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WYOMING AIR QUALITY ADVISORY BOARD

TRANSCRIPT OF MEETING PROCEEDINGS

Pursuant to notice duly given to all parties in interest, this matter came on for meeting on the 17th day of July, 2017, at the hour of 1:00 p.m., at the Platte County Public Library, Large Conference Room, 904 9th Street, Wheatland, Wyoming before the Wyoming Air Quality Advisory Board, Timothy Brown, Chairman, presiding, with Diana Hulme, John Heyneman and Douglas Vickrey in attendance.

Ms. Nancy Vehr, Air Quality Administrator, Ms. Amber Potts, Mr. Mike Morris, Mr. Rob Leteff, Mr. Darion Donnelly, Mr. Brian Ferhn, Mr. Dan Sharon, Elizabeth Morriseau, and Allison Kvien of the Air Quality Division in attendance. Also, Patrick Day, Anine Lambert from Basin Electric Power Cooperative were in attendance.

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PROCEEDINGS

(Meeting proceedings commenced
1:02 p.m., July 17, 2017.)

CHAIRMAN BROWN: We'll call this meeting to order, July 17th, Air Quality Advisory Board. First, we'll start off introductions like we always do. Then, we will go to the next order of bus-, item on the agenda, approval of minutes, but Nancy, if you want to...

MS. VEHR: Yup, Nancy Vehr, Air Quality, I was going to say Advisory Board but, Air Quality Division Administrator.

BOARD MEMBER HULME: I'm Diana Hulme, a member of the Air Quality Advisory Board from Laramie, Wyoming.

CHAIRMAN BROWN: Tim Brown, member of the Air Quality Advisory Board from Green River, Wyoming.

BOARD MEMBER VICKREY: Doug Vickrey, member of the Air Quality Advisory Board from Daniel, Wyoming.

BOARD MEMBER HEYNEMAN: John Heyneman, A Air Quality Advisory Board from Sheridan.

CHAIRMAN BROWN: Okay, first order of business, approval of meeting minutes from March 28, 2017.

BOARD MEMBER HULME: I'll make a motion of approve the minutes from March 28, 2017.

BOARD MEMBER VICKREY: I'll second.

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1 CHAIRMAN BROWN: It's been moved and seconded to approve
2 the minutes from March 28, 2017, all those in favor?

3 BOARD MEMBER HULME: Aye.

4 BOARD MEMBER VICKREY: Aye.

5 BOARD MEMBER HEYNEMAN: Aye.

6 CHAIRMAN BROWN: All those opposed? Meeting minutes
7 from March 28, 2017 have been approved. Onto new business, general update
8 from the Division.

9 MS. VEHR: Yes, and I have a PowerPoint here and I've printed
10 out four slides on the front and four slides on the back. I didn't bring enough for all of the
11 audience, but I do have a couple here.

12 The first slide addresses the-, what I wanted to cover for general updates
13 was first to give you the updates on each of the air quality programs and then I also have an
14 update on ozone. So, for New Source Review Permitting Program, that program, we have in the
15 past had about 1,500 applications per year and these are from sources that are new or being
16 modified, construction permitting. Most of them are minor sources and, in years past, we've
17 done again about 1,500 permit applications. This year, we're down a little bit, around 1,300
18 permit applications. Last year, we were about at 1,400 permit applications, so we're staying
19 pretty high up there in the numbers. You might recall last year, about this time, there's been a
20 frozen position that we then ended up giving back from the New Source Review Program. We
21 have two vacancies right now. If anyone knows a PE, we have one vacancy, with air quality
22 experience. We have a vacancy that we're now having to advertise nationally for, to try and get a
23 PE with air quality experience. We have an entry level engineer position that we've just finished

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1 doing interviews, so those two vacancies - one will be filled shortly and the other is taking a lot
2 more effort to fill.

