

Four Corners Air Quality Group Update on Recent Agency Activities – October 2018

Power Plants

1. In Colorado, Comanche Power Plant in Pueblo will have two units retire: Unit 1 by the end of 2022 & Unit 2 by end of 2025. The energy plan combined with Comanche's closures includes new renewable projects of 1,100 MW new wind, 700 MW new solar and 275 MW battery storage. Xcel projects emissions reductions that, by 2026, include nearly 60 percent lower CO₂ emissions and 90 percent lower SO₂ and NO_x emissions than 2005 levels (Xcel owns Comanche and is a major energy producer for urban Colorado). This plan was approved by Colorado's Public Utilities Commission in August 2018. (CDPHE)

Nucla Power Plant (Nucla, CO) will shut down by the end of 2022 (as well as the associated coal mine). Craig Power Plant Unit 1 (Craig, CO) will either convert to natural gas or shut down by the end of 2025, resulting in thousands of tons of emissions reductions in NO_x, SO₂, CO₂, and PM/PM₁₀. EPA approved these changes in July 2018 to Colorado's Regional Haze SIP. (CDPHE)

2. Utah: The Intermountain Power Plant (IPP) near Delta, UT will close by 2025. This is Utah's current largest coal-fired power plant. They are going to develop and install a natural-gas fired plant in its place. A smaller coal-fired power plant located at the Brigham Young University is currently undergoing conversion to natural gas. (UDEQ)
3. New Mexico: In January 2017, NMED submitted modeling to the U.S. EPA showing that the area around the San Juan Generating Station meets the 1-hour National Ambient Air Quality Standard for SO₂. NMED's 2018 Progress Report shows that SO₂ emissions decreased in the area. SO₂ emissions are expected to decrease even further with the shutdown of two units in December 2017. NMED's report recommended that no new modeling should be required at this time. (NMED)
4. Navajo Nation: Three units closed at Four Corners Power Plant. Top-tier NO_x controls were installed on two units in 2018. (NNEPA)
5. On August 21, 2018, the U.S. Environmental Protection Agency proposed the Affordable Clean Energy (ACE) rule which would establish emission guidelines for states to develop plans to address greenhouse gas emissions from existing coal-fired power plants. The ACE rule would replace the 2015 Clean Power Plan, which EPA has proposed to repeal because it exceeded EPA's authority. The Clean Power Plan was stayed by the U.S. Supreme Court and has never gone into effect. Additional information can be found here: <https://www.epa.gov/stationary-sources-air-pollution/proposal-affordable-clean-energy-ace-rule>. (EPA)
6. On November 6, 2018, WESTAR/WRAP will host an EGU emissions analysis workshop to initiate work to improve utility emissions inventories used for modeling baseline and predicted regional haze impacts at Class I Areas (National Parks and wilderness areas) throughout the west. (WESTAR/WRAP)

Oil and Gas

1. Colorado: On November 16, 2017, Colorado’s Air Quality Control Commission strengthened existing oil and gas control measures in Regulation Number 7 to correspond to federal recommendations and improve ozone levels. The revisions change and add requirements for compressors, pneumatic controllers, pneumatic pumps, equipment leaks at natural gas processing plants, and fugitive emissions at well production facilities and natural compressor stations located in the Denver Metro North Front Range ozone nonattainment area (DMNFR NAA) in Colorado’s Ozone SIP. The Commission also adopted state-only measures that go beyond recommendations in the Oil and Gas Control Technique Guidelines intended to further reduce ozone precursor emissions. These requirements are for inspections at natural gas-driven pneumatic controllers at well production facilities and natural gas compressor stations in the DMNFR NAA.

