Permitting Processes that Prevent Progress

NEW SOURCE REVIEW (NSR)

Current permitting processes prevent much-needed maintenance and improvement at existing power plants and industrial facilities, slowing or stopping projects designed to restore or improve unit efficiency lost over time through normal wear and tear.

"The uncertainty stemming from NSR creates an unnecessary burden that discourages rather than encourages installation of CO2 emission control equipment and investments in efficiency because of the additional expenditures and delays associated with the permitting process."

- U.S. Department of Energy, August 2017

What is it?

NSR was adopted in 1977, in an amendment to the Clean Air Act, to regulate air pollution from "new sources" by requiring newly constructed facilities and existing facilities undergoing "major modifications" to go through extensive permitting requirements and to install the latest pollution control equipment.

What's wrong with that?

In the years since its adoption, extreme interpretations of the law have subjected older plants to the stringent NSR rules, even when planned modifications were not significant and where they would improve safety, increase energy efficiency or reduce emissions of regulated air pollutants.

That means, for example, a project designed to improve the efficiency of a coal-fired electric generating unit by enabling it to produce more megawatts of electricity with the same or less fuel - and at a lower emission rate - could trigger NSR simply because the improved unit may be used more over the course of a year.

What should change?

The U.S. Department of Energy recognizes the need for change. In its 2017 “Staff Report to the Secretary on Electricity Market and Reliability,” it recommends that “EPA allow coal-fired power plants to improve efficiency and reliability without triggering new regulatory approvals and associated costs.”

Both energy efficiency and environmental improvements can be achieved by a more rational permitting process that recognizes the need for both.

Power plants and industrial facilities should be encouraged to make modifications and update the technologies used to improve plant performance if the modifications do not result in an increase in the emissions per unit of electricity produced.