UTAH AIR QUALITY BOARD MEETING
January 5, 2011 – 1:30 p.m.
195 North 1950 West, Room 1015
Salt Lake City, Utah 84116

FINAL MINUTES

I. Call-to-Order

Ernie Wessman called the meeting to order at 1:33 p.m.

Board members present: Nan Bunker, Ernie Wessman, Kathy Van Dame, Steve Sands, Joel Elstein, Brent Bradford, Darrell Smith, Kerry Kelly, Craig Peterson (attendance by phone), and Robert Paine (attendance by phone)

Excused: Amanda Smith

Executive Secretary: Cheryl Heying

II. Date of the Next Air Quality Board Meeting: February 2, 2011

III. Approval of the Minutes for December 1, 2010, Board Meeting.

- Steve Sands moved to approve the minutes as submitted to the Board. Kerry Kelly seconded. The Board approved in favor with Nan Bunker abstaining from the vote.

IV. Propose for Public Comment: Amend Utah State Implementation Plan, Section XX. Regional Haze; Amend R307-110-28. Regional Haze. Presented by Colleen Delaney.

Colleen Delaney, Environmental Scientist at DAQ, presented to the Board the history of the 2003 regional haze State Implementation Plan (SIP) that was based on recommendations of the Grand Canyon Visibility Transport Commission (GCVTC). The regional haze SIP is coming from the national visibility goal that was established in the Clean Air Act where congress declared as a national goal the prevention of any future, and the remedying of any existing impairment of visibility in mandatory Class I Federal areas. This is a long term plan where SIP revisions are required every ten years, and for each SIP revision states would establish progress goals.

The significant changes to the regional haze SIP are located in Part E, the sulfur dioxide (SO2) milestones and backstop trading program. The biggest factor to those changes is that instead of a four-state program it is now a three-state program because Arizona has opted to pursue a SIP under Section 308. There were some minor clarifications and clean up in other parts of the SIP. It is important to realize that the majority of the SIP is still basically what was developed in 2003 and our strategies and overall approach are still rooted in the 2003 SIP. The sections on fire, mobile sources, clean air corridors, pollution prevention, and dust have not changed since that SIP and are still based on the inventories and technical work that was available at that time. In 2008, some additions were made to the SIP to address best achievable control technology for nitrogen oxides (NOx), particulate matter, and the impact on Class I areas outside of the Colorado Plateau. The tribal setaside is still included in the SIP but has been changed and would be available if the program was ever triggered. The setaside is a special allocation to tribes and would come out of the pool for allowances that were available for the entire program. The

renewable energy credit originally included in the 2003 SIP is no longer included in the program. The rationale is that things have changed quite a bit and the incentives in this program are no longer needed to be driving growth of that industry. In addition, there are supporting rules that describe the backstop trading program, emissions inventory requirements, smoke management plan, etc. that have been updated and in order to understand the entire package of the SIP you need all those pieces.

Staff recommends the Board propose amendments to the regional haze SIP and R307-110-28 for public comment.

Ms. Delaney answered questions from the Board and explained that the program has been structured that periodic SIP revisions are done. According to the regional haze rule we will do another major SIP revision in 2018. In addition, we are required to prepare a progress report in 2013 to show how the SIP has been working and determine at that time whether additional measures are needed to meet the SIP goals. The progress reports on this SIP are different than what has typically been done for a National Ambient Air Quality Standards (NAAQS) SIP in that it is not intended to be a one shot deal. It's intended to be something that you are making progress over time and revisit periodically.

As we looked at the milestone reduction we also looked at how the overall program was changing and tried to balance things out as best we could. When developing the 2000 Annex the renewable energy industry in the West was in its infancy. As we looked at this we were not seeing that this particular program provided much of an incentive. It would occur if the program were triggered and then there would be allocation for renewable energy and at this point there are other drivers that are much more effective for that encouragement. That was the rationale for removing the renewable energy credit but maintaining other things such as the tribal set-aside that we thought were critical to the overall goals of the plan. The 10% by 2015 and 20% by 2025 goals will be looked at in the progress report in 2013. As time has gone by, the assumptions about how many allowances would be available have changed down to the number of allocations that were available which led to the decision to remove that particular credit and also realizing that it would be difficult to implement. We wanted to maintain the pieces that were most effective today as opposed to what we needed back in 2000. The allowances are only triggered if the program doesn't achieve its objectives. It's something that made sense in 2000 and now we just don't think this particular program provides that much of an incentive or driver for renewable energy. Other portions of the SIP, the pollution prevention portion and other areas, were where efforts are better focused as opposed to trying to do it through the back-stop trading program.

