



State of Utah

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Department of Environmental Quality

Alan Matheson
Executive Director

DIVISION OF AIR QUALITY
Bryce C. Bird
Director

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Kevin R. Cromar
Mitra Basiri Kashanchi
Cassady Kristensen
Randal S. Martin
Alan Matheson
Arnold W. Reitze Jr.
William C. Stringer
Bryce C. Bird,
Executive Secretary

UTAH AIR QUALITY BOARD MEETING

January 3, 2018 – 1:30 p.m.
195 North 1950 West, Room 1015
Salt Lake City, Utah 84116
FINAL MINUTES

I. Call-to-Order

Michael Smith called the meeting to order at 1:30 p.m.

Board members present: Michael Smith, Kevin Cromar, Mitra Kashanchi, Cassady Kristensen, Randal Martin, Alan Matheson, Arnold Reitze, William Stringer

Excused: Erin Mendenhall

Executive Secretary: Bryce Bird

II. Date of the Next Air Quality Board Meeting: February 7, 2018

III. Approval of the Minutes for December 6, 2017, Board Meeting.

- Arnold Reitze motioned to approve the minutes as amended with one spelling correction. Kevin Cromar seconded. The Board approved unanimously.

IV. Final Adoption: Change in Proposed R307-150. Emission Inventories; R307-401. Permit: New and Modified Sources; R307-504. Oil and Gas Industry: Tank Truck Loading; R307-506. Oil and Gas Industry: Storage Vessel; R307-507. Oil and Gas Industry: Dehydrators; R307-508. Oil and Gas Industry: VOC Control Devices; R307-509. Oil and Gas Industry: Leak Detection and Repair Requirements; and R307-510. Oil and Gas Industry: Natural Gas Engine Requirements; and New Rule R307-505. Oil and Gas Industry: Registration Requirements. Presented by Thomas Gunter.

Thomas Gunter, Rules Coordinator at DAQ, stated that these rules are for final adoption. R307-505 as proposed. R307- 150, which was amended to clarify that applicability for the emission inventory requirement is based on one ton of uncontrolled actual emissions of an individual criteria air pollutant. R307-401, which was amended to clarify that the exemption for oil and gas wells as defined by 40 CFR 60.5430a, is to include centralized tank batteries. R307-504, which was amended to clarify the definition of vapor capture line. R307-506, which was amended to clarify the definition of a well site, the definition of uncontrolled emissions, how emergency relief storage

vessels would be regulated under the rule, and to broaden the methods for determining emissions and type of emissions, uncontrolled versus controlled, providing more flexibility to the determination of emissions and clarifying applicability of rules. The emergency relief storage vessels changes were due to questions regarding their applicability to the proposed rule. This required the addition of requirements for such vessels as they are regulated differently from production and operational vessels. R307-507, which was amended to clarify the definition of well site, the definition of uncontrolled emissions and the addition of a monthly visual inspection of dehydrators. R307-508, which was amended to clarify the definition of a well site and requirements. R307-509, which was amended to clarify the definition of a well site, add missing definitions and to clarify that volatile organic compound (VOC) control devices that meet the requirements of federal new source performance standard (NSPS) OOOOa automatically meet the requirements of this rule. And R307-510, which was changed to reflect more specific engine requirements that will allow sources to better understand the intent of the proposed engine requirements.

A 45-day public comment period was held from October 1 to November 15, 2017. Public hearings were held on October 19, 2017, in Salt Lake City, and October 25, 2017, in Vernal, Utah. Multiple comments were received during the comment period and at the hearings. The comments were reviewed and changes to the proposed rules were made accordingly. Staff recommends that the Board adopt these rules as proposed and amended.

Staff addressed several questions and comments from the Board. In regards if these rules expand the openness of DAQ's activities, it was stated that public access will remain as it currently exists, with the addition of emissions reporting as part of the tri-annual emissions reports and a source registration. When asked if the rules for regulatory impact analysis were followed, staff responded that these rules did undergo the appropriate analysis based on what is required by the Office of Administrative Rules. They were originally made available for public comment in the October 1, 2017, Bulletin. The analysis was also published during the entire 45-day public comment period. DAQ tried to make the rules parallel with existing case-by-case new source review and so staff felt the economic impacts would be the same as existing rules. This rulemaking is not intended to address nonattainment. Its intent is to adopt a more streamlined process for implementing best available control technology (BACT) which is an existing state program.