3 On Title V Permitting, last board meeting, you heard a presentation about
4 the change to the Title V permitting program to move basis date, so that we can start working on
5 our Title V permitting backlog, and that effort has been communicated out to industry, and we're
6 starting on that. I can tell you that's an effort that'll probably take about a full-, another 15-
7 months or so before see the significant decrease in that renewal backlog. But we are seeing some
8 decrease in the backlog, so I think it's going to be very successful.

9 And with that, I'm just going to pause for a second because I wanted to
10 introduce Air Quality staff and I forgot to do that, but we have Brian Ferhn from the Title V
11 program, and he can add some words on that basis date, if he's seen any difference.

12 MR. FERHN: Well, we've gotten some of those done and we still
13 have applications coming in. I think I've gotten about every application Basin has, under Title V,
14 I've seen some of the natural gas plants late last week, so-

15 MS. VEHR: So, that's Brian from the Title V Program, and then
16 we have other Air Quality staff here, Amber Potts, from Team Rules that does an amazing job
17 getting everybody herded out together so we can have meetings and fruitful agendas. We had,
18 and we'll cover this when we get into the rulemaking, but we had a really good presentation at
19 the Laramie River Station on the background there and the project that's underway. And also on
20 Team Rules, we've got Darion, and Rob, and Mike that you've met before, and I think that one
21 or more of you might be doing an update. And right behind them is Allison Kvien, who is our
22 new Air Quality Division Assistant Attorney General. I don't know if you want to give any
23 background or an introduction, Allison.

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1 MS. KVIEN: Sure, well my official title right now is Law Clerk
2 until my Wyoming Bar comes through, and then, Elizabeth, I'm sure you all know.

3 MS. MORRISSEAU: Allison's not going to toot her own horn so
4 let me take a minute to do that for her. Allison was most recently working with Earth Justice in
5 Manhattan, New York, New York City. She's had lots of experience. She's worked slash
6 interned at EPA, with Department of Justice and she's got a great head on her shoulders and
7 she's going to be awesome.

8 MS. VEHR: And, that was a good introduction and Allison is
9 getting used to Wyoming outdoors. But we're very fortunate and look forward to working with
10 Allison. Also, with heavy hearts, and also, deep pride, Elizabeth Morrisseau is leaving the
11 Attorney General's Office in Wyoming and headed to Michigan. So, she'll bring some common
12 sense out that way with the understanding of some western issues. This'll be Elizabeth's last
13 meeting, but we've really enjoyed her representation over the years, and we look forward to
14 seeing her again in her different capacity.

15 CHAIRMAN BROWN: Thank you.

16 MS. VEHR: Sorry for that divergence but I thought it was
17 important to introduce that. On compliance enforcement, we are still-, I think I've given a report
18 about the types of activities that we're doing under compliance and enforcement. Those
19 essentially are unchanged. We have seen a continued interest in the environmental audit
20 provisions and we think some of that is attributed to, and it's primarily in the oil and gas sector,
21 we think some of that's attributed to the sales and consolidations and numerous energy-related
22 bankruptcies that we've seen. So, we're working through those processes, as well. On the Air
23 Quality Resource Management, this is the planning sections that does IMPACT, the Emissions

