



U.S. Chamber Analysis: PSD for Greenhouse Gases

FACT SHEET

BACKGROUND

The U.S. Chamber of Commerce has estimated the number of buildings in the United States that will be exposed to Prevention of Significant Deterioration (PSD) permitting authority should CO₂ and other greenhouse gases become regulated pollutants under the Clean Air Act. Under the Act, should CO₂ be deemed “regulated” in any way, no new or existing “major” stationary source of CO₂ can be built or modified (if the modification increases net emissions) without first obtaining a PSD permit.

According to the Environmental Protection Agency (EPA), the purpose of PSD is to ensure that any decision to permit an increase in air pollution is made after careful consideration of all the consequences of such an activity, as well as procedural opportunities for informed public participation. As a result, PSD permitting is a costly and time-consuming process, often carried out by state agencies under guidelines issued by EPA. As part of the PSD process, regulated sources are often forced to install Best Available Control Technologies (BACT) to their operations in order to limit emissions. For traditional pollutants—e.g., particulate matter, nitrogen oxides, sulfur dioxide—the Act’s PSD thresholds are high enough that PSD normally only applies to large emitters. However, CO₂ is lawfully emitted in large quantities by such a diverse number of activities that hundreds of thousands of new, previously-unregulated buildings would cross the PSD threshold and would be exposed to PSD permitting for new construction and modifications. On average, this emissions threshold is reached when a business uses about \$70,000 of oil or natural gas per year in “stationary” equipment (i.e., not cars, trucks and similar).

FINDINGS

1. Over **one million mid-sized to large commercial-sector sources** emit enough CO₂ per year to become exposed to PSD permitting requirements. These include:
 - 260,000 office buildings;
 - 150,000 warehouse and storage;
 - 140,000 mercantile;
 - 100,000 schools and other educational facilities;
 - 92,000 health care facilities;
 - 71,000 hotels, motels and other lodging facilities;
 - 58,000 food service industry buildings;
 - 37,000 houses of religious worship;
 - 26,000 public assembly facilities; and
 - 23,000 restaurants and food sales facilities.



FINDINGS *continued*

2. Almost **200,000 industrial-manufacturing sector sources** emit enough CO₂ per year to become exposed to PSD permitting requirements. These are the vast majority of buildings in this sector, and include:
 - **All** of the manufacturers in the following areas (35,000 total): lime, pulp mills, iron and steel mills, petroleum and coal products, chemicals, primary metals, primary aluminum, food manufacturing, textile mills, and beverage and tobacco products.
 - **Over 75 percent** of the manufacturers in the following areas (114,000 total): fabricated metal products; machinery; nonmetallic mineral products; printing and related support; plastics and rubber products; chemicals; wood products; transportation equipment; computer and electronic products; textile product mills; paper; furniture and related products; apparel; electrical equipment and appliances; semiconductors and related devices; leather and allied products; petroleum refineries; and cement.

3. Over **17,000 large agricultural-sector sources** emit enough CO₂ per year to become exposed to PSD permitting requirements. These include:
 - 3,400 oil seed and grain facilities;
 - 2,500 beef cattle ranches, cattle feedlots and milk production facilities;
 - 1,100 poultry and egg farms;
 - 1,500 vegetable and melon farms;
 - 1,400 greenhouses and nurseries;
 - 880 fruit and tree nut farms;
 - 560 hog and pig farms; and
 - 2,600 other crop farming facilities.

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