Through the stakeholder process, as changes developed we have been working through the Western Regional Air Partnership and their regional process of conference calls and distributing materials in order to get regional comment prior to bringing it into the state process. We did this for the 2008 SIP revision and we did it again for this revision and now the individual states are taking it back to their own process.

- Brent Bradford moved to propose this item for public comment. Joel Elstein seconded. The Board approved unanimously.

V. Propose for Public Comment: Amend R307-328. Gasoline Transfer and Storage; Repeal R307-342. Qualification of Contractors and Test Procedures for Vapor Recovery Systems for Gasoline Delivery Tanks. Presented by Colleen Delaney.

Ms. Delaney stated that Utah's Stage I vapor recovery rule requires an annual test to ensure that gasoline delivery trucks are vapor tight. The rule establishes a 5-month testing window between

December 1st and May 1st of each year. The intent of the testing window was to ensure that trucks were leak tight going into the summer ozone season. Last year the Utah Petroleum Marketers and Retailers Association (UPMRA) requested a rule change to remove the 5-month testing window. It is difficult to complete the testing during this window and there are other good reasons for rethinking the intent of this requirement. Ozone can be a problem in the spring and fall in some parts of the state, and wintertime ozone has been measured in the Uintah Basin. Volatile organic compounds (VOCs) are also an important PM2.5 precursor during winter temperature inversions.

The UPMRA worked with testing contractors to gather data during last year's testing season to determine whether a significant number of trucks were failing the vapor tightness test. These testing results indicate that an annual test is important but the failure rate is not high enough to justify limiting the tests to the five months before the ozone season starts. However, to ensure that there is not an overall increase in VOC emissions, the UDAQ recommends tightening the vapor tightness standard to the level required by the gasoline distribution maximum achievable control technology (MACT). Most trucks are already required to meet this standard, but there are some trucks that refuel only at smaller bulk plants that are not subject to the MACT.

In addition, UDAQ recommends aligning the stage I vapor recovery rule with the testing methods of the MACT, and removing the requirement in R307-342 that vapor tightness testing contractors be certified by the state. This certification is not required for other test methods and is problematic for companies that are located out of state.

As an additional change, in R307-328-2 paragraph 3 staff recommends adding the word "gasoline" prior to the words "dispensing facilities" to ensure that it is clear that the compliance schedule applies to the gasoline dispensing facilities described in the previous paragraph 2.

Staff recommends the Board propose for public comment the changes to R307-328 and propose for public comment the repeal of R307-342.

Mr. Wessman introduced public comment from John Hill of the UPMRA. Mr. Hill acknowledged their support of the work of the DEQ and Ms. Delaney on this agenda item. They feel there is a benefit to everyone by going to the higher standard and including all trucks. They are also in favor of opening the window for year-round testing which doesn't put heavy constraints on a testing organization.

- Kathy Van Dame moved to propose for public comment to amend R307-328 and to repeal R307-342. Darrell Smith seconded. The Board approved unanimously.

VI. Propose for Public Comment: Amend Utah State Implementation Plan, Emission Limits and Operating Practices, Section IX.H.2.h. Kennecott Utah Copper: Mine; Amend R307-110-17. Section IX, Control Measures for Area and Point Sources, Part H, Emissions Limits. Presented by Bryce Bird.

Mr. Sands recused himself from all discussion and voting on this agenda item because Rio Tinto Kennecott Utah Copper is his current employer.

Bryce Bird, Planning Branch Manager at DAQ, stated that Section IX H of the SIP containing control measures and emission limits for area and point sources was originally adopted by the Board in 1990. This section has been revised over time with the most recent revision in 2005 in support of a PM10 maintenance SIP. At September's Board meeting, Rio Tinto Kennecott Utah Copper (Kennecott) presented an information item outlining the need and scope of the Kennecott

Bingham Canyon Mine expansion project. In order to obtain approval to proceed with the project Kennecott has requested that the limit for material moved contained in SIP Section IX.H.2.h be adjusted to 260,000,000 tons per 12-month period. The current limit for total material moved (ore and waste) for the Kennecott Bingham Canyon Mine is 197,000,000 tons per 12-month period. This limit serves as a surrogate for direct and indirect precursor emissions from activities at the Kennecott Bingham Canyon Mine that contribute to ambient PM10 concentrations in Salt Lake County.

