

State of Utah
Administrative Rule Analysis
 Revised November 2021

NOTICE OF PROPOSED RULE		
TYPE OF RULE: New ___; Amendment _X_; Repeal ___; Repeal and Reenact ___		
Title No. - Rule No. - Section No.		
Utah Admin. Code Ref (R no.):	R307-110	Filing ID (Office Use Only)
Changed to Admin. Code Ref. (R no.):	R	

Agency Information

1. Department:	Department of Environmental Quality	
Agency:	Division of Air Quality	
Room no.:		
Building:	MASOB	
Street address:	195 North 1950 West	
City, state and zip:	Salt Lake City, Utah 84116	
Mailing address:	P.O. Box 144820	
City, state and zip:	Salt Lake City, Utah 84114-4820	
Contact person(s):		
Name:	Phone:	Email:
Bo Wood	385-499-3416	rwood@utah.gov
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Please address questions regarding information on this notice to the agency.		

General Information

2. Rule or section catchline:	R307-110. General Requirements: State Implementation Plan
3. Purpose of the new rule or reason for the change (Why is the agency submitting this filing?):	EPA's Regional Haze Rule (RHR) requires states to submit a State Implementation Plan (SIP) demonstrating reasonable progress towards achieving natural visibility by 2064 in Utah's five Class I Areas (CIAs), which include all five of the national parks in the State. As part of this SIP, the state must conduct an emissions controls determination to identify its long-term strategy (LTS) to achieving the 2064 natural conditions goal. This rule is being amended incorporate by reference Section XX.A: Regional Haze Second Implementation Period and amendments to Amend SIP Section IX Control Measures for Area and Point Sources, Part H, Emission Limits into the Utah State Implementation Plan (SIP).
4. Summary of the new rule or change (What does this filing do? If this is a repeal and reenact, explain the substantive differences between the repealed rule and the reenacted rule):	<p>This amendment changes the "most recently amended" date in R307-110-17 and R307-110-28 to July 6, 2022, incorporating by reference the requirements of Section XX.A: Regional Haze Second Implementation Period and Section IX: Control Measures for Area and Point Sources, Part H, Emissions Limits of the Utah State Implementation Plan. The reasonable progress determination of these Sections requires the following measures to meet the State's LTS:</p> <ol style="list-style-type: none"> 1. Establishing mass-based annual NOx and SO2 emissions limits for Hunter Power Plant based upon recent actual emissions and plant utilization levels, 2. Establishing mass-based annual NOx and SO2 emissions limits for the Huntington Power Plant based upon recent actual emissions and plant utilization levels, 3. Establishing a federally enforceable closure date for the coal-fired boilers at the Intermountain Generation Station (IGS) based on the Intermountain Power Agency's (IPA's) 2021 notice of intent (NOI) to replace the coal-fired boilers with combined cycle natural gas turbines, and 4. Requiring the retrofit of U.S. Magnesium's Rowley Plant's Riley boiler with flue gas recirculation (FGR)

Fiscal Information

5. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:	
A) State budget:	Because the Hunter and Huntington Power Plants are already operating at approximately at the emissions and utilization levels required by the proposed SIP limits, we anticipate no fiscal impacts to the State budget associated with these facilities. Because IPA has submitted an NOI to replace the coal-fired boilers at the IGS, the proposed closure date for the IGS coal-fired boilers does not, in itself, result in the closure of the facility, but rather establishes federal enforceability of the already planned boiler closures as required by the RHR and the Clean Air Act. As a result, we anticipate no fiscal impacts to the State budget

associated with the IGS. The requirement to install FGR at the Riley Boiler of U.S. Magnesium's Rowley Plant may result in small fiscal impacts to the State budget resulting from economic activity associated with FGR installation. The direction of such impacts could be positive or negative depending on the extent to which installation of FGR could increase economic activity within the State, with a potential increase in State revenue, and/or decrease economic activity while the unit is down for installation. While it is difficult to estimate the net effect of such impacts, we anticipate that it is likely small due to the relative cost of FGR installation relative to overall economic activity in Utah.

B) Local governments:

Because the Hunter and Huntington Power Plants are already operating at approximately at the emissions and utilization levels required by the proposed SIP limits, we anticipate no fiscal impacts to local governments associated with these facilities. Because IPA has submitted an NOI to replace the coal-fired boilers at the IGS, the proposed closure date for the IGS coal-fired boilers does not, in itself, result in the closure of the facility, but rather establishes federal enforceability of the already planned boiler closures as required by the RHR and the Clean Air Act. As a result, we anticipate no fiscal impacts to local governments associated with the IGS (e.g. City of Delta, Millard County, etc.). The requirement to install FGR at the Riley Boiler of U.S. Magnesium's Rowley Plant may result in small fiscal impacts to local governments resulting from economic activity associated with FGR installation. The direction of such impacts could be positive or negative depending on the extent to which installation of FGR could increase economic activity in local government jurisdictions, with a potential increase local government revenue, and/or decrease economic activity while the unit is down for installation. While it is difficult to estimate the net effect of such impacts, we anticipate that it is likely small.

