

TO: Kim Shelley, Executive Director

THROUGH: Bryce C. Bird, Air Quality Director

FROM: Bo Wood, Rules Coordinator

DATE: November 2, 2022

SUBJECT: Amend Rule R305-4, Clean Fuels and Vehicle Technology Grant and Loan Program.

The Clean Fuels and Vehicle Technology Grant and Loan Program is authorized under Utah State Code Sections 19-1-401 thru 19-1-405. Section 19-1-403 creates the Clean Fuels and Emission Reduction Fund (previously the Clean Fuels and Vehicle Technology Program Fund). This proposed rulemaking will address legislative actions that impact R305-4.

Senate Bill 188, passed during the 2022 General Legislative Session, makes the following statutory changes:

- The ‘Clean Fuels and Vehicle Technology Program Fund’ is renamed the ‘Clean Fuels and Emission Reduction Technology Program Fund’.
- Provisions are added for the fund to accept federal money, including from the Infrastructure Investment and Jobs Act (IIJA), toward making grants for:
 - the installation of energy-efficient building envelope improvements on an existing dwelling; or
 - construction of a qualified energy-efficient residential dwelling.
- The Department of Environmental Quality is charged with determining, by rule, the criteria for eligibility and processes for administering grants for the program.

The following amendments to R305-4 are proposed to conform with requirements in Senate Bill 188:

- Amend the title of R305-4 to reflect the change in statute.
- Add eligibility requirements and processes for awarding and administering grants to encourage energy-efficient building practices and improvements for residential dwellings.
- Add definitions related to new provisions.
- Make other technical changes as needed to conform with legislation.

In addition to the changes required by Senate Bill 188, staff proposes removing references to retrofits throughout R305-4 because grants associated with retrofits were moved to the ‘Clean Air Retrofit, Replacement, and Off-road Technology Program’ during the 2014 Legislative General Session (HB61).

Section 19-1-405 authorizes the Air Quality Board to make rules to establish state-wide eligibility requirements for grant and loan monies awarded from the fund. Rule R307-123

specifies these requirements. Amendments to R307-123 will be proposed to the Air Quality Board on November 2nd to conform with the requirements of Senate Bill 188.