

Dedicated to protecting and improving the health and environment of the people of Colorado

November 13, 2023

Colorado Legislative Council 029 State Capitol Building 200 East Colfax Denver, Colorado 80203

Subject: Anticipated Revisions to the Colorado State Implementation Plan for Air Quality for Calendar Year 2024

Pursuant to C.R.S. § 25-7-133(4)(b), the Colorado Air Quality Control Commission ("Commission") is directed to provide Legislative Council with a list of anticipated changes to Colorado's federally-approved State Implementation Plan(s) (SIP) for the upcoming year. Based on its current Long Term Calendar, the Commission will consider the following SIP changes during calendar year 2024:

Greenhouse Gas Emissions Fees (Regulation Number 3)

In February 2024, the Commission will consider revisions in response to HB 21-1266 concerning establishing a fee on reported greenhouse gas emissions.

Solid Waste and Coal Mine Methane Protocol Updates (Regulation Number 22)

In May 2024, the Commission will consider revisions to Regulation Number 22, Part C to update incorporate by reference names and/or dates to the municipal solid waste and coal mine methane protocols and to update regulatory citations.

Emergency Affirmative Defense Provisions (Regulation Number 3)

In July 2024, the Commission will consider revisions to Regulation Number 3, Part C to address changes the Environmental Protection Agency made to the corresponding provisions in 40 CFR Part 70 removing the emergency affirmative defense provisions. States must make conforming revisions to their Environmental Protection Agency-approved part 70 programs and submit such revisions by August 21, 2024.



Carbon Monoxide (CO) Redesignation to Attainment

In August 2024, the Commission will consider revisions to Regulation Number 1, Regulation Number 4, State Implementation Plan, Specific Regulations for Nonattainment-Attainment/Maintenance Areas (Local Elements), and Air Quality Standards, Designations and Emission Budgets that impact CO maintenance plans (Greeley, Colorado Springs, Longmont, Denver Metro, Fort Collins). The Commission may also evaluate potential revisions to remove federal enforceability, if no longer necessary.

Oil and Gas Midstream Segment Emission Reduction Plan (Regulation Number 7) In December 2024, the Commission will consider revisions to Regulation Number 7 to include the midstream segment emission reduction plan.

These and any other SIP revisions adopted by the Commission in 2024 will be provided to the Legislative Council for consideration in January 2025, prior to submittal to the Environmental Protection Agency.

Please note that in December 2023 the Commission will consider finalizing Colorado's Ozone SIP, for both the 2008 ozone standard and the 2015 ozone standard and to further reduce ozone precursor emissions in Colorado's Non-Attainment area. These include consideration of emission control strategies of major sources and combustion engines, oil and gas pre-production equipment, lowering NOx by 30% by 2025, and lawn and garden equipment, as well as a number of other technical elements. The SIP is required by the federal Clean Air Act to exhibit the state's federally enforceable plans to come into compliance with the federal National Ambient Air Quality Standards.

In 2024, the Commission will also consider setting the following for rulemaking hearings to establish additional control measures that are not intended to become part of the federally approved SIP:

Air Toxics (Regulation Number 30)

In September 2024, the Commission will consider setting a rulemaking hearing to consider establishing a new Regulation Number 30 to identify up to five priority air toxic contaminants, in response to HB 22-1244.

Emissions of Ozone Precursors (Regulations Number 7 and Number 26) In November 2024, the Commission will consider setting a rulemaking hearing to consider revisions addressing emissions of ozone precursors.



Other state-only measures and strategies that are currently being implemented and are key elements of the SIP control program are as follows. These state-only measures are not intended to become part of the federally approved SIP.

Transportation Emissions Reductions from Medium and Heavy Duty Vehicles (Regulation Number 20)

California's Advanced Clean Trucks Program and the Heavy Duty Low NOx Program are being implemented in Colorado. The Advanced Clean Trucks Program requires that manufacturers of medium and heavy duty vehicles sold in Colorado sell a specified percentage of zero emission vehicles starting with model year 2027. The Heavy Duty Low NOx Program establishes stringent NOx emission standards for model year 2027 and later vehicles sold in Colorado.

Building Performance Standards (Regulation Number 28)

Building Performance Standards are being implemented as required by the legislature. The Commission promulgated a statewide benchmarking program that requires commercial, multifamily, and public buildings 50,000-square-feet or larger to report their annual energy use. These reports provide building owners and tenants with information about how their building's energy performance compares to similar buildings, and helps them identify opportunities to reduce energy waste. The Commission also adopted regulations to achieve greenhouse gas emission reductions of 7% by 2026 and 20% by 2030, from 2021 energy data baseline.

