

1 **Appendix 1: Regulatory Impact Summary Table\***

<b>Fiscal Costs</b>	FY 2018	FY 2019	FY 2020
State Government	\$0	\$0	\$0
Local Government	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Person	\$0	\$0	\$0
<b>Total Fiscal Costs:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Fiscal Benefits</b>			
State Government	\$0	\$0	\$0
Local Government	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0
<b>Total Fiscal Benefits:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Net Fiscal Benefits:	\$0	\$0	\$0

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\*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 for State Government, Local Government, Small Businesses and Other Persons are described above. Inestimable impacts for Non-Small Businesses are described below.

6 **Appendix 2: Regulatory Impact to Non-Small Businesses**

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8 For a complete listing of NAICS codes used in this analysis, please  
9 contact the agency. It is possible that these businesses could  
10 experience a fiscal cost associated with increased emission controls.  
11 The full impact to these non-small businesses cannot be estimated  
12 because: the data necessary to determine how emission sources  
13 contribute to ammonia levels is still being studied. It is unclear  
14 at this time what controls would be required in the future, what  
15 the costs of those controls would be, or what sources would be  
16 affected.

17 The costs and benefits related to State, Local budgets, as well as  
18 small business and individuals are inestimable for the same reasons  
19 identified above.

20 The Executive Director of the Department of Environmental Quality,  
21 Alan Matheson, has reviewed and approved this fiscal analysis.

22  
23 **R307. Environmental Quality, Air Quality.**

24 **R307-403. Permits: New and Modified Sources in Nonattainment Areas**  
25 **and Maintenance Areas.**

26 **R307-403-1. Purpose and Definitions.**

27 (1) Purpose. This rule implements the federal nonattainment  
28 area permitting program for major sources as required by 40 CFR 51.165.

29 In addition, the rule contains new source review provisions for some  
30 non-major sources in PM<sub>10</sub> nonattainment areas. This rule

31 supplements, but does not replace, the permitting requirements of  
32 R307-401.

33 (2) Unless otherwise specified, all references to 40 CFR in  
34 R307-403 shall mean the version that is in effect on July 1, 201[2]7.

35 (3) Except as provided in R307-403-1(4), the definitions in  
36 40 CFR 51.165(a)(1) are hereby incorporated by reference. The  
37 definition of PAL, or plant wide applicability limitation, in 40 CFR  
38 51.165(f)(2)(v) is also incorporated by reference.

39 (4)(a) "Reviewing authority" means the director.

40 (b) In the definition of "significant" in 40 CFR 51.165(a)(1)(x)  
41 add the following text at the end of [~~the pollutant emission rate~~  
42 ~~for PM<sub>2.5</sub>: "~~]; and in the Logan, Salt Lake City, and Provo PM<sub>2.5</sub>  
43 nonattainment areas as defined in the July 1, 2010 version of 40 CFR  
44 81.345, ~~40 tpy of volatile organic compounds]~~ paragraph (F): "The  
45 following subparagraphs specify, for certain nonattainment areas,  
46 emission rates that are "significant" for Ammonia: (1) In the Provo,  
47 UT nonattainment area (as defined in the July 1, 2017 version of 40  
48 CFR 81.345) - 70 tons per year or more (2) In the Salt Lake City,  
49 UT nonattainment area (as defined in the July 1, 2017 version of 40  
50 CFR 81.345) - 70 tons per year or more."

51 (c) In the definition of "regulated NSR pollutant" in 40 CFR  
52 51.165(a)(1)(xxxvii) [~~the following subparagraph is added to~~  
53 ~~51.165(a)(1)(xxvii)(4): "(i) Volatile organic compounds are~~  
54 ~~precursors to PM<sub>2.5</sub> and ammonia is not a precursor to PM<sub>2.5</sub> in the~~  
55 ~~Logan, Salt Lake City, and Provo PM<sub>2.5</sub> nonattainment areas as defined~~  
56 ~~in the July 1, 2010 version of 40 CFR 81.345]~~, paragraph (C)(2) is  
57 amended to read: "(2) Except as specified in R307-101-2 and where  
58 a demonstration satisfying 40 CFR 51.1006(a)(3) has, for a particular  
59 PM<sub>2.5</sub> nonattainment area, determined otherwise; Sulfur dioxide,  
60 Nitrogen oxides, Volatile organic compounds and Ammonia are precursors  
61 to PM<sub>2.5</sub> in any PM<sub>2.5</sub> nonattainment area."

