018.
  - Indiana relied entirely on the CSAPR update rule to address its obligations.
- The CSAPR Update Rule was remanded by the D.C. Circuit Court in September 2019 because the rule failed to sync emission reductions with attainment deadlines under the 2008 ozone standard.
- U.S. EPA published the replacement rule in March 2021.
- EPA proposed to disapprove Indiana's 2018 SIP in February 2022



## Interstate Transport-Ozone (contd.)

- EPA proposed to disapprove Indiana’s 2018 SIP on February 22, 2022.
- EPA published a proposed Federal Implementation Plan (FIP) known as the “good neighbor” or “interstate transport” rule on April 6, 2022
  - FIP proposes NOX emissions budgets for fossil fuel-fired electric generating units (EGUs) in 25 states including Indiana beginning in the 2023 ozone season.
  - FIP proposes NOX emissions standards for certain emissions units in large industries in 23 states including Indiana with an initial compliance date of 2026. Selected industries include:
    - Reciprocating internal combustion engines in Pipeline Transportation of Natural Gas;
    - Kilns in Cement and Cement Product Manufacturing;
    - Boilers and furnaces in Iron and Steel Mills and Ferroalloy Manufacturing;
    - Furnaces in Glass and Glass Product Manufacturing; and
    - High-emitting, large boilers in Basic Chemical Manufacturing, Petroleum and Coal Products Manufacturing, and Pulp, Paper, and Paperboard Mills.



## Interstate Transport-Ozone (contd.)

- The comment period on the disapproval of Indiana's SIP ends April 25, 2022 and the comment period ends on the proposed Federal Implementation Plan (FIP) ends June 6, 2022.
- IDEM is currently reviewing the proposed rule and the impacts on Indiana's air quality and Indiana's sources.
- In addition to the fossil fuel-fired EGUs, EPA identified 11 Indiana sources that will be subject to the rule under the large industry non-EGUs requirements
  - Cement - 2
  - Glass – 3
  - Pipeline – 2
  - Steel – 3
  - Petroleum/chemical processing - 1
- IDEM will be working with affected fossil fuel-fired EGUs and large industry non-EGUs in Indiana to evaluate and implement the new rule.





## IDEM's Regional Haze Development Timeline

- Selection of source for analysis of emission control measures – **May 15, 2020**
- Characterization of factors for emission control measures (4-Factor analysis) – **August 31, 2020**
- Decisions on necessary control measures for reasonable progress – **September 30, 2020**
  - Review of U.S. EPA and LADCO modeling results to determine reasonable progress, impacts from states and source sectors, and visibility benefits
  - Review existing federal and state emission control measures already in place for point and mobile sources
- Compilation of draft SIP technical elements – **January 31, 2021**
- State completion and comprehensive draft SIP – **April 30, 2021**
- Federal Land Manager consultation process – **May - July, 2021**
- Public Comment period begins - **September 30, 2021**
- Public hearing to be held – **October 28, 2021**
- Public Comment period ends – **November 15, 2021**
- Complete response to comments and revisions to draft SIP – **December 10, 2021**
- State submission of final SIP to U.S. EPA – **December 22, 2021**



## ACE and CPP Rule Updates

- On February 12, 2021, Acting Assistant Administrator Joseph Goffman issued a memo addressing the status of the ACE and CPP rules. The memo stated in relevant part...
- *“The court’s decision vacated the ACE rule, including its requirements that states submit State Plans by July 8, 2022. Because the court vacated ACE and did not expressly reinstate the CPP, EPA understands the decision as leaving neither of those rules, and thus no CAA section 111(d) regulation, in place with respect to greenhouse gas (GHG) emissions from electric generating units (EGUs).”*
- *“Therefore, EPA does not expect states to take any further action to develop and submit plans under CAA section 111(d) with respect to GHG emissions from EGUs at this time.”*
- Based on this memo, IDEM has withdrawn its proposed rule for ACE, and is taking no further action at this time with regard to ACE or the CPP.



## Emission Reductions Since 1986

- Fine Particulate Matter (PM2.5)
  - **-72%**
- Carbon Monoxide
  - **-76%**
- Nitrogen Oxides
  - **-76%**
- Volatile Organic Compounds
  - **-68%**
- Sulfur Dioxide
  - **-96%**



## Emission Reductions

- Indiana has seen significant reductions in source emissions over the last 35 years
- The largest emissions from sources in Indiana come from power plants and steel mills
- Several power plants have either closed or converted to natural gas
- Steel mills have consolidated and curtailed production
- New federal programs and control requirements have resulted in reductions in these and other industry sectors
- Public interest in improving the environment has driven sources to “go green” pushing companies to find reductions and transition to minor permits



## Budget Update

- Good news/bad news situation - Statewide emission reductions means less revenue to run our program, but not a reduction in our workload
- Title V establishes a fee structure that uses emissions to calculate annual fees
- With significant reductions in emissions, and more sources becoming synthetic minor, Indiana has seen a steady decline in revenue
- Indiana has increased its per ton fee twice in the last 15 years (25% in 2006 and 27% in 2019)
- U.S. EPA funding has been static for more than a decade.
- Critical funding shortfall in the coming years without a change to Indiana's fee structure or an increase in EPA funding allocations



## Update – Change of Venue for Fees

- The Legislature approved the proposal to change the venue for Water and Land fees to the Environmental Rules Board.
- No IDEM fees were increased in this bill.
- Logic for changing the venue:
  - Members of the Environmental Rules Board have IDEM expertise and often represent interests on the board.
  - Stakeholders who pay fees have a vote on the board.
- Statutory Obligations:
  - IDEM must conduct an independent cost of service study to demonstrate need.
  - IDEM cannot request a rulemaking more than once every five years.
  - IDEM cannot propose above 10% increase.



