



State of Utah

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Environmental Quality

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DIVISION OF AIR QUALITY  
Bryce C. Bird  
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DAQ-036-15

**MEMORANDUM**

**TO:** Air Quality Board

**THROUGH:** Bryce C. Bird, Executive Secretary

**FROM:** Jay Baker, Environmental Scientist

**DATE:** July 23, 2015

**SUBJECT:** PROPOSE FOR PUBLIC COMMENT: Adoption of Section XX, Part N, Enforceable Commitments for the Utah Regional Haze SIP.

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EPA's ability to approve the recently submitted Alternative to BART Regional Haze SIP is contingent on the submittal to the EPA of an Enforceable Commitment SIP. In the Enforceable Commitment SIP, Utah would continue to take credit for SO<sub>2</sub> emission reductions from the Carbon plant closure in the recently approved Alternative to BART Regional Haze SIP, but would not take credit for those SO<sub>2</sub> reductions in the annual Regional SO<sub>2</sub> Milestone Report as required in the original Section 309 Regional Haze SIP. This approach ensures that SO<sub>2</sub> emissions reductions from the Carbon power plant closure are not double counted in the Regional Haze SIP. The EPA has asked that we address the following points in the commitment state implementation plan (SIP):

1. Explain the double-counting issue that was created with adoption and submittal of the recent SIP to EPA. Identify the exact SO<sub>2</sub> tonnage accounted for from the Carbon units, for all units in both SIPs. Commit to resolving that tonnage from the Carbon units.
2. Explain how the commitment addresses a limited portion of the required program, including basis for characterizing the amount as "limited."
3. Resolve the double-counting, and commit to analyzing what amendments are needed to the backstop trading program rules (and other SIP provisions), as well as commit to analyzing any conforming amendments necessary in the recently submitted SIP, so that the SO<sub>2</sub> emissions from the Carbon units will continue to be included in milestone reporting for the backstop trading program for the life of the backstop trading program.

4. Commit to resolve the specific double-counting tonnage by preparing a SIP revision that will go through the State's SIP adoption process; and include an explanation of the State's SIP adoption process.
5. Commit to submit an approvable SIP revision to EPA, along with any supporting document(s) no later than mid-2018 so that the State SIPs are resolved before the end of the 2018 milestone.
6. Commit to work with EPA and take appropriate action to resolve any completeness or approvability issues that arise regarding the proposed SIP revision by mid-2018.

Part N SIP Section XX is provided in the attachment to this memorandum.

Staff Recommendation: Staff recommends that the Board propose the attached SIP Section XX, Part N, for public comment.

## N. ENFORCEABLE COMMITMENTS FOR THE UTAH REGIONAL HAZE SIP.

Utah has found that, in order to ensure that certain emissions reductions are not double counted and that the Regional Haze SIP is enforceable as a practical matter, circumstances warrant creation of an enforceable commitment SIP. The intent of this section is to meet sections 110, 169A, and 169B of the Clean Air Act, and to ensure that the EPA can approve the Regional Haze SIP. EPA applies three factors when determining whether to approve an enforceable commitment: (1) whether the commitment addresses a limited portion of the statutorily-required program; (2) whether the state is capable of fulfilling its commitment; and (3) whether the commitment is for a reasonable and appropriate period of time. Once approved as part of this SIP, these commitments are enforceable by both EPA and citizens under the Clean Air Act. Utah therefore commits to the following:

1. In Section D.6.c of this plan, Carbon Units 1 and 2 will be shut down. This enforceable shutdown will result in SO<sub>2</sub> reductions of 3,388 tons/year from Unit 1 and 4,617 tons per year from Unit 2, resulting in a total of 8,005 tons per year. The resulting combined annual emissions of NO<sub>x</sub>, SO<sub>2</sub>, and PM will be 2,876 tons lower than the alternative Better than BART controls. Simultaneously, as part of the annual milestone reports required by the Utah SIP and Section 309 of the Federal Regional Haze Rule (40 CFR Part 51), Utah tracks SO<sub>2</sub> emissions from applicable stationary sources and compares those to milestones set in the initial Utah 309 plan. If the 8,005 tons/year were removed in subsequent milestone reports, the State would be counting the reductions obtained from closure of the Carbon units twice. The State commits to resolving this double counting issue by revising the Utah 309 plan to specifically state that the 8,005 tons of SO<sub>2</sub> emissions from the Carbon units will be added into the annual milestone reports from 2016 through the life of the backstop trading program, thereby removing any credit for that emissions reduction in meeting the levels specified in the Utah 309 plan.
2. This SIP is limited to addressing the SO<sub>2</sub> emissions from the Carbon units only. These emissions are a small part of the overall 30,700 tons of emissions reductions from SO<sub>2</sub> and NO<sub>x</sub>. Thus, the amount of the reduction is limited to 8,005 tons.
3. 40 CFR 51.309 sets forth emissions inventory requirements for tracking compliance with the SO<sub>2</sub> milestones. SIP Section XX.D.3.c and Rule 307-150 specify the mechanism used to implement this tracking requirement in Utah, and require all stationary sources with actual emissions of 100 tons per year or more of SO<sub>2</sub> in the year 2000 or in any subsequent year to submit an annual inventory of SO<sub>2</sub> emissions, beginning with the 2003 emission inventory. A source that meets these criteria and then emits less than 100 tons per year in a later year must continue to submit an SO<sub>2</sub> inventory for tracking compliance

with the regional SO<sub>2</sub> milestones until 2018. As necessary, SIP Section XX.D.3.c and R307-150 will be revised to supplement Utah's inventory requirements and to satisfy the needs of this Commitment SIP. Other applicable provisions that may be identified in the future will be amended as well.

4. Utah will resolve the double-counting issue by including the 8,005 tons of SO<sub>2</sub> emissions from the Carbon Power Plants in each required annual Section 309 Milestone Report from 2016 through the life of the backstop trading program. All required amendments to this SIP will be done through the State's SIP adoption process. The SIP is adopted by the Governor-appointed Air Quality Board through a rulemaking process that includes public comment periods and an opportunity for a public hearing.
5. Utah will submit an approvable SIP revision to EPA, along with any supporting document(s) by March 2018 to allow EPA to take final action before the end of the milestone commitment. Additionally, Utah will include the 8,005 tons/year of SO<sub>2</sub> emissions reported by the Carbon units in the annual report of SO<sub>2</sub> emissions used to trigger the backstop trading program.
6. Utah will work with EPA and take appropriate action to resolve any completeness or approvability issues that arise regarding the proposed SIP revision by March 2018.