62 (d) The following definitions or portions of definitions that  
63 apply to the equipment repair and replacement provisions are not  
64 incorporated because these provisions were vacated by the DC Circuit  
65 Court of Appeals on March 17, 2006:

66 (i) in the definition of "major modification" in 40 CFR  
67 51.165(a)(1)(v)(C), the second sentence in subparagraph (1);

68 (ii) the definition of "process unit" in 40 CFR  
69 51.165(a)(1)(xliv);

70 (iii) the definition of "functionally equivalent component"  
71 in 40 CFR 51.165(a)(1)(xlv);

72 (iv) the definition of "fixed capital cost" in 40 CFR  
73 51.165(a)(1)(xlv); and

74 (v) the definition of "total capital investment" in 40 CFR  
75 51.165(a)(1)(xlvii).

76

## 77 **R307-403-2. Applicability.**

78 (1) R307-403 applies to any new major stationary source or major  
79 modification that is major for the pollutant or precursor pollutant  
80 for which the area is designated nonattainment under section  
81 107(d)(1)(A)(i) of the Clean Air Act, if the stationary source or

82 modification would locate anywhere in the designated nonattainment  
83 area.

84 (a) Except as otherwise provided in paragraph R307-403-2(2),  
85 and consistent with the definition of major modification contained  
86 in 40 CFR 51.165(a)(1)(v)(A), a project is a major modification for  
87 a regulated NSR pollutant if it causes two types of emissions  
88 increases—a significant emissions increase (as defined in 40 CFR  
89 51.165(a)(1)(xxvii)), and a significant net emissions increase (as  
90 defined in 40 CFR 51.165(a)(1)(vi) and (x)). The project is not a  
91 major modification if it does not cause a significant emissions  
92 increase. If the project causes a significant emissions increase,  
93 then the project is a major modification only if it also results in  
94 a significant net emissions increase.

95 (b) The procedure for calculating (before beginning actual  
96 construction) whether a significant emissions increase (i.e., the  
97 first step of the process) will occur depends upon the type of emissions  
98 units being modified, according to paragraphs R307-403-2(c) through  
99 (e). The procedure for calculating (before beginning actual  
100 construction) whether a significant net emissions increase will occur  
101 at the major stationary source (i.e., the second step of the process)  
102 is contained in the definition in 40 CFR 51.165(a)(1)(vi). Regardless  
103 of any such preconstruction projections, a major modification results  
104 if the project causes a significant emissions increase and a  
105 significant net emissions increase.

106 (c) Actual-to-projected-actual applicability test for projects  
107 that only involve existing emissions units. A significant emissions  
108 increase of a regulated NSR pollutant is projected to occur if the  
109 sum of the difference between the projected actual emissions (as  
110 defined in 40 CFR 51.165(a)(1)(xxviii)) and the baseline actual  
111 emissions (as defined in 40 CFR 51.165(a)(1)(xxxv)(A) and (B), as  
112 applicable), for each existing emissions unit, equals or exceeds the  
113 significant amount for that pollutant (as defined in 40 CFR  
114 51.165(a)(1)(x)).

115 (d) Actual-to-potential test for projects that only involve  
116 construction of a new emissions unit(s). A significant emissions  
117 increase of a regulated NSR pollutant is projected to occur if the  
118 sum of the difference between the potential to emit (as defined in  
119 40 CFR 51.165(a)(1)(iii)) from each new emissions unit following  
120 completion of the project and the baseline actual emissions (as defined  
121 in 40 CFR 51.165(a)(1)(xxxv)(C)) of these units before the project  
122 equals or exceeds the significant amount for that pollutant (as defined  
123 in 40 CFR 51.165(a)(1)(x)).