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1 Inventory and then the NEPA work. So, on the planning side with IMPACT, we have about a
2 little less than a year left of development of our electronic permitting, monitoring, recordkeeping,
3 tracking tool. We hope to be able to present some information at a future meeting on some of the
4 cost savings that can be realized from industry side and efficiencies from industry side on use of
5 these electronic tools. We remain engaged at the national level with staff working on
6 streamlining some of the data reporting pieces that go along with EPA and all the records. On the
7 Emission Inventory side, we have just finished sending out most of the Emissions Inventory fee
8 statements. The change in that process is because of the state budget situation, we sent those out
9 earlier than we had in previous years, and they know we'll need to make some adjustments over
10 time with those. The NEPA side, a couple weeks ago, was published that the normal pressurized
11 lance project - which is a Jonah Energy project - was released for public comment and I think
12 that comment extends until around August, so that's underway right now on that side. And we
13 are now fully staffed in the Air Quality Resource Management side. We've had a couple
14 vacancies that last couple of meetings. Oh, Dan! That's because he's hiding, Dan's from our
15 Monitoring Section of the Air Quality Resource Management team. Sorry, Dan, I forgot and I
16 rode up next to him in the vehicle. But Monitoring has been very busy on that side with monitors
17 and the portable monitor relocations across the state. We've just submitted our Annual
18 Monitoring Network Plan down to EPA that had been out for public comment until mid-June. On
19 the ozone standards, wanted to give you an update, as a backdrop. In October 2015, the standards
20 were set at 70. Almost a year ago, we submitted our designation recommendation, and generally
21 EPA has a year to issue final recommendations. Excuse me, make final designations. EPA
22 announced that they were reviewing the standard and that they were extending the designation
23 timeframe by a year. And, so, that does not change the underlying statutory deadlines that

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1 remain, like, infrastructure state plans - those are driven by statute, so we still have those
2 deadlines as a state. It just means EPA is going to take an additional year to look at new data and
3 information before they do designations. When Wyoming submitted our recommendations, we
4 submitted recommendations for some areas as attainment because we had some monitors that
5 showed we were under the 70, and then we had some that were attainment/unclassifiable, and we
6 had no areas that we recommended designation as nonattainment. Some of the issues that EPA is
7 looking at related to background - that's the levels that's already present there - and it's been
8 found through literature studies that background is higher in the Mountain West than in other
9 parts of the country, so that's one of the things that EPA is looking at is background.

10 International transport is another area that they are making findings that there's not just transport
11 issues from the northern border, Canada, or the southern border, Mexico, but from Asia coming
12 over. So, they're doing some additional studies and then exceptional events, which are events
13 that beyond anyone's control to prohibit, they've just updated the rule on that and we're - they're
14 taking a look at some of those stratospheric ozone intrusions and wildfire contributions to some
15 of those ozone readings. So, right now, we anticipate 2018, in the Fall, designations. We'll still
16 have to be plowing forward with our infrastructure state planning effort and then wanted to let
17 you know about a federal bill out that's there - 806. It has made it through the House Committee
18 side and will be considered by Congress on the House, the full House, I believe, some time in the
19 next week or so. And that's the one that looks at not just ozone, but other pollutants on a
20 frequency of the standards set. One of the things right now, the standards are set, the EPA is not
21 keeping up with those standards setting and then they get sued to establish deadline to reset the
22 new standards and it's still taking about 10-years in between the standard-setting process. That's
23 one of the things that bill does is allow the EPA to take longer - studies show that it needs to be

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1 reevaluated sooner and it doesn't prohibit that, but it does lengthen the time to take away some of
2 the lawsuits. For the 2017 winter ozone season in the Upper Green, I think when we came before
3 you before, the data had not been finalized; we were still waiting to validate some of that data. It
4 did not change from what you saw before it was validated, as reported; we had seven days where
5 the value exceeded the 70 standard. That's what our target is, is 70, so we know if he hit that
6 target we will be in attainment with the 2015 ozone standard in the Upper Green. We did not hit
7 that target seven days this winter. As we mentioned before, this was a record snow season and
8 also, the winter started earlier, and the ozone season started earlier and lasted about the usual
9 length of time. That's where the rest of my presentation is going to focus on, some of the things
10 that we're doing in the Upper Green. So, we had our-, we'd gone up to Pinedale in March,
11 shortly after that one day when you saw five stations hit, and had a really well attended
12 presentation, good information and questions. And then we went back and did our post ozone
13 season open house, in May, and had stations set up; industry, citizens, the CURED folks, and
14 DEQ set up stations talking about the meteorology, the conditions that we had observed. We had
15 our compliance folks that went through some of we do at a site inspection, and some of the
16 equipment industry had there, **might leak or fail to cause them some emissions.** The next steps
17 that are underway, again, are to try and hit this 70 parts per billion target. We are finishing up our
18 studies. We have an Emission Inventory study and a pond study. I know we went out this Spring
19 and did some additional sampling work, we had pulled some canisters off of our-, I think it was
20 our Boulder Station, and I can't remember the other station when we had some of our high ozone
21 days. And they speciate the Volatile Organic Compounds, and so we're waiting on some of that
22 data to come back and finish analyzing it. We are also working on putting together a summary
23 report. A number of years ago, we had the citizen's task force and they made recommendations,

