JUL 26 2010

Ms. Susan Hedman
Regional Administrator
U.S. EPA, Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Dear Ms. Hedman,

On June 3, 2010, U.S. EPA promulgated the "Tailoring Rule" to cover the permitting of greenhouse gases from stationary sources. The tailoring rule requires changes to states' Prevention of Significant Deterioration Regulations and Title V rules. The new rules call for the permitting of greenhouse gases starting on January 2, 2011, which leaves little time for states to modify their respective rules. As part of the preamble of the June 3, 2010 rule package, U.S. EPA has requested that states provide U.S. EPA with a letter that indicates the approach the state will take to implement the provisions of the tailoring rule.

Ohio EPA has reviewed the tailoring rule and U.S. EPA's language that suggests that "subject to regulation" would be sufficient to begin to regulate greenhouse gas emissions. In fact, we believe accepting U.S. EPA's "subject to regulation" theory would have the effect of requiring any increase in greenhouse gas emissions from a major source to require a PSD permit beginning on January 2, 2011. This would have the exact opposite effect to the stated purpose of the tailoring rule.

Ohio EPA believes that in order for our agency to begin to permit greenhouse gas emissions consistent with U.S. EPA's tailoring rules, we must modify the state operating permit program rules under Title V and preconstruction requirements under the Permit-to-Install rules. We have started the rulemaking process. The following is a schedule for the completion of the rules:

- Director/Legal review of Interested Party (IP) Package: Into Review by July 1, 2010
- Issue IP Package: July 12, 2010
- 30 Day IP Period: July 15 to August 15, 2010
- 30 Days to Respond to IP Comments/Prepare Proposal Package: August 15 through September 15
Director/Legal review: September 15 through September 30
Rule Filed with JCARR: September 30, 2010
Public Hearing Date: Between October 31 and November 9, 2010
JCARR Hearing: Monday November 15, 2010
Rule Final Filed: Week of December 6, 2010
Rule effective: Week of December 13, 2010

This schedule is premised on our agency not receiving any significant negative comments from any interested stakeholders on the proposal to adopt these changes to the rules.

Please let me know if you have questions on the contents of the letter.

Sincerely,

Chris Korleski
Director