

TO: Air Quality Board

THROUGH: Bryce C. Bird, Executive Secretary

FROM: Bill Reiss, Environmental Engineer

DATE: March 7, 2018

SUBJECT: PROPOSE FOR PUBLIC COMMENT: Amend R307-403. Permits: New and Modified Sources in Nonattainment Areas and Maintenance Areas.

EPA determined that there are potential deficiencies in Utah's nonattainment new source review (NNSR) permitting rules. In response, the Division of Air Quality sent a letter to EPA committing to revise portions of R307-403 no later than December 8, 2017.

Amendments to R307-403 attempting to fulfil the commitments made to the EPA were proposed in September, but on December 6, 2017, the Board voted to let the proposed Amendment lapse, raising concerns over the exclusion of ammonia as a precursor pollutant. As a result, the Division of Air Quality is now in breach of the commitment letter.

EPA has indicated that it will be issuing a Finding of Failure to Submit within six to eight months from the December 8, 2017 deadline. Such finding would put Utah on notice that if it failed to rectify the commitments made in the letter, EPA would be forced to apply sanctions including mandatory offset regulations and/or loss of federal highway funding.

The Division of Air Quality has re-addressed R307-403, attempting to satisfy the ammonia precursor issues raised in the December 2017 board meeting, and still conform to the commitments made in the letter to EPA.

In today's proposal, ammonia has been exempted as a PM_{2.5} precursor only in the Logan nonattainment area, where a demonstration supporting that conclusion has been submitted to EPA. In the Salt Lake and Provo nonattainment areas, where any such conclusion has yet to be demonstrated, ammonia remains a PM_{2.5} precursor as per the federal rules in 40 CFR 51.165. To make this clear, certain definitions from 40 CFR 51.165 that are otherwise incorporated by reference have been amended in R307-403-1(4) at subparagraphs (c) and (b).

R307-403 has been amended to allow for regulation of PM_{2.5}. The proposed changes include updates to definitions and clarifications concerning Lowest Achievable Emission Rate (LAER) requirements and applicable offset requirements. These changes will enable EPA to approve R307-403 into Utah's State Implementation Plan.

Recommendation: Staff recommends that the Board propose the amendments to R307-403 for a 30-day public comment period.