



Do you want to generate revenues by reducing air emissions?

Would you like to improve this process in the following areas?

- **Meet environmental compliance regulations.** Provide incentives to exceed environmental and regulatory air emissions reduction goals. Media area is air program.
- **Improve workers' safety and health.** No change to current operations.
- **Increase productivity.** No change to current operations.
- **Save money.** Generate revenues that can be used for environmental programs and other operating costs.



Air Pollution Emissions Reduction Incentive Pilot Program

Air emissions trading is an innovative approach to improve overall air quality by creating a genuine economic incentive for industrial facilities to reduce the amount of pollutants they emit. Sources of air emissions can generate saleable credits by taking action to reduce their emissions to below required levels. The quantity of emissions credits created (measured in tons) is the difference between the facility's allowed or actual emissions and its emissions after implementing voluntary pollution controls. Typical credit-creating actions can include: installing state of the art pollution control equipment; using cleaner fuels or less-polluting raw materials; taking measures to reduce electricity demand; or, reducing fugitive emissions. For credits to be sold, they must be real, surplus, quantifiable and permanent. Types of emissions trading programs include off-set trading, open market trading, and various allocation trading programs such as RECLAIM and sulfur dioxide trading. Recent legislation now allows federal facilities, including Navy installations, to retain revenues generated from the sale of credits to support environmental programs and to offset other operating costs. Revenues are currently subject to a DoD-wide cap of \$500,000.

How can you achieve these improvements?

Participate in the Air Pollution Emissions Reduction Incentive Pilot Program.

How does this program work?

The reduction of air emissions to below regulated levels can generate saleable credits.

How will this program save you money?

Facilities can sell their air emission credits by reducing emissions below regulated levels. The revenues can then be used for productive investments elsewhere.

How can this program eliminate or reduce pollution?

This program provides economic incentives for the reduction of emissions of air pollutants. Participation will result in the following pollution reductions:

- Reduce air pollutant emissions beyond required legal limits.
- Encourage the use of cleaner fuels or less-polluting raw materials.

Which activities can benefit most from this program?

This program is available to Navy facilities located in states that have established emissions trading programs.

How can this program reduce regulatory compliance concerns?

This program provides market-based incentives to exceed environmental and regulatory compliance goals. Participation will result in the following regulatory compliance benefits:

- May help reduce facility-wide air emissions below applicable major source threshold. (Facilities that are not major for any pollutant are not subject to Title V permit).
- May reduce or eliminate local VOC requirements in ozone nonattainment and maintenance areas.
- Emissions reduction credits can also be used to offset emission increases under New Source Review, Prevention of Significant Deterioration, and Base Realignment and Closure.

Achieving Environmental Compliance Through Pollution Prevention

Every day the Navy faces the challenge of operating and maintaining the fleet while complying with environmental regulations. This burden can be reduced by using pollution prevention technologies and methods to reduce compliance requirements. This fact sheet is one in a series designed to encourage activities to use pollution prevention technologies and methods. The overall goal of this series is to promote sustained environmental compliance at the lowest life-cycle cost.

For additional information, contact:

Combined Services Guidance: Pilot Program for Sales of Air Pollution Emission Reduction Incentives, signed 23 November 1998, and Memorandum for Deputy Assistant Secretary of the Navy (same subject), dated 2 December 1998.

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