Greenhouse Gas Emissions and Energy Management for Manufacturing, GEMM 2 (Regulation Number 27)

A first-of-its-kind rule to both reduce air pollution in local communities and greenhouse gas emissions from manufacturers is being implemented. The Greenhouse Gas Emissions and Energy Management for Manufacturing Phase 2 plan, or GEMM 2, aims to ensure 18 of Colorado's highest-emitting manufacturers collectively reduce their greenhouse gas emissions 20% by 2030, compared to 2015 levels. These manufacturers emit air pollutants when producing a wide range of products, including petrochemicals, microchips, and glass. GEMM 2 covers facilities with manufacturing operations that emit 25,000 or more metric tons of GHGs per year. GEMM 2 builds upon the progress of the existing energy intensive trade-exposed facilities GEMM rule (GEMM 1).

Oil and Gas Greenhouse Gas Intensity Verification (Regulation Number 7)

A new greenhouse gas intensity verification rule is being implemented. The GHG intensity program applies to upstream oil and gas operations. The program includes two main parts: the new verification rule and greenhouse intensity standards. The new verification rule ensures that facilities adhere to the greenhouse gas intensity standards adopted in 2021. The standards become more protective over time in accordance with the 2021 Colorado Greenhouse Gas Pollution Reduction Roadmap, which calls for the oil and gas industry to achieve a 36% reduction in GHGs by 2025 and a 60% reduction by 2030.



Emissions from Power Plants (Regulation Number 23)

The Regional Haze SIP provisions in Regulation Number 23 include a number of power plants that were identified for shutdown, conversion to natural gas, or additional emission controls. The Regional Haze SIP for the second 10-year planning period has been approved by the Commission and has reduced NO_x emissions from the retrofit of two combustion units at the Suncor Refinery.

Voluntary Programs

The Clean Fleet Enterprise Clean Fleet Vehicle and Technology Grant Program opened on March 29 providing grant funding to incentivize businesses and governmental entities that operate fleets to use electric motor vehicles. This includes motor vehicles that were originally powered by internal combustion engines, but have been converted into battery electric or hydrogen fuel cell electric motor vehicles, and compressed natural gas motor vehicles that are fueled by recovered methane. Additional grant application periods will be opened in the future.

The Electric School Bus Investments Grant Program (SB22-193) launched a Request for Applications to support the procurement of electric school buses and other electric vehicles that transport children, as well as associated charging infrastructure. The grant program will also fund project start-up costs, technical assistance, and high-voltage training for technicians. In addition to developing the state program, SB22-193 funding was leveraged to provide additional support to four school districts that received awards from the initial round of the Environmental Protection Agency's Clean School Bus Program. The combined state and federal funding will facilitate the deployment of eight electric school buses and seven charging stations.

The Air Quality Enterprise identified ozone-related research and the development of a centralized, public air quality monitoring database as its top priorities. In order to improve the state's understanding of ozone pollution in Colorado, facilitate efforts to attain federal ozone standards, and support tangible progress toward aiding fee payers' obligations and commitments to reducing air pollutants, the Air Quality Enterprise solicited proposals in 2023 on a broad category of research related to ozone, including but not limited to ozone emissions, monitoring, and modeling information. This research could include, but would not be limited to, work to improve the ozone SIP model and ozone precursor emissions characterization. The Ozone Project Request for Proposal process is underway and awards are anticipated to be determined in the fall/winter of 2023.



The scheduled SIP revisions noted above have been included in the Commission's Long <u>Term Calendar</u> and the Colorado Department of Public Health and Environment's <u>2023</u> <u>Regulatory Agenda</u>. More information can be found at the following links:

https://cdphe.colorado.gov/aqcc

https://cdphe.colorado.gov/public-information/boards-and-commissions/annualdepartmental-regulatory-documents

Thank you,

Jojo La, Director Environmental Boards and Commissions Colorado Department of Public Health and Environment

cc: Elise Jones, Chairperson, Air Quality Control Commission Jill Hunsaker Ryan, Executive Director, CDPHE Trisha Oeth, Environmental Health and Protection Director, CDPHE Michael Ogletree, Air Pollution Control Division Director, CDPHE