124 (e) Reserved.

125 (f) Hybrid test for projects that involve multiple types of  
126 emissions units. A significant emissions increase of a regulated  
127 NSR pollutant is projected to occur if the sum of the emissions  
128 increases for each emissions unit, using the method specified in  
129 R307-403-2(1)(c) through (d) as applicable with respect to each  
130 emissions unit, for each type of emissions unit equals or exceeds  
131 the significant amount for that pollutant (as defined in 40 CFR  
132 51.165(a)(1)(x)).

133 (2) For any major stationary source for a PAL for a regulated  
134 NSR pollutant, the major stationary source shall comply with  
135 requirements under R307-403-11.

136 (3) Reserved.

137 (4) Reserved.

138 (5)(a) Approval to construct shall not relieve any owner or  
139 operator of the responsibility to comply fully with applicable  
140 provision of the state implementation plan and any other requirements  
141 under local, state or federal law.

142 (b) At such time that a particular source or modification  
143 becomes a major stationary source or major modification solely by  
144 virtue of a relaxation in any enforcement limitation which was  
145 established after August 7, 1980, on the capacity of the source or  
146 modification otherwise to emit a pollutant, such as a restriction  
147 on hours of operation, then the requirements of R307-403 shall apply  
148 to the source or modification as though construction had not yet  
149 commenced on the source or modification;

150 (6) The provisions of R307-403-2(6)(a) through (f) apply to  
151 projects at existing emissions units at a major stationary source  
152 (other than projects at a source with a PAL) in circumstances where  
153 there is a reasonable possibility that a project that is not a part  
154 of a major modification may result in a significant emissions increase  
155 and the owner or operator elects to use the method specified in  
156 paragraphs 40 CFR 51.165(a)(1)(xxviii)(B)(1) through (3) for  
157 calculating projected actual emissions.

158 (a) Before beginning actual construction of the project, the  
159 owner or operator shall document and maintain a record of the following  
160 information:

161 (i) A description of the project;

162 (ii) Identification of the emissions unit(s) whose emissions  
163 of a regulated NSR pollutant could be affected by the project; and

164 (iii) A description of the applicability test used to determine  
165 that the project is not a major modification for any regulated NSR  
166 pollutant, including the baseline actual emissions, the projected  
167 actual emissions, the amount of emissions excluded under 40 CFR  
168 51.165(a)(1)(xxviii)(B)(3) and an explanation for why such amount  
169 was excluded, and any netting calculations, if applicable.

170 (b) If the emissions unit is an existing electric utility steam  
171 generating unit, before beginning actual construction, the owner or  
172 operator shall provide a copy of the information set out in  
173 R307-403-2(6)(a) to the reviewing authority. Nothing in this  
174 paragraph shall be construed to require the owner or operator of such  
175 a unit to obtain any determination from the reviewing authority before  
176 beginning actual construction.

177 (c) The owner or operator shall monitor the emissions of any  
178 regulated NSR pollutant that could increase as a result of the project  
179 and that is emitted by any emissions units identified in paragraph  
180 R307-403-2(6)(a)(ii); and calculate and maintain a record of the  
181 annual emissions, in tons per year on a calendar year basis, for a  
182 period of 5 years following resumption of regular operations after  
183 the change, or for a period of 10 years following resumption of regular

184 operations after the change if the project increases the design  
185 capacity or potential to emit of that regulated NSR pollutant at such  
186 emissions unit.

187 (d) If the unit is an existing electric utility steam generating  
188 unit, the owner or operator shall submit a report to the reviewing  
189 authority within 60 days after the end of each year during which records  
190 must be generated under paragraph R307-403-2(6)(c) setting out the  
191 unit's annual emissions during the year that preceded submission of  
192 the report.