At this time, the Commission also established two State-specific oil and gas initiatives in Regulation Number 7’s “Statement of Basis and Purpose.” The first is termed the “Statewide Hydrocarbon Emissions Reductions” (“SHER”) Team; the purpose of this effort is to evaluate cost-effective emission reduction strategies from the statewide oil and gas sector and recommend any new proposals to the Commissions by January 2020. The second initiative is the “Pneumatics Task Force” which is a Colorado Air Pollution Control Division-led study of pneumatic controller reduction options only for the DMNFR NAA. The stakeholder team collected pneumatics data in summer/fall 2018 and will assess the data this winter with an opportunity for further data collection in the summer/fall 2019. A study report with final data and policy recommendations is due to the Commission in May 2020.

In 2015, the CDPHE created the Oil and Gas Health Information and Response program to respond to public concerns about health related to oil and gas activities. See: <https://www.colorado.gov/pacific/cdphe/categories/services-and-information/environment/oil-and-gas/oil-and-gas-and-your-health/> for more information. (CDPHE)

2. Southern Ute Indian Tribe (Tribe)

Title V Operating Permit Program

- The Tribe has full delegation of a Title V operating permit program.
- The Southern Ute Indian Tribe regulates 35 oil and gas-related Title V sources, which consist of natural gas compressor stations, treating plants, and processing plants.
- The Tribe’s EPA-approved Compliance Monitoring Strategy requires each Title V source to be inspected once every 2-years.
- Non-compliance is addressed according to the enforcement pathways and protocols outlined in the Tribe’s Enforcement Procedures and Penalty Policy.
- More information on the Tribe’s Title V Operating Permit Program can be found on the Tribe’s Title V webpage: <https://www.southernute-nsn.gov/justice-and-regulatory/epd/air-quality/air-permitting/> .

Emission Inventory

- The Tribe completed a comprehensive emission inventory of all oil and gas sources operating within the exterior boundaries of the Southern Ute Indian Reservation for calendar year 2015. A comprehensive emission inventory of oil and gas sources is currently under development for calendar year 2017 and will be completed during the first quarter of 2019. A copy of the Tribe's 2015 emission inventory is available on the Tribe's Air Quality Program webpage: <https://www.southernute-nsn.gov/justice-and-regulatory/epd/air-quality/>.

Southern Ute Indian Tribe/State of Colorado Environmental Commission (Commission)

- The Commission has tasked the Tribe with researching and evaluating different options to regulate air pollutants from minor oil and gas sources operating within the exterior boundaries of the Southern Ute Indian Reservation. The Tribe and Commission are currently evaluating three options for minor source regulation identified by the Tribe and presented to the Commission at the April 11, 2018 meeting. Stakeholder input on the three options was solicited during a meeting held on June 2018.
 - The next Commission meeting will be held on December 5, 2018, in the Tribe's Environmental Program Division's Large Conference Room located in Ignacio, CO.
 - More information about the Commission, meeting dates, meeting agendas and a copy of the Tribe's Reservation Air Code are available on the Tribe's Environmental Commission webpage: <https://www.southernute-nsn.gov/justice-and-regulatory/epd/air-quality/env-commission/>. (SUIT)
3. Utah implemented new oil and gas rules in March of 2018. These rules were developed over approximately 18 months through a stakeholder process with industry, local government and environmental advocates. The goal of the rulemaking was to take the current BACT requirements for the minor source permits being issued to oil and gas wells and make them rules. This in essence created a 'permit-by-rule' approach for oil and gas wells in the State of Utah. All existing and new oil and gas sources were required to register with the agency and certify that they were following the rules. The rules were focused on oil and gas well sites as those were the majority of minor source permits being issued by the permitting group. Once registered, an oil and gas well site determines via throughput if they are required to control tanks. The throughput values were determined by use of EP Tanks and using AP-42 emission factors so that it equated to BACT value for controls being required at 4 tons per year of VOCs. If the facility is required to control their tanks, then they are required to perform semi-annual LDAR inspections and control tank loading operations. To date, comparing well data to the Division of Oil and Gas data, we have approximately 80% of well sites registered. (UDEQ)
 4. On October 15, 2018, the EPA published proposed reconsideration amendments to the New Source Performance Standards (NSPS) for the Oil and Natural Gas Sector, Emission Standards for New, Reconstructed and Modified Sources, at 40 CFR part 60, subpart OOOOa. In 2017, the EPA granted reconsideration on the fugitive emissions requirements, well site pneumatic pump standards, and the requirements for certification of closed-vent systems by a professional

engineer based on specific objections to those requirements. The action proposes amendments and clarifications as a result of reconsideration of these issues. Comments on the proposed amendments are due on or before December 17, 2018 (see Docket ID #EPA-HQ-OAR-2017-0483 at <https://www.regulations.gov> to review the proposal and submit comments). (EPA)

