

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Bo Wood, Rules Coordinator

DATE: November 2, 2022

SUBJECT: PROPOSE FOR PUBLIC COMMENT: Amend Rule R307-123. 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. 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. Utah Division of Air Quality staff created R307-123 to specify these requirements. This proposed rulemaking will address legislative actions that impact R307-123.

Senate Bill 188 (SB188) was passed during the 2022 General Legislative Session. The following changes to R307-123 are proposed to conform with requirements in SB188:

- SB188 changed the name of ‘Clean Fuels and Vehicle Technology Program Act’ to ‘Clean Fuels and Emission Reduction Technology Program Act’. Amendments to the title of R307-123 are proposed to reflect this change in statute.
- SB188 added Renewable Natural Gas and Hydrogen as specified Clean Fuels, which are included in the proposed amendments to R307-123.

SB188 also added a provision to the program that allows grant awards to encourage energy-efficient building practices and building envelope efficiency improvements to existing residential dwellings. This provision will be addressed through DEQ Administration rulemaking by amending R305-4 through a separate process that does not require Air Quality Board approval

In addition to the changes required by SB188, staff proposes removing references to retrofits throughout R307-123 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).

Staff Recommendation: Staff recommends that the Air Quality Board propose R307-123, as amended, for a 30-day public comment period.