193 (e) If the unit is an existing unit other than an electric  
194 utility steam generating unit, the owner or operator shall submit  
195 a report to the reviewing authority if the annual emissions, in tons  
196 per year, from the project identified in paragraph R307-403-2(6)(a),  
197 exceed the baseline actual emissions (as documented and maintained  
198 pursuant to paragraph R307-403-2(6)(c), by a significant amount (as  
199 defined in 40 CFR 51.165(a)(1)(x)) for that regulated NSR pollutant,  
200 and if such emissions differ from the preconstruction projection as  
201 documented and maintained pursuant to paragraph R307-403-2(6)(c).

202 Such report shall be submitted to the reviewing authority within  
203 60 days after the end of such year. The report shall contain the  
204 following:

205 (i) The name, address and telephone number of the major  
206 stationary source;

207 (ii) The annual emissions as calculated pursuant to paragraph  
208 R307-403-2(6)(c); and

209 (iii) Any other information that the owner or operator wishes  
210 to include in the report (e.g., an explanation as to why the emissions  
211 differ from the preconstruction projection).

212 (f) A "reasonable possibility" under (R307-403-2(6)) occurs when  
213 the owner or operator calculates the project to result in either:

214 (i) A projected actual emissions increase of at least 50 percent  
215 of the amount that is a "significant emissions increase," as defined  
216 in 40 CFR 51.165(a)(1)(xxvii)(without reference to the amount that  
217 is a significant net emissions increase), for the regulated NSR  
218 pollutant; or

219 (ii) A projected actual emissions increase that, added to the  
220 amount of emissions excluded under 40 CFR 51.165(a)(1)(xxviii)(B)(3),  
221 sums to at least 50 percent of the amount that is a "significant  
222 emissions increase," as defined under paragraph 40 CFR  
223 51.165(a)(1)(xxvii) without reference to the amount that is a  
224 significant net emissions increase), for the regulated NSR pollutant.

225 For a project for which a reasonable possibility occurs only within  
226 the meaning of this paragraph, and not also within the meaning of  
227 paragraph R307-403-2(6)(f)(i), then provisions R307-403-2(6)(b)  
228 through (e) do not apply to the project.

229 (7) The owner or operator of the source shall make the  
230 information required to be documented and maintained pursuant to  
231 paragraph R307-403-2(6) above available for review upon a request  
232 for inspection by the director or the general public pursuant to the  
233 requirements contained in 40 CFR 70.4(b)(3)(viii).

234 (8) The requirements of R307-403 applicable to major stationary

235 sources and major modifications of volatile organic compounds shall  
236 apply to nitrogen oxides emissions from major stationary sources and  
237 major modifications of nitrogen oxides in an ozone transport region  
238 or in any ozone nonattainment area, except in ozone nonattainment  
239 areas or in portions of an ozone transport region where the EPA  
240 Administrator has granted a nitrogen oxides waiver applying the  
241 standards set forth under section 182(f) of the Clean Air Act and  
242 the waiver continues to apply.

243 (9) Reserved.

244 (10) ~~The requirements of R307-403 [applicable to major~~  
245 ~~stationary sources and major modifications of PM<sub>10</sub> shall also apply~~  
246 ~~to major stationary sources and major modifications of PM<sub>10</sub> precursors,~~  
247 ~~except where the Administrator determines that such sources do not~~  
248 ~~contribute significantly to PM<sub>10</sub> levels that exceed the PM<sub>10</sub> ambient~~  
249 ~~standards in the area]~~apply to new major sources and major  
250 modifications to existing sources. Such sources or modifications  
251 located in or impacting areas of nonattainment for ozone, PM<sub>10</sub>, or  
252 PM<sub>2.5</sub> shall also consider each precursor to ozone, PM<sub>10</sub>, or PM<sub>2.5</sub>  
253 respectively. Sources or modifications determined to be major for  
254 any of these precursors shall, for offsetting requirements, also be  
255 regarded as major for that pollutant for which the area is designated  
256 nonattainment.

257 (a) In areas of ozone nonattainment, a new stationary source  
258 that is major for nitrogen oxides or for volatile organic compounds  
259 shall be considered major for ozone. Similarly, a major modification  
260 to an existing source that is major for nitrogen oxides or for volatile  
261 organic compounds shall be considered major for ozone.