To explain the differences in the recordkeeping period of these rules versus the recordkeeping for emissions inventory, staff responded that the intent was to mimic what is already required for approval orders. Specifically, staff reviewed some of the federal subparts and also industry standards elsewhere in determining what is required in these rules.

In the staff response to comments regarding tank truck loading, staff addressed several questions on applicability regarding small source registrations but did not explain how some of the small sources impact the demonstration. It was explained that staff used emissions from tanks as a starting point of when these rules would apply, which equated to 5 tons based upon analysis of emissions inventories. There were no sites with a net of 4 tons that would not have triggered the 5 ton site wide limit that would take them out of the small source exemption. The rule reflects that if a source is truly not a small source then these rules would apply to that source as if this rule was not passed.

With regard to 70% capture efficiency and the 95% removal efficiency, if a capture amount is not specified then how can a removal amount be specified? Staff explained that the AP-42 70% capture efficiency was derived from a 1970's study and is industry standard. Staff relied upon what has been done for minor source BACT determinations and used industry standard capture efficiencies.

In these rules staff tried to be clear that the 95% destructive efficiency is for the VOCs that hit the combustor.

In comparing these rules with EPA standards and with other states, staff responded that although they could be viewed as more stringent, they are equivalent to how sources are currently permitted with the 4 ton per year limit per tank battery, where EPA's OOOOa is 6 tons per year of VOCs per tank battery. These rules reflect current BACT. In comparison, Colorado is a little more stringent than Utah, and Wyoming is more reflective of EPA's OOOO rules.

Staff commented that it has been working on these rules with the oil and gas industry for over 2 ½ years. There have been stakeholder meetings with the industry, the advocates, the Ute Tribe, and EPA Region 8. The goal of EPA, the Tribe, and the state is to make all three agencies have the same requirements and this is the first step towards the goal. It will also be a great tool for individuals in compliance, permitting, and for planners.

During discussion of this agenda item two issues regarding rules brought before the Board were addressed. First, at what point does a rule need another public notice based on changes made to a rule from the original comment period. Second, how are changes made to a rule determined to be substantive or nonsubstantive. Staff explained that the Department of Administrative Rules has not set a threshold of what constitutes significant changes. Filing a notice of change in proposed rule, following the scope of the hearing, and a 30-day notice is all that is required. Historically, the Board has requested an additional 30-day public comment period for changes that were significant or had a huge impact on the regulated community. Based on staff response, the Board requests that in the future that when numerous changes have been made to a rule, that the Board receives a copy as early as possible to have some input on whether changes are substantial and if further public comment is warranted.

Public comment from Ryan Streams of Western Energy Alliance was introduced. Mr. Streams stated that from a technical standpoint tremendous progress has been made with this rule, but industry still has some concerns. For example there is concern about some of the economic analysis that has gone into these rules. In particular, where DAQ analysis states that there are going to be 30 companies impacted but according the Division of Oil, Gas, and Mining production database it lists over 630 companies that have produced minerals in the state. Another concern is whether some of the changes are substantive or nonsubstantive according to industry. There is a lot of benefit to industry and DEQ and that tabling this for another round of analysis may not be beneficial for everybody. There will be savings in terms of time and cost and the general efficiency of the process, but he does want to state that they do have some concerns.

Public comment from Ty Markham of Mormon Environmental Stewardship Alliance was introduced. Ms. Markham is pleased with the rules and is appreciative for the time and efforts to improve air quality.

- Kevin Cromar moved that the Board adopt the changes in proposed R307-150. Emission Inventories; R307-401. Permit: New and Modified Sources; R307-504. Oil and Gas Industry: Tank Truck Loading; R307-506. Oil and Gas Industry: Storage Vessel; R307-507. Oil and Gas Industry: Dehydrators; R307-508. Oil and Gas Industry: VOC Control Devices; R307-509. Oil and Gas Industry: Leak Detection and Repair Requirements; and R307-510. Oil and Gas Industry: Natural Gas Engine Requirements; and New Rule R307-505. Oil and Gas Industry: Registration Requirements. Arnold Reitze seconded. The motion carries with six in favor (M. Smith, K. Cromar, M. Kashanchi, C. Kristensen, R. Martin, A. Reitze) and one opposed (W. Stringer).

V. Propose for Public Comment: Amend R307-101-3. Version of Code of Federal Regulations Incorporated by Reference. Presented by Thomas Gunter.

Thomas Gunter, Rules Coordinator at DAQ, stated that R307-101-3 must be updated periodically to reflect the changes to the federal air quality regulations as published in Title 40 CFR that are relevant to the Utah Air Quality Rules. These changes incorporate by reference, changes made in the CFR dated July 1, 2017. Staff recommends that the Board propose the amended R307-101-3 for public comment.