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1 and we're trying to compile everything into one report so that people can access that. It's also
2 easy to reference what progress we've made and what commitments-, what we've achieved.
3 That's something we hope to have before the fall so people can-. We have additional stakeholder
4 input that we're reviewing; one of our poster sessions at the open house was to get some
5 additional input, and, my apologies, I didn't check with Darla to find out what the status of the
6 review of the input is, but that's one of the items we are reviewing. The ozone contingency plan,
7 I have a slide on the next-, on communication, that I'll touch base in just a second. Pinedale area
8 project office, the JIO PAPO board, they had a meeting in the spring and we had brought forth a
9 proposal to have a county snow plow truck upgraded to a lower emissions standard. And the
10 board that considers these projects went ahead and awarded \$250,000 to a project, but they did
11 not want to select that particular project; they wanted to get public input and get other project
12 ideas. **The challenges getting emission reduction project** that fits the mitigation plans that were
13 approved in the NEPA project and is not a regulatory requirement from industry. So they've
14 received the public input and had great deal of public input and they're going to be considering
15 those-, I believe at their next meeting, I don't know the date for that. DERA is the Diesel
16 Emission Reduction Act, and that's where Congress has provided funding to allow older diesel
17 vehicles to come off the roads and be replaced with newer lower emitting diesel emitting
18 vehicles. Even though the budget hasn't made it through Congress yet, that particular item is on
19 the budget and it's a joint sponsored - Republican, Democrat - sponsored proposal. So, that
20 should help reduce emissions further. And the VW settlement is still in the works and that also is
21 geared towards NOx reductions. On the ozone contingency plan, participants on our website -
22 and this is one of the slides there - we had about, 35-40 participants and these are companies that
23 signed up to do voluntary measures to reduce ozone on action days that DEQ would forecast that

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1 would lead to the formation of ozone. Some companies did shut-ins, some did telework, some
2 did carpooling; there were a variety of measures. One of the things that we have never formally
3 done was announce who the companies were; at the public meetings, folks were wanting to know
4 who all the different companies were. So, now on our website, we've got a list of the companies
5 and we publicly thank them for participation. We would like to encourage and welcome
6 additional participants for this upcoming season, so that's one of my projects, is to make phone
7 calls to everybody. And I'm about 1/8 of the way through my phone calling, so if you hear
8 someone getting a phone call from me, it really is true, I really am reaching out individually to
9 these companies. We think that's been a success to reduce emissions in the Upper Green and we
10 want to get everyone involved. And then, on our primary point of contact, one of the comments
11 that we've received in terms of public input was that it's challenging to get information, and we
12 recognize that we've got folks that are busy during the ozone season trying to do the forecasting
13 and handling the items that are going on. So, we've established Brain Hall, he used to be in the
14 Air Quality Division, and now he's our Outreach Program Manager, he's up on the 4th floor of
15 the DEQ offices now, so he's our primary point of contact and he'll be able to get information
16 more timely out to folks and we'll have one source for all things ozone. That's all I had in terms
17 of the ozone update, unless you guys had any questions?