## Environmental Justice

- Environmental Justice (“EJ”) is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.
- EPA’s FY 2022-2026 Strategic Plan includes:
  - Take Decisive Action to Advance Environmental Justice and Civil Rights
    - Promote Environmental Justice and Civil Rights at the Federal, Tribal, State, and Local Levels
    - Embed Environmental Justice and Civil Rights into EPA’s Programs, Policies, and Activities
    - Strengthen Civil Rights Enforcement in Communities with Environmental Justice Concerns



## Environmental Justice

- Indiana has no regulations that address Environmental Justice (“EJ”) directly.
- Currently the focus for EJ in Indiana is communication and outreach for agency actions in communities considered to be EJ areas
- Recent comment letters on permitting actions from EPA related to EJ concerns have created uncertainty for state agencies
- EPA continues to conduct inspections with a focus on EJ areas
- Currently tracking EPA involvement in other state actions
- Participated in several discussions with EPA representatives in which Indiana has requested clarification on how EPA expects states to address EJ concerns, and under what authority





## COVID-19 Impacts and Response

- In March of 2020 the Governor ordered all nonessential state employees to work remotely
- IDEM quickly shifted staff to remote work-stations, with only a few administrative staff and managers reporting to the office routinely
- Field staff shifted to full-time home offices, while office staff rotated into the office on a limited frequency
- Computer access was a major challenge – less than half of our staff had laptops so some staff used their desktop computers or their personal computers remotely linked to their office desktops
- There were no cases of COVID directly tied to staff field-work
- As of July 6<sup>th</sup>, 2021 all staff returned to full time in-office work



## COVID-19 Impacts and Response (Inspectors and Stack Test Observers)

- IDEM had to make a number adjustments to our processes to properly protect staff
- Routine inspections were suspended initially to evaluate and establish proper safety protocols for field work, but now back on track
- Inspectors, stack test observers, ambient monitoring staff were given appropriate PPE to assist in preventing exposure to COVID
- Staff were encouraged to assess the risk of visiting a site and determine if they should complete an onsite visit or postpone it due to safety concerns



## COVID-19 Impacts and Response (Air Monitoring Program)

- EPA provided no guidance on how they would consider data losses due to monitor issues so IDEM made adjustments to ensure our network was maintained
- Lab staff were scheduled on a rotating basis to limit exposure in the office
- IDEM was able to keep our network running and had minimal data loss throughout 2020 and 2021
- Indiana's 2022 Ambient Monitoring Network Plan was approved July 2021 - 72 monitoring sites cross Indiana's statewide ambient (outdoor) air monitoring network  
[https://www.in.gov/idem/airmonitoring/files/monitoring\\_network\\_review\\_2022.zip](https://www.in.gov/idem/airmonitoring/files/monitoring_network_review_2022.zip)



## COVID-19 Impacts and Response (Air Permits)

- IDEM had to make a number adjustments to ensure permit applications were processed efficiently
- IDEM was already in the process of shifting all document management to an electronic format
- This transition was expedited, reducing the need to have administrative staff report to the office
- Permit workloads have remained consistent with previous years
- Permit issuance times actually improved slightly with staff working remotely



## Electronic Reports and Applications

OAQ to continue with acceptance of electronic reports and applications

- Compliance Reports: [AirCompl@idem.IN.gov](mailto:AirCompl@idem.IN.gov)
- Annual Compliance Certifications: [AnnualComplCert@idem.IN.gov](mailto:AnnualComplCert@idem.IN.gov)
  - Nonrule Policy AIR-007-NPD revised and eliminates the need for paper copies of the Title V and FESOP Annual Compliance Certifications
- Asbestos Notifications: [AsbestosDemoReno@idem.in.gov](mailto:AsbestosDemoReno@idem.in.gov)
- Stack Test Protocols: [Test\\_Protocol@idem.IN.gov](mailto:Test_Protocol@idem.IN.gov)
- Permits: [AirPermitApps@idem.IN.gov](mailto:AirPermitApps@idem.IN.gov)
  - Paper copies or “wet signatures” of permit applications are still required to be submitted to OAQ and will be matched to the electronic copy
- Open Burning Approval Applications: [burnapprovals@idem.IN.gov](mailto:burnapprovals@idem.IN.gov)



## Staffing Issues and Initiatives

- State agencies have faced unprecedented challenges and our workplace has changed over the past few years.
- IDEM continues to struggle to find qualified candidates to work for OAQ and other offices, especially in the Air Permits Branch
- State of Indiana has instituted the NextLevel State Work to attract and retain qualified applicants
- Governor moving Indiana toward a more competitive compensation plan, flexible work arrangements that promote work-life balance, and programs that improve the overall work experience

<https://www.in.gov/spd/policies-and-procedures/nextlevelstatework/>



## **Contact Information**

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