C) Small businesses ("small business" means a business employing 1-49 persons):

Some small businesses may see small increases or decreases in economic activity associated with the installation of FGR on the Riley Boiler at the U.S. Magnesium Rowley Plant. For example, the service industry near the Rowley plant may see increased patronage during the period of FGR installation, or may see small decreases in patronage if the installation process leads to traffic impacts or short-term changes to labor patterns while the boiler is being retrofitted. It is difficult to estimate the net impact to small businesses, but we anticipate that it is likely small unless those businesses are directly involved with the FGR installation

D) Non-small businesses ("non-small business" means a business employing 50 or more persons):

The installation of FGR on the Riley Boiler at the U.S. Magnesium Rowley Plant is anticipated to require a one-time cost of \$615,300 and approximately \$3,100 per year thereafter. However, since the installation of these controls is not mandatory until January, 2028, the fiscal impact in FY2022, FY2023, and FY2024 is unknown. Companies that provide the equipment and installation of FGR at the facility will likely see an increase in revenue.

E) Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an **agency**):

Some individuals working for U.S. Magnesium or for firms providing FGR installation equipment and services could see positive or negative impacts associated with the retrofit of the Riley Boiler. Such impacts are likely to affect a relatively small number of individuals and are likely to be short in duration.

F) Compliance costs for affected persons (How much will it cost an impacted entity to adhere to this rule or its changes?):

The installation of FGR on the Riley Boiler at the U.S. Magnesium Rowley Plant is anticipated to cost the company \$615,300 for initial installation and an additional \$3,100 per year in ongoing maintenance over the life of the boiler.

G) Comments by the department head on the fiscal impact this rule may have on businesses (Include the name and title of the department head):

After a thorough analysis and engagement with impacted parties, the Division of Air Quality has determined that the amendments to Regional Haze Second Implementation Period and Emission Limits of the Utah State Implementation Plan will have fiscal impacts on businesses. The analysis shows that some small businesses and at least one non-small businesses will be impacted by the proposed changes. However, the proposed amendments are appropriate and necessary to comply with the requirements of EPA's Regional Haze Rule.

Kimberly D. Shelley, Executive Director of the Utah Department of Environmental Quality

6. A) Regulatory Impact Summary Table (This table only includes fiscal impacts that could be measured. If there are inestimable fiscal impacts, they will not be included in this table. Inestimable impacts will be included in narratives above.)

Regulatory Impact Table			
Fiscal Cost	FY2022	FY2023	FY2024
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0
Fiscal Benefits			
State Government	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0

Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0

B) Department head approval of regulatory impact analysis:

The Executive Director of the Department of Environmental Quality, Kim Shelley, has reviewed and approved this fiscal analysis.

Citation Information

7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:

19-2-104		
40 CFR 51.308(f)		

Incorporations by Reference Information

(If this rule incorporates more than two items by reference, please include additional tables.)

8. A) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	First Incorporation
Official Title of Materials Incorporated (from title page)	Utah Regional Haze State Implementation Plan
Publisher	Division of Air Quality, Utah Dept. of Environmental Quality
Date Issued	April, 2022
Issue, or version	Second Implementation Period

B) This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to the Office of Administrative Rules; *if none, leave blank*):

	Second Incorporation
Official Title of Materials Incorporated (from title page)	
Publisher	
Date Issued	
Issue, or version	

Public Notice Information

9. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until (mm/dd/yyyy):	5/31/2022
B) A public hearing (optional) will be held:	
On (mm/dd/yyyy):	At (hh:mm AM/PM):
May 26, 2022	10:30AM
	At (place):
	https://meet.google.com/thd-ffia-etr?hs=122&authuser=0

10. This rule change MAY become effective on (mm/dd/yyyy): 07/07/2022

NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date. To make this rule effective, the agency must submit a Notice of Effective Date to the Office of Administrative Rules on or before the date designated in Box 10.

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the *Utah State Bulletin* and delaying the first possible effective date.

Agency head or	Bryce C. Bird, Director	Date	04/06/2022
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designee, and title:		(mm/dd/yyyy):	
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R307. Environmental Quality, Air Quality.

R307-110. General Requirements: State Implementation Plan.

R307-110-17. Section IX, Control Measures for Area and Point Sources, Part H, Emission Limits.

The Utah State Implementation Plan, Section IX, Control Measures for Area and Point Sources, Part H, Emission Limits and Operating Practices, as most recently amended by the Utah Air Quality Board on [~~December 2, 2020~~]July 6, 2022, pursuant to Section 19-2-104, is [~~hereby~~] incorporated by reference and made a part of these rules.

R307-110-28. Regional Haze.

The Utah State Implementation Plan, Section XX, Regional Haze, as most recently amended by the Utah Air Quality Board on [~~June 24, 2019~~]July 6, 2022, pursuant to Section 19-2-104, is [~~hereby~~] incorporated by reference and made a part of these rules.

KEY: air pollution, PM10, PM2.5, ozone

Date of Last Change: 2022[~~December 3, 2020~~]

Notice of Continuation: December 1, 2021

Authorizing, and Implemented or Interpreted Law: 19-2-104

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