18 CHAIRMAN BROWN: Any questions from the Board?

19 MS VEHR: We appreciate seeing Doug there, at the meetings.

20 We get to see Daryl.

21 BOARD MEMBER VICKREY: I guess I will have a question
22 there, Nancy. I tend to go to those meeting in Pinedale, obviously, and I've heard a couple of the
23 individuals there that I know quite well and say, "You guys aren't doing a very good job of

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1 forecasting because I run, and you told me I shouldn't run today, but everybody else said it was
2 okay to run." So, I guess from my standpoint, you can only do what you do and people have to
3 make some choices on their own. That would be one of them.

4 MS. VEHR: Yeah, we try to get information out there but
5 forecasting is an art. We have someone who's got a famous relative in the audience, and then we
6 have Brian who's a former meteorologist, but it's a challenge on the forecasting. We try to get
7 information out there so that people can make the decisions that are best for themselves. And
8 that's all I had in terms of ozone. I think we had a Wyoming State Penitentiary complaint update.

9 MS. POTTS: The Air Quality Division received this complaint
10 addressed to the Air Quality Advisory Board on April 6, 2017. To address the complaint in a
11 timely manner, I thought rather than sending it out the Board as a whole and you recommending
12 us to do our job in compliance, that we would do our job in compliance. So, District 2 of our
13 compliance staff, this complaint was transferred to them, they investigated and reported out and
14 responded. I just wanted to get the Board's opinion of, was this an okay practice? Because you
15 don't get many complaints addressed to you directly, and because it is the Division's job to
16 follow up on any complaints. I wanted to make sure it was appropriate that we did our job and let
17 the Board know this was addressed to you, and if there's anything else that I can do differently if
18 more complaints come in, that I'd be happy to oblige.

19 CHAIRMAN BROWN: No, I have-, no, other than an email, so
20 we know it's out there. Because we know we can't do anything; we're not in a compliance arena.
21 Maybe just an email that this is out there and I'll send you a copy, or we're working on this.

22 MS. POTTS: Okay, I'll certainly do that.

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1 CHAIRMAN BROWN: But as far as the way you handled it, I
2 think that's fine.

3 MS. POTTS: Okay.

4 BOARD MEMBER HULME: I agree. You have to address these
5 things quickly, and we meet once a quarter, so..

6 CHAIRMAN BROWN: Yeah, if we were to address it, it'd slow it
7 down. In theory, we'd see these complaints from our home regions, or our home districts. I'm
8 representing agriculture; I might have some local ag folks saying, "Hey, this is an issue that DEQ
9 ought to know about, an air quality issue. Then I can give it to you and you can do your job.

10 MS. POTTS: Absolutely.

11 CHAIRMAN BROWN: It's a good process.

12 MS. POTTS: Okay.

13 BOARD MEMBER HULME: This has been resolved, though, at
14 this point?

15 MS. POTTS: Yes. Compliance, they inspected and, they
16 responded. So, this response went to the Department of Corrections. Hopefully the inmate
17 eventually got this response or some form of it. And they did find some issues out there.

18 CHAIRMAN BROWN: I'm glad he wrote the letter and I'm glad
19 it was resolved.

20 MS. POTTS: Yeah.

21 BOARD MEMBER HULME: The mitigation was just elevating
22 the stack height?

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1 MS. POTTS: That was the mitigation but we figured out they
2 needed to permit some of their generators.

3 BOARD MEMBER VICKREY: The last sentence, I guess from
4 standpoint as a citizen, concerns me. It says, "The Wyoming State Penitentiary still needs a
5 permit for the emergency electrical generator engines." Have they got those yet? If not, why not?

6 MS. VEHR: I can address that. Lars was following up with
7 someone at the State Penitentiary to find out about the permitting, so I don't know if they have
8 submitted an application yet, but it's not unusual when there's different engines out there. That's
9 a compliance area that we see on a fairly regular basis, not at the state penitentiary, but through a
10 lot of facilities. Engines are one of those things seem to slip through the cracks on permitting. So
11 he's following up on this one.

