

## **EPA Announces Final “Good Neighbor” Plan to Cut Harmful Smog, Protecting Health of Millions from Power Plant, Industrial Air Pollution**

**Plan reflects President Biden’s commitment to reducing air pollution, delivering environmental and public health benefits for all**

**WASHINGTON (March 15, 2023)** – Today, the U.S. Environmental Protection Agency (EPA) announced the final Good Neighbor Plan, a rule that will significantly cut smog-forming nitrogen oxide pollution from power plants and other industrial facilities in 23 states. The final rule will improve air quality for millions of people living in downwind communities, saving thousands of lives, keeping people out of the hospital, preventing asthma attacks, and reducing sick days.

The Clean Air Act directs EPA to issue a federal plan to address pollution that significantly contributes to unhealthy levels of ground-level ozone, or smog, formed from nitrogen oxide emissions traveling beyond certain states’ boundaries. Exposure to ground-level ozone can cause respiratory issues, aggravate asthma and other lung diseases, and lead to missed days of work or school, emergency room visits, and premature deaths. These costly public health impacts can be especially harmful to children and older adults, disproportionately affecting people of color, families with low-incomes, and other vulnerable populations.

In addressing the significant contribution of upwind states to downwind smog, the program is anticipated to deliver important emissions reductions for environmental justice communities.

“Every community deserves fresh air to breathe. EPA’s ‘Good Neighbor’ plan will lock in significant pollution reductions to ensure cleaner air and deliver public health protections for those who’ve suffered far too long from air-quality related impacts and illness,” **said EPA Administrator Michael S. Regan.** “We know air pollution doesn’t stop at the state line. Today’s action will help our state partners meet stronger air quality health standards beyond borders, saving lives and improving public health in impacted communities across the United States.”

This action will reduce ozone season NO<sub>x</sub> pollution by approximately 70,000 tons from power plants and industrial facilities in 2026. By 2027, the emissions budget for power plants will reflect a 50% reduction from 2021 ozone season NO<sub>x</sub> emissions levels.

In 2026 alone, EPA projects that the final rule will result in significant public health benefits:

- preventing approximately 1,300 premature deaths,
- avoiding more than 2,300 hospital and emergency room visits,
- cutting asthma symptoms by 1.3 million cases,
- avoiding 430,000 school absence days,
- avoiding 25,000 lost work days.

Reducing smog also has economic benefits. Estimated annual net benefits, after taking costs into account, would be \$13 billion each year over the period from 2023 to 2042. Reducing smog also will improve visibility in national and state parks and increase protection for sensitive ecosystems, coastal waters, estuaries, and forests.

Relying on a longstanding regulatory framework and commonly used, affordable pollution controls, this action fully resolves Clean Air Act “Good Neighbor” obligations for the 2015 Ozone National Ambient Air Quality Standards (NAAQS) for the included states, enhancing public health and environmental protections regionally and for local communities. EPA’s approach provides a long-term planning horizon for states, grid operators, and power companies to make informed decisions and continue to ensure electric system reliability.

The Good Neighbor Plan announced today will ensure that 23 states meet the Clean Air Act’s “Good Neighbor” requirements. The rule will reduce pollution that significantly contributes to problems downwind states face in attaining and maintaining EPA’s health-based air quality standard for ground-level ozone, known as the 2015 Ozone National Ambient Air Quality Standards (NAAQS). EPA’s rule uses a proven, science-based approach to limit emissions of NO<sub>x</sub> during the summertime “ozone season”: a NO<sub>x</sub> allowance trading program for fossil fuel-fired power plants in 22 states and NO<sub>x</sub> emissions standards for certain sources within nine industry categories in 20 states.

Beginning in the 2023 ozone season, power plants in 22 states will participate in a revised and strengthened Cross-State Air Pollution Rule ozone season trading program. To achieve emissions reductions as soon as possible, EPA is basing the initial control stringency on the level of reductions achievable through immediately available measures, including consistently operating emissions controls already installed at power plants.

Further reductions will be phased in over several years starting in 2024 and reflect emissions levels that could be achieved through installation of new emissions controls.

The final Good Neighbor Plan builds on the demonstrated success of existing emissions trading programs by including additional features that promote consistent operation of emissions controls to enhance public health and environmental protection for affected downwind regions. These features include backstop daily emissions rates on large coal-fired units to promote more consistent operation and optimization of emissions controls, annual recalibration of the emissions allowance bank, and annual updates to the emissions budgets to account for changes in the generating fleet.

Beginning in the 2026 ozone season, EPA is setting enforceable NO<sub>x</sub> emissions control requirements for certain sources at existing and new industrial facilities that have significant impacts on downwind air quality and the ability to install cost-effective pollution controls.

These industry-specific requirements will apply in 20 states and reflect proven, cost-effective pollution reduction measures that are consistent with standards that sources throughout the country have long implemented. Collectively, these standards will reduce ozone season NO<sub>x</sub> emissions by approximately 45,000 tons from the following types of emission sources:

- reciprocating internal combustion engines in **Pipeline Transportation of Natural Gas**;
- kilns in **Cement and Cement Product Manufacturing**;
- reheat furnaces in **Iron and Steel Mills and Ferroalloy Manufacturing**;
- furnaces in **Glass and Glass Product Manufacturing**;
- boilers in **Iron and Steel Mills and Ferroalloy Manufacturing**, **Metal Ore Mining**, **Basic Chemical Manufacturing**, **Petroleum and Coal Products Manufacturing**, and **Pulp, Paper, and Paperboard Mills**; and combustors and incinerators in **Solid Waste Combustors or Incinerators**.

This final rule implements the Clean Air Act's "Good Neighbor" or "interstate transport" provision, which requires each state to submit a State Implementation Plan (SIP) that ensures sources within the state do not contribute significantly to nonattainment or interfere with maintenance of the NAAQS in other states. Each state must make this new SIP submission within 3 years after promulgation of a new or revised NAAQS.

Where EPA finds that a state has not submitted a Good Neighbor SIP, or if the EPA disapproves the SIP, the EPA must issue a Federal Implementation Plan (FIP) within 2 years to assure downwind states are protected.

[More information on EPA's final Good Neighbor Plan is available by clicking here.](#)

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