262 (b) In areas of PM<sub>10</sub> nonattainment, a new stationary source that  
263 is major for nitrogen oxides or for sulfur dioxide shall trigger offset  
264 requirements for PM<sub>10</sub>. Similarly, a major modification to an existing  
265 source that is major for nitrogen oxides or for sulfur dioxide shall  
266 trigger offset requirements for PM<sub>10</sub>.

267 (c) In areas of PM<sub>2.5</sub> nonattainment, a new stationary source  
268 that is major for any individual PM<sub>2.5</sub> precursor, as defined in  
269 R307-403-1(4)(c), shall trigger offset requirements for PM<sub>2.5</sub>.  
270 Similarly, a major modification to an existing source that is major  
271 for any individual PM<sub>2.5</sub> precursor, as defined in R307-403-1(4)(c),  
272 shall trigger offset requirements for PM<sub>2.5</sub>.

273 (11) Reserved.

274 (12) R307-403 applies to any major source or major modification  
275 that is located outside a nonattainment area and is major for the  
276 pollutant for which the area is designated nonattainment under section  
277 107(d)(1)(A)(i) of the Clean Air Act and that causes the significant  
278 increments in R307-403-3(1) to be exceeded in the nonattainment area.

279 (13) R307-403-5 applies to any new or modified source in a  
280 PM[~~10~~]<sub>10</sub> or PM<sub>2.5</sub> nonattainment area.

281

### 282 **R307-403-3. Review of Major Sources of Air Quality Impact.**

283 Every major new source or major modification must be reviewed  
284 by the director to determine if a source will cause or contribute  
285 to a violation of the NAAQS. [~~The determination of whether a source~~

286 ~~will cause or contribute to a violation of the NAAQS will be made~~  
 287 ~~by the director as of the new source's projected start-up date. He~~  
 288 ~~will make an analysis of the proposed new source's operation data~~  
 289 ~~using the best information and analytical techniques available.]~~

290 (1) If the owner or operator of a source proposes to locate  
 291 the source outside an area of nonattainment where the source will  
 292 not cause an increase greater than the following increments in actual  
 293 areas of nonattainment or in the Salt Lake City and Ogden maintenance  
 294 areas for carbon monoxide and the source otherwise meets the  
 295 requirements of these regulations, such source shall be approved.

296  
 297 TABLE

298  
 299 MAXIMUM ALLOWABLE MICROGRAM/CUBIC METER IMPACT  
 300 BY AVERAGING TIME

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302 Pollutant	Annual	24-Hr	8-Hr	3-Hr	1-Hr
303 SULFUR DIOXIDE	1.0	5		25	
304 <u>PM<sub>2.5</sub></u>	<u>0.3</u>	<u>1.2</u>			
305 <u>NO<sub>2</sub></u>	<u>1.0</u>				
306 <u>PM<sub>10</sub></u>	1.0		3		
307 CO			500		2000

308

309 (2) If the director finds that the emissions from a proposed  
 310 source would cause a new violation of the NAAQS but would not contribute  
 311 to an existing violation, the director shall approve the proposed  
 312 source if and only if:

313 (a) the new source is required to meet a more stringent emission  
 314 limitation, sufficient to avoid a new violation of the NAAQS and

315 (b) the new source has acquired sufficient offset to avoid a  
 316 new violation of the NAAQS and

317 (c) the new emission limitations for the proposed source and  
 318 for any affected existing sources are enforceable.