12 CHAIRMAN BROWN: So, who's Jeff Hancock, engineer?

13 MS. VEHR: He's in District 2, so out of Casper, he works with
14 Chris Hanify. If you've seen Jeff once, you've seen him because he's got some pretty awesome
15 hair. (laughter)

16 CHAIRMAN BROWN: No, I've never met him

17 MS. VEHR: He's been a long time Air Quality employee.

18 CHAIRMAN BROWN: Okay.

19 BOARD MEMBER HULME: I guess-, how long has that
20 generator been out there? Do any of you guys know?

21 MS. VEHR: I know it was on a previous inspection.

22 BOARD MEMBER HULME: This isn't on a regular inspection
23 schedule, this gets once every three or five years or something.

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1 MS. VEHR: I can't remember on the inspection when it was last
2 inspected but it had been on a previous inspection.

3 BOARD MEMBER HULME: I'm just wondering why it wasn't
4 caught sooner.

5 MS. VEHR: 2014, it looks like.

6 MS. POTTS: Yeah, it looks like October, 2014.

7 CHAIRMAN BROWN: So, it's got to be a minor source, don't
8 they?

9 MS. POTTS: Yeah.

10 BOARD MEMBER HULME: Might be waived.

11 CHAIRMAN BROWN: Yeah, that's what I was wondering, if it
12 was small enough maybe that's that one that it falls through the cracks.

13 MS. VEHR: They get-, I think sometimes, it's like what we found
14 is when you have one of the things, I say anecdotally we found - I don't mean as a scientific
15 finding - but when companies and facilities are large enough that they have pretty robust
16 environmental programs, they have a lot of tracking mechanisms. When they're smaller, they
17 don't have those mechanisms in place, or they have their operations folks not talking to their
18 environmental folks, and things slip through the cracks. Because you order and you get
19 something new and you didn't tell your environmental folks and that gets changed out. I don't
20 know if this is the exact same engine or not, but I do know Lars, who's in charge of compliance,
21 is following up.

22 CHAIRMAN BROWN: I would doubt the penitentiary has an
23 environmental staff.

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1 MS. VEHR: They have someone there.

2 CHAIRMAN BROWN: Oh, they do?

3 MS. VEHR: Yeah, but I don't know the background. We
4 recognize that in air quality and we're starting to work with other state agencies that have
5 equipment and facilities that would also be compliant.

6 CHAIRMAN BROWN: Thank you. Okay, do we have any
7 comments or anything else on this letter?

8 MS. VEHR: No, I have nothing else. I just want to make sure this
9 is the process you want to have followed.

10 CHAIRMAN BROWN: Next on the agenda is rulemaking.

11 MS. POTTS: Yup.

12 CHAIRMAN BROWN: And that would be Amber, I suspect?

13 MS. POTTS: This morning we were able to take a tour of the
14 Basin Electric Laramie River Station just north of here, and it was really good to see it on the
15 ground. This big, huge project that really is taking a lot of time, money and effort, to comply
16 with the regulations and to keep their facility in top-notch order. So, I appreciate that. Today,
17 we're bringing changes to the Wyoming Air Quality Standards and Regulations Chapter 14, I
18 believe. The proposed rulemaking changes are the result from the multiyear litigation and
19 negotiated settlement between Basin Electric Power Cooperative, EPA, and the State Of
20 Wyoming. Basin Electric's Laramie River Station has the three different coal fired units. The
21 litigation was with respect to the oxides of nitrogen controls, or the NO_x controls, that were
22 going to be required as at that facility as part of the regional haze plan. The region haze program
23 is aimed at reducing particulate matter, NO_x, and sulfur dioxide, or SO₂ emissions, in Wyoming.