Other Sources

1. Colorado: The Colorado Air Pollution Control Division plans to kick-off a consumer products and architectural coatings stakeholder process soon for a potential rulemaking in spring 2019. Please stay tuned for participation details at: <https://www.colorado.gov/pacific/cdphe/APCD-stakeholder-processes>.

On July 19, 2018, the Commission adopted requirements in Regulation Number 7 for boilers, stationary combustion turbines, lightweight aggregate kilns, glass melting furnaces, and compression ignition reciprocating internal combustion engines located at major sources of nitrogen oxides (“NO_x”) in the DMNFR NAA. These requirements further supported Colorado’s efforts, as a moderate ozone nonattainment area, to revise Colorado’s ozone SIP to include provisions that implement reasonably available control technology (“RACT”) for major sources of volatile organic compounds (“VOC”) or NO_x in the DMNFR NAA and for VOC source categories addressed by an EPA Control Techniques Guideline (“CTG”) in the DMNFR NAA.

On November 15, 2018, the Commission will consider adopting requirements for major VOC source breweries and wood furniture surface coating operations in the DMNFR NAAA. These provisions continue the effort to support Colorado’s moderate ozone nonattainment area RACT SIP. The Commission will also consider revisions to support the existing provisions related to the CTG VOC source categories of industrial cleaning solvent operations, metal furniture surface coating operations, and miscellaneous metal surface coating operations. Lastly, the Commission will consider “SIP clean-up” revisions to clarify the applicable versions of rules and reference methods incorporated into Regulation Number 7 and revisions to remove historic, one-time report requirements. (CDPHE)

2. The New Mexico Environment Department (NMED) has developed New Mexico’s Beneficiary Mitigation Plan for the Volkswagen settlement plan funds. The application was released in July and the first application period closed September 14th. NMED staff used the scoring criteria developed for the application to rank projects. The interagency Steering Committee will select the projects to be funded before the end of the year. For more information go to: <https://www.env.nm.gov/vw-settlement/>. (NMED)

Energy Efficiency, Conservation and Renewable Energy

1. Colorado: On June 19, 2018, Colorado Governor Hickenlooper signed an Executive Order that directs the Air Pollution Control Division to develop a rule to establish a Colorado Low Emissions Vehicles (“LEV”) Program, which incorporates the requirements of the California LEV Program. The Division proposed revisions to Regulation 20 to the Commission on August 16, 2018 and will hold a hearing in November 2018. The revisions will ensure continued greenhouse gas reductions from vehicles through motor year 2025 in support of the Climate Executive Order issued below. For more information, please see: [https://www.colorado.gov/pacific/cdphe/Low Emission Vehicle Standard](https://www.colorado.gov/pacific/cdphe/Low_Emission_Vehicle_Standard)

Colorado's Governor signed an Executive Order on July 11, 2017 that sets statewide greenhouse gas reduction goals in tandem with the 2015 Paris Accord along with carbon dioxide reduction and electricity savings targets for the electrical sector. As part of this EO, the Department of Public Health and Environment will develop a state greenhouse gas reporting rule that mirrors the current federal reporting rule by the end of 2018. The order is available at: https://www.colorado.gov/governor/sites/default/files/executive_orders/climate_eo.pdf. (CDPHE)