Kennecott submitted an initial Bingham Canyon Mine Expansion Technical Support Document (TSD) on August 17, 2010. DAQ staff reviewed and provided comment on the information submitted concerning the analysis of emissions resulting from the change in the limit for material moved at the mine. On December 6, 2010, Kennecott submitted a final TSD. The TSD provides an analysis of the emissions associated with the increase in material moved along with increased controls to demonstrate that the resulting emissions will not adversely impact attainment with the NAAQS.

As Kennecott outlined at the September Board meeting, a parallel process to amend the approval order for the Bingham Canyon Mine was initiated. The approval order can not be issued unless the limit for material moved is consistent with the SIP limit in Section IX.H.2.h. Both the SIP and the approval order must be amended before Kennecott is authorized to increase the amount of material moved. The second portion of this is that R307-110-17 is the mechanism to adopt section IX of the SIP into the state rules.

Staff recommends that the amendments to the Utah State Implementation Plan, Emission Limits and Operating Practices, Section IX.H.2.h. Kennecott Utah Copper: Mine and R307-110-17 be proposed for public comment. Mr. Bird then answered questions from the Board.

Mr. Wessman introduced public comment from Chris Kaiser of Kennecott Utah Copper to address the Board and assist in answering some questions.

Mr. Bird and Mr. Kaiser explained that when the TSD was submitted some inventory information for PM2.5 was included but the TSD was just specific to the PM10 SIP and so PM2.5, being a fraction of that, was not intended to be covered. When DAQ did their analysis, they found it to be consistent when addressing PM10 and specific nonattainment outside of their boundaries.

To the concern that there was not sufficient information to make the assessment that the amendment would not impair our ability to meet national standards, Mr. Bird explained the documentation and analysis that was provided was particular to changing a limit that was established originally under the 1994 SIP and later amended. This proposal to 260,000,000 tons is particular to the emissions limit contained in subparts H which were developed in support of the PM10 2005 maintenance plan. This is an initial effort to address future activities and is just one of the requirements that Kennecott is obligated to go through. It does not impair our ability to look at these sources and emissions again under the additional criteria with the PM2.5 SIP that we will be developing and in the ozone SIPs that we develop in the future. This analysis was a conservative analysis looking at the target of the PM10 NAAQS. When we look at this in the future we will be refining both this effort as well as using this as input into the modeling that we will be doing as part of the PM2.5 SIP development. We will also be looking at it in a more stringent and refined fashion at that point to get the actual impact at that time.

In regards to using banked SO2 emissions to offset potential PM10 emissions on page 5-1 of the TSD, section two addresses an area that is beyond what current state rules cover, specifically the 1994 SIP. This part is not a part of Utah state law, but is still the EPA recognized implementation

plan for PM10 for Utah. When Kennecott did their analysis, they added this piece to address the separate regulation that is not a part of state law. Mr. Kaiser agreed and added that there were three demonstrations, one demonstration under the permitting rules for the approval order, one associated with the 2005 PM10 SIP, and one associated with the 1994 PM10 SIP.

On this specific item, Kennecott is requesting that the Board look at changing limits under the PM10 maintenance plan submitted to the EPA. They have also applied for an approval order through DAQ's permitting procedures that will address such changes as the existing standards under PM2.5 and ozone.

- Kathy Van Dame moved to propose for public comment, amend Utah State Implementation Plan, Emission Limits and Operating Practices, Section IX.H.2.h. Kennecott Utah Copper: Mine and amend R307-110-17. Section IX, Control Measures for Area and Point Sources, Part H, Emissions Limits for public comment. Darrell Smith seconded. The Board approved in favor with Steve Sands recused.

Mr. Bird added that there will be a public hearing on this rule February 22, 2011, as part of the requirement of the SIP amendment.

VII. Informational Items.

Mr. Wessman introduced public comment from George Chapman of Salt Lake City, Utah. Mr. Chapman requested that the Board take the lead in encouraging businesses to work with the Utah Transit Authority (UTA) on increasing ridership, especially on red and yellow air quality days. Increasing ridership on UTA will reduce air pollution.

A. Air Toxics. Presented by Robert Ford.

B. Compliance. Presented by Jay Morris and Harold Burge.

C. Monitoring. Presented by Ken Symons.

Ken Symons updated the Board on the monitoring graphs. The monitors in Utah Valley and Box Elder have been down. Data from the filter measuring device still needs to be entered into the new database system so there was missing data on the graphs submitted to the Board.

Meeting was adjourned at 2:47 p.m.

Minutes approved: February 2, 2011