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1 Last meeting, Basin Electric provided some background on that issue, and I'll do a quick recap
2 for you to freshen your memory there. In 2011, DEQ issued its regional haze state
3 implementation plan, or the SIP, for the NO_x controls. Under the state plan, Basin was required
4 to install over fire air and low NO_x burners on all three units. Basin installed the control
5 equipment that was laid out in the Wyoming SIP. However, in 2014, EPA disapproved that state
6 plan; they issued their own Federal Implementation Plan, or a FIP. EPA's FIP detailed a new,
7 more costly plan for that new Laramie River Station. Basin Electric challenged the EPA in the
8 10th Circuit Court of Appeals, and the State Of Wyoming through the Attorney General's Office
9 also appealed that EPA FIP. While the litigation was pending, Basin Electric and EPA entered
10 mediation as Basin Electric proposed a more cost effective settlement to install one Selective
11 Catalytic Reduction Control, or SCR, on Unit 1, and two Selective Non Catalytic Reduction
12 Control, or SNCR's, on Units 2 and 3. During the mediation, the EPA also wanted additional
13 visibility benefits and asked for lower emissions for SO₂ at that station. All in all, the multi-year
14 long mediation and settlement process produced a more cost effective control technology for the
15 company and a model reduction in visibility impairment for the state's regional haze program.
16 This settlement also created a need to update the Wyoming Air Quality Standards and
17 Regulations Chapter 14 to allow Basin Electric to report its baseline historic SO₂ emission levels,
18 rather than its new lower levels under the new April 20, 2017 settlement agreement. The change
19 to Chapter 14 today that we bring before you is needed so those SO₂ reductions aren't counted as
20 both part of the NO_x controls and also part of the SO₂ program.

21 CHAIRMAN BROWN: And we've discussed this and had the
22 presentation at the last meeting in Laramie?

23 MS. POTTS: Yes.

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1 CHAIRMAN BROWN: I remember that.

2 MS. POTTS: So, we want to make sure there's no double
3 counting here. That these reductions are not being counted for NO_x and also being used for SO₂.
4 So, Chapter 14, where we're making these updates, that is the regulation detailing, called the
5 Western Backstop Sulfur Dioxide Trading Program, and beginning on Chapter 14, page 40,
6 you'll see the necessary updates towards the bottom of the page to make the Basin Electric
7 Laramie River Station's commitment federally enforceable in Chapter 14, Section 3, subsection
8 (d) and (e). I'll walk through these changes; they're very minimal. In subsection (d), we're
9 including language specific to Laramie River Unit 1, reporting its sulfur dioxide emission based
10 on an annual average emission rate of 0.159 lb/MMBtu multiplied by the actual heat input. For
11 Unit 2, they shall report its annual sulfur dioxide emissions based on annual emission rate of
12 0.162 lb/MMBtu multiplied by that actual annual heat input. Annual sulfur dioxide emissions for
13 Unit 3 shall be reported like everything else in Chapter 14, so nothing changes on that one. Basin
14 Electric will start reporting these emissions beginning the year the SCR commences operation.
15 And then subsection (e), states the Division will use the annual sulfur dioxide emissions reported
16 by Basin Electric for all purposes under Chapter 14, so that's all other purpose for the backstop
17 trading program. There was one other update, in Section 5, incorporation by reference, we're
18 updating the code of federal regulations date to reflect the most recent July 1, 2017 publication. I
19 caught a typo this morning in the clean version, we still had 2010 in there, but we've updated
20 that we want 2017. We want the most recent, and we've put that updated version on the website
21 today and we'll be taking that, 2017, up through the process. Really, it's pretty short and sweet;
22 that concludes all the Chapter 14 updates. Again, this will not impact any other facility in
23 Wyoming, except Basin Electric. Once we do get this through the system, the state rulemaking

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1 system, this would be a SIP update to that Section 309 State Implementation Plan, so that's
2 important to know, we're on a fairly quick timeframe. So, we'd appreciate the Board's
3 consideration on that. And that's all that I think I have. We do have representatives from Basin
4 Electric if the Board has any questions to dive further into that.