319 (3) ~~[If the director finds that the emissions from a proposed~~  
 320 ~~source in a nonattainment area would contribute to an existing~~  
 321 ~~violation of a national ambient air quality standard at the time of~~  
 322 ~~the source's proposed start-up date]~~For a proposed new major  
 323 stationary source or major modification that is major for a pollutant  
 324 for which an area is designated nonattainment, approval shall be  
 325 granted if and only if:

326 (a) the new major source or major modification meets an emission  
 327 limitation which is the Lowest Achievable Emission Rate (LAER) for  
 328 such source for the relevant pollutant(s) in the respective  
 329 nonattainment area; [and]

330 (b) the applicant has certified that all existing major sources  
 331 in the State, owned or controlled by the owner or operator (or by  
 332 any entity controlling, controlled by or under common control with  
 333 such owner or operator) of the proposed source, are in compliance  
 334 with all applicable rules in R307, including the Utah Implementation  
 335 Plan requirements or are in compliance with an approved schedule and  
 336 timetable for compliance under the Utah Implementation Plan, R307,

337 or an enforcement order, and that the source is complying with all  
338 requirements and limitations as expeditiously as practicable[-];

339 (c) emission offsets to the extent provided in R307-403-4,  
340 R307-403-5, and R307-403-6 are sufficient such that there will be  
341 reasonable further progress toward attainment of the applicable  
342 NAAQS[-];

343 (d) the emission offsets provide a positive net air quality  
344 benefit in the affected area of nonattainment[-]; and,

345 (e) there is an approved implementation plan in effect for the  
346 pollutant to be emitted by the proposed source.

347 (4) A source which is locating outside a nonattainment area  
348 or the Salt Lake City and Ogden maintenance areas for carbon monoxide  
349 and which causes the significant increments in R307-403-3(1)[-above]  
350 to be exceeded in the nonattainment or maintenance area is subject  
351 to the requirements of R307-403-3(3)[-above].

352

#### 353 **R307-403-4. Offsets: General Requirements.**

354 (1) All general offset permitting requirements apply for all  
355 offsets regardless of the pollutant at issue. General offset  
356 permitting requirements shall be imposed immediately and directly  
357 on all new major stationary sources or major modifications located  
358 in a nonattainment area that are major for the pollutant for which  
359 the area is designated nonattainment.

360 ([1]2) Emission offsets must be obtained from the same source  
361 or other sources in the same nonattainment area except that the owner  
362 or operator of a source may obtain emission offsets in another  
363 nonattainment area if:

364 (a) the other area has an equal or higher nonattainment  
365 classification than the area in which the source is located; and

366 (b) emissions from such other area contribute to a violation  
367 of the national ambient air quality standard in the nonattainment  
368 area in which the source is located or which is impacted by the source.

369 ([2]3) Any emission offsets required for a new or modified  
370 source shall be in effect and enforceable [by the time] before a new  
371 or modified source commences construction[-]. [-and, by the time a  
372 new or modified source commences operation, any emission offsets shall  
373 be in effect and enforceable and] The new or modified source shall  
374 assure that the total tonnage of increased emissions of the air  
375 pollutant from the new or modified source shall be offset by an equal  
376 or greater reduction, as applicable, in the actual emissions of such  
377 air pollutant from the same or other sources in the area.

378 ([3]4) Emission reductions otherwise required by the federal  
379 Clean Air Act or R307, including the State Implementation Plan shall  
380 not be creditable as emission reductions for purposes of any offset  
381 requirement. Incidental emission reductions which are not otherwise  
382 required by federal or state law shall be creditable as emission  
383 reductions if such emission reductions meet the requirements of  
384 R307-403-4([1]2) and R307-403-4([2]3)[-above].

385 ([4]5) Sources shall be allowed to offset, by alternative or  
386 innovative means, emission increases from rocket engine and motor  
387 firing, and cleaning related to such firing, at an existing or modified

388 major source that tests rocket engines or motors under the conditions  
389 outlined in 42 U.S.C. 7503(e) (Section 173(e)(1) through Section  
390 173(e)(4) of the federal Clean Air Act as amended in 1990).