- Arnold Reitze moved to propose for public comment the amended R307-101-3. William Stringer seconded. The Board approved unanimously.

VI. Propose for Public Comment: R307-210. Standards of Performance for New Stationary Sources. Presented by Thomas Gunter.

Thomas Gunter, Rules Coordinator at DAQ, stated that R307-210 must be updated periodically to reflect the changes to the federal air quality regulations as published in Title 40 CFR that are relevant to the Utah Air Quality Rules. These changes incorporate by reference, changes made in the CFR dated July 1, 2017. Staff recommends that the Board propose the amended R307-210 for public comment.

- Cassady Kristensen moved to propose R307-210 for public comment. Kevin Cromar seconded. The Board approved unanimously.

VII. Propose for Public Comment: Amend R307-214. National Emission Standards for Hazardous Air Pollutants. Presented by Thomas Gunter.

Thomas Gunter, Rules Coordinator at DAQ, stated that R307-214 must be updated periodically to reflect the changes to the federal air quality regulations as published in Title 40 CFR Sections 61 and 63 that are relevant to the Utah Air Quality Rules. These changes incorporate by reference all changes made in the CFR dated July 1, 2017. Staff recommends that the Board propose the amended R307-214 for public comment.

- Cassady Kristensen moved to propose the amended R307-214 for public comment. Randal Martin seconded. The Board approved unanimously.

VIII. Informational Items.

A. Ozone Designations Update. Presented by Jay Baker.

Jay Baker stated that on September 29, 2016, the Governor submitted Utah's designation recommendations to the EPA. On November 6, 2017, EPA agreed with the Governor's recommendations for the southern portion of the state by designating certain counties attainment/unclassifiable. Then, on December 20, 2017, the EPA issued their 120-day letter to the Governor proposing to modify the Uinta Basin recommendation. Utah recommended that townships with 10% or more of their area at or below 6,000 feet be designated nonattainment. EPA proposes to include townships with 10% or more of their area at or below 6,250 feet. Classifications are expected to occur before April 2018. All nonattainment areas in Utah are anticipated to be marginal. A 30-day public comment

period will begin when the designation notice is published in the Federal Register. Utah has until February 28, 2018, to respond to EPA's proposed area designations.

In response to questions, Mr. Baker explained that the original recommendation by the Governor was based on 2013-2015 air quality data, and some 2014-2016 air quality data. EPA has given each state and tribe the option to submit additional information for EPA's consideration, for example, Utah can submit more current 2017 air quality data, by February 28, 2018. DAQ is looking into that as an option. The two state monitors in Roosevelt and Vernal would still show values in the mid-70s if 2017 data was included. The tribal monitor at Ouray had a value at 101 and the Tribe will decide whether they want to certify 2017 data or not.

B. Air Toxics. Presented by Robert Ford.

C. Compliance. Presented by Jay Morris and Harold Burge.

D. Monitoring. Presented by Bo Call.

Bo Call, Monitoring Section Manager at DAQ, updated the Board on monitoring data. He noted that on December 20 the Herriman monitor hit 169 for PM₁₀ due to a wind event. In discussion, Mr. Call went through the process for the collection of filter data by explaining that the primary measurement method is the collection of filters and then sending them to be processed, which can take a couple of weeks. The secondary measurement method is the continuous method, which also feeds the mobile app and web page information. In response to a request for a year-end review of the 90th and 95th percentile values, Mr. Call recommends waiting until the monitoring data is certified, which typically is about May 1st each year. As soon as the data is certified, the information will be made available.

E. Other Items to be Brought Before the Board.

Bryce Bird introduced Dan Washington of the Bureau of Land Management and is also the Utah Smoke Management (USM) coordinator under Utah's regional haze program. The USM is an important program that has benefited air quality through coordination of activities and preventative measures between wildfire land managers. Mr. Washington is retiring and Paul Corrigan was introduced as his replacement.

The Governor received notice that EPA concurred with the Governor's recommendations for SO₂. All areas of the state will be classified as either attainment or unclassifiable for the SO₂ standard.

F. Board Meeting Follow-up Items.

- The Board requests that when staff makes changes to rules that are out for comment, that staff submits those changes to the Board to help determine if the changes are substantial and if further public comment is warranted.

Meeting adjourned at 2:50 p.m.

Minutes approved: March 7, 2018