5 CHAIRMAN BROWN: I have a question. It doesn't affect this,
6 but why do you have different control technologies like for SCR on the Unit 1 and SNCR on 2
7 and 3?

8 MR. DAY: Why did we select the units or why the different
9 technologies?

10 CHAIRMAN BROWN: Why the different technologies?

11 MR. DAY: The SCR is being installed on Unit 1, it costs about
12 \$350 million per unit.

13 CHAIRMAN BROWN: Okay.

14 MR. DAY: SNCR, Selective Non Catalytic Reduction
15 technologies, those are less expensive. What we did to obtain the settlement was we changed the
16 proposal from EPA FIP which was three SCR, which would've cost a billion dollars. And by
17 combining the two different technologies, SCR and SNCR, and agreeing to lower emission limits
18 for SO₂, the net benefit of all of those things yielded a better visibility outcome than EPA's
19 billion dollar price tag.

20 CHAIRMAN BROWN: Oh, okay.

21 BOARD MEMBER HULME: And, so, the two technologies
22 constitute the two different emission rate that you have there, is that right?

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1 MR. DAY: Correct. Well, the rule that you're looking at refers to
2 the historic baseline average rates for Units 1 and 2, and it's only Units 1 and 2 that are affected
3 by the newer lower SO₂ limits.

4 CHAIRMAN BROWN: Thank you, that answered my question,
5 too.

6 CHAIRMAN BROWN: Any questions?

7
8 BOARD MEMBER HEYNEMAN: I missed Laramie, so I
9 appreciate you filling the backstory.

10

11 CHAIRMAN BROWN: Yeah. Doug, you've got a question?

12 BOARD MEMBER VICKREY: No, I'm not smart enough to ask
13 something-. (Laughter)

14 MS. VEHR: If I could just make an observation – when we were
15 out at the facility, one of the challenges was that this is not a new plant being built from the
16 ground-up, so they're having to work around existing operations right now and existing
17 structures and power production. So, it's pretty impressive out there and they were describing the
18 manpower that is needed to do this, and the amount of raw materials – the steel. It's pretty
19 impressive to go out there and see the size of this project.

20

21 BOARD MEMBER VICKREY: So, to use your term – 'retrofit.'
22 I guess that's what you're doing. That would be considerably more expensive than if you were
23 doing it from the ground up. Is that correct?

24

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1 MR. DAY: It is more expensive to do retrofit installation. SCR
2 standalone at a new facility is still very expensive. But we do have substantial amounts of
3 engineering that has to be done to meld the two pieces together, which was what we were
4 looking at this morning. The reason we put SCR on Unit 1 rather than Unit 2 was that Unit 2 is
5 in-between the other two and there was no way to get in there, cost effectively, to install SCR on
6 Unit 2. So, the whole design of what we're doing is driven by the fact that it's a retrofit project.

7 BOARD MEMBER HULME: What's the expected completion
8 date?

9 MR. DAY: We've committed in the settlement agreement to be
10 operational on the SCR installation by June 2019 and the SNCR on Units 2 and 3 by December
11 31, 2018.

12 BOARD MEMBER HEYNEMAN: Are other states seeing the
13 same negotiations?

14 MR. DAY: Yes. Well, there are two things. All over the country,
15 EPA – over the last six years – has been disapproving state regional haze determinations very
16 impressively and trying to force either the installation of SCR or the closure of coal-fired units.
17 So, there's litigation in numerous different circuit courts, in addition to ours, in the 10th Circuit.
18 There are, I think, about eight utilities that have negotiated resolutions, as we have done, with the
19 EPA over the last six years or so. And there are still pending cases being litigated around the
20 country as states push back against what the EPA has been trying to do with the Regional Haze
21 program.

22 MS. MORRISSEAU: And that includes even the litigation here in
23 Wyoming. There are a lot of parties involved. Basin is involved, but so is PacifiCorp and some

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1 of PacifiCorp's plants. Also, EPA