391

392 **R307-403-5. Offsets: [PM10]Particulate Matter Nonattainment**  
393 **Areas.**

394 (1) PM<sub>10</sub> Nonattainment Areas. New sources which have a potential  
395 to emit, or modified sources which would produce an emission increase  
396 equal to or exceeding the tonnage total of combined PM~~[10]~~<sub>10</sub>, sulfur  
397 dioxide, and oxides of nitrogen listed below which are located in  
398 or impact a PM~~[10]~~<sub>10</sub> Nonattainment Area as defined in R307-403-5(1)(a)  
399 ~~below~~, shall obtain an enforceable offset as defined in  
400 R307-403-5(1)(b) and R307-403-5(1)(c) ~~below~~.

401 (a) For the purpose of determining whether the owner or operator  
402 which proposes to locate a source outside a nonattainment area is  
403 required to obtain offsets, the maximum allowable impact on any  
404 nonattainment area is 1.0 microgram/cubic meter for a one-year  
405 averaging period and 3.0 micrograms/cubic meter for a 24-hour  
406 averaging period for any combination of PM~~[10]~~<sub>10</sub>, sulfur dioxide and  
407 nitrogen dioxide.

408 (b) For a total of 50 tons/year or greater, an offset of 1.2:1  
409 of the emission increase is required.

410 (c) For a total of 25 tons/year but less than 50 tons/year,  
411 an offset of 1:1 of the emission increase is required.

412 (~~2~~d) For the offset determinations required in  
413 R307-403-5(1)(b) or R307-403-5(1)(c), PM~~[10]~~<sub>10</sub>, sulfur dioxide, and  
414 oxides of nitrogen shall be considered on an equal basis. In areas  
415 where offsets are required for ~~both~~ PM~~[10]~~<sub>10</sub>, PM<sub>2.5</sub>, and ozone, the  
416 most stringent emission offset ratio for oxides of nitrogen required  
417 by R307-403 or R307-420 shall apply.

418 (2) PM<sub>2.5</sub> Nonattainment Areas. For the purposes of PM<sub>2.5</sub>  
419 nonattainment areas a major source is:

420 (a) in a moderate nonattainment area, any stationary source  
421 of air pollutants which emits or has the potential to emit 100 tons  
422 per year or more of direct PM<sub>2.5</sub>, or any individual PM<sub>2.5</sub> precursor  
423 as defined in R307-403-1(4)(c).

424 (b) in a serious nonattainment area, any stationary source  
425 of air pollutants which emits or has the potential to emit 70 tons  
426 per year or more of direct PM<sub>2.5</sub>, or any individual PM<sub>2.5</sub> precursor  
427 as defined in R307-403-1(4)(c).

428 (c) any physical change that would occur at a source not  
429 qualifying under R307-403-5(2)(a) or R307-403-5(2)(b) as a major  
430 source, if the change would constitute a major source by itself.

431 (d) in PM<sub>2.5</sub> nonattainment areas, a new stationary source that  
432 is major for any individual PM<sub>2.5</sub> precursor as defined in  
433 R307-403-1(4)(c) shall be considered major for PM<sub>2.5</sub>. Similarly,  
434 a major modification to an existing source that is major for any  
435 individual PM<sub>2.5</sub> precursor as defined in R307-403-1(4)(c) shall be  
436 considered major for PM<sub>2.5</sub>.

437 (4) New major sources or major modifications to existing sources  
438 which are located in, or would impact a PM<sub>2.5</sub> Nonattainment area as

439 defined in R307-403-5(4)(b), shall obtain an enforceable offset as  
440 defined in R307-403-5(4)(c) through R307-403-5(4)(e).

441 (a) For the purposes of determining what is a significant  
442 emission increase or a significant net emission increase and therefore  
443 a major modification, significant means a rate of emissions that would  
444 equal or exceed 10 tons per year (tpy) of direct PM<sub>2.5</sub>, 40 tpy of sulfur  
445 dioxide, 40 tpy of nitrogen oxides, or 40 tpy of volatile organic  
446 compounds (VOC). In PM<sub>2.5</sub> nonattainment areas where ammonia has not  
447 been exempted as a PM<sub>2.5</sub> precursor, the rate of emissions that is  
448 significant is specified in R307-403-1(4)(b).