Cross-Sector Control Strategies

1. NMED is in the initial planning stages for areas where monitoring shows they are within 95% of the 2015 ozone NAAQS. This is referred to as the "Ozone Attainment Initiative" because the goal is to develop control strategies to bring nonattainment areas into attainment and to reduce ozone precursors in areas that are in danger of violating the standards. The seven counties for which 2017 data show design values within 95% of the standard (or counties that likely contribute to those high ozone values) are San Juan, Rio Arriba, Lea, Eddy, Chaves, Roosevelt and Doña Ana. We will also include Sandoval and Valencia counties in our initial public outreach, as preliminary 2018 data show they may also be within 95% of the standard. At least one monitor in Bernalillo County is also within 95% of the standard. The Albuquerque/Bernalillo County Department of Environmental Health has jurisdiction for this monitor and for sources in Bernalillo County. (NMED)
2. WESTAR/WRAP brings together 15 western states, tribes, federal land managers and EPA to collaborate on regional haze planning in accordance with federal rules aimed at improving visibility in National Parks and Wilderness Areas. There are technical efforts underway to improve regional emissions inventories for oil and gas, utilities, and wildfires/prescribed fires and other categories. The inventories will be used in computer-based modeling that will predict whether rules in place by 2028 will result in improvements to visibility in the west. States will use the results to support state implementation plans for the federal regional haze rule.

Monitoring and Modeling

1. Colorado: Ozone monitoring continues in Cortez (PM_{2.5} monitoring ended 12/31/2014) as well as PM₁₀ monitoring in Durango and Pagosa Springs. Colorado monitoring in the Four Corners area shows attainment with the ozone, PM_{2.5} and PM₁₀ NAAQS. In 2016, Colorado recommended that EPA designate all areas of the state as attainment/unclassifiable, except for the Denver Metro North Front Range area, which is nonattainment for both the 2008 75 ppb standard as well as the 2015 70 ppb standard. Currently, Denver is "moderate" for the 2008 standard. (CDPHE)
2. Southern Ute Indian Tribe (Tribe) Air Monitoring:
 - The Tribe operates three air monitoring stations, the Ute 1 (Ignacio, CO), Ute 3 (Bondad, CO) and a mobile air monitoring station located at Lake Capote which record meteorological data, visibility, CO, SO₂, O₃, NO₂, PM₁₀, PM_{2.5}, and Methane.
 - Ambient air monitoring data submitted to AQS and AirNow.

- Real-time air monitoring, meteorological data and AirNow air quality health forecasts are available on the Tribe’s ambient monitoring webpage: <https://www.southernute-nsn.gov/justice-and-regulatory/epd/air-quality/ambient-monitoring/>. (SUIT)
3. New Mexico: In March 2018, New Mexico submitted the annual Regional Sulfur Dioxide (SO₂) Emissions and Milestone Report for 2016. This report is required for the remaining 3 “Section 309” states (Wyoming, Utah and New Mexico) by the states’ Regional Haze SIPs. Based on the average annual emissions estimate (2014, 2015, 2016), the Section 309 states have determined that emissions in 2016 were below the regional SO₂ milestone for 2016. If emissions rise above the annual milestones, the Sulfur Dioxide Backstop Trading Program would be triggered. (NMED)
 4. Ozone monitoring in the Four Corners region is ongoing by CDPHE, NM Environment Department, Southern Ute Indian Tribe, Navajo Nation, National Park Service, and US Forest Service. (EPA)
 5. On April 30th, 2018, the EPA completed final designations for the 2015 ozone NAAQS. The EPA found that all areas in the Four Corners region were meeting the revised standard of 70 ppb based on 2014-2016 air quality monitoring data – and were subsequently designated attainment or attainment/unclassifiable. Additional information on the 2015 ozone nonattainment designations can be found here: <https://www.epa.gov/ozone-designations/ozone-designations-regulatory-actions> (EPA)

Agency Acronym List and Contacts

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3. NMED – New Mexico Environment Department
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4. UDEQ – Utah Department of Environmental Quality
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5. BLM – Bureau of Land Management
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6. WESTAR/WRAP – Westar States Air Resource Council/Western Regional Air Partnership
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7. EPA – Environmental Protection Agency
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