449 (b) For the purpose of determining whether the owner or operator  
450 which proposes to locate a source outside a nonattainment area is  
451 required to obtain offsets, the maximum allowable impact on any PM<sub>2.5</sub>  
452 nonattainment area is 0.3 microgram/cubic meter for a one-year  
453 averaging period and 1.2 micrograms/cubic meter for a 24-hour  
454 averaging period for direct PM<sub>2.5</sub>.

455 (c) Any increase in emissions that has been determined to  
456 require offset shall be offset at a ratio of no less than 1:1 rounded  
457 up to the next whole number.

458 (d) In areas where offsets may also be required for precursors  
459 to PM<sub>10</sub> and/or ozone, the most stringent emission offset ratio required  
460 by R307-403 shall apply.

461 (e) Offsets may not be traded between pollutants.

462

#### 463 **R307-403-6. Offsets: Ozone Nonattainment Areas.**

464 In any ozone nonattainment area, new sources and modifications  
465 to existing sources as defined and outlined in 42 U.S.C. 7511a (Section  
466 182 of the Clean Air Act) shall meet the offset requirements and  
467 conditions listed in that section for the applicable classified area  
468 and for the identified pollutants.

469

#### 470 **R307-403-7. Offsets: Baseline.**

471 The baseline to be used for determination of credit for emission  
472 and air quality offsets will be the emission limitations and/or other  
473 requirements in the applicable State Implementation Plan (SIP),  
474 revised in accordance with the Clean Air Act Section 173(c)(1) or  
475 subsequent revisions thereto in effect at the time the application  
476 to construct or modify a source is filed. The offset baseline shall  
477 be the actual emissions, as defined in R307-401-2, of the source from  
478 which offset credits are obtained.

479

#### 480 **R307-403-8. Offsets: Banking of Emission Offset Credit.**

481 Banking of emission offset credit will be permitted to the fullest  
482 extent allowed by applicable Federal Law as identified in EPA's  
483 document "Emissions Trading Policy Statement" published in the Federal  
484 Register on December 4, 1986, and 40 CFR 51.165(a)(3)(ii)(c) as amended  
485 on June 28, 1989, and 40 CFR 51, Appendix S. To preserve banked  
486 emission reductions, the director must identify them in either the  
487 Utah SIP or an order issued pursuant to R307-401 and shall provide  
488 a registry to identify the person, private entity or governmental  
489 authority that has the right to use or allocate the banked emission

490 reductions, and to record any transfers of, or liens on these rights.

491

492 **R307-403-9. Construction in Stages.**

493 When a source is constructed or modified in stages which  
494 individually do not have the potential to emit more than [~~100 tons~~  
495 ~~per year~~]the significance level for determining a major source, the  
496 allowable emission from all such stages shall be added together in  
497 determining the applicability of R307-403.

498

499 **R307-403-10. Analysis of Alternatives.**

500 The owner or operator of a major new source or major modification  
501 to be located in a nonattainment area or which would impact a  
502 nonattainment area must, in addition to the requirements in R307-403,  
503 submit with the notice of intent an adequate analysis of alternative  
504 sites, sizes, production processes, and environmental control  
505 techniques for such proposed source which demonstrates the benefits  
506 of the proposed source significantly outweigh the environmental and  
507 social costs imposed as a result of its location, construction, or  
508 modification. The director shall review the analysis. The analysis  
509 and the director's comments shall be subject to public comment as  
510 required by R307-401-7. The preceding shall also apply in Salt Lake  
511 and Davis Counties for new major sources or modifications which are  
512 considered major for precursors of ozone, including volatile organic  
513 compounds and nitrogen oxides.

514

515 **R307-403-11. Actuals PALS.**

516 The provisions of 40 CFR 51.165(f)(1) through (14) are hereby  
517 incorporated by reference.

518

519 **KEY: air quality, nonattainment, offset**

520 **Date of Enactment or Last Substantive Amendment: [~~December 5,~~**  
521 **~~2013~~2018**

522 **Notice of Continuation: May 15, 2017**

523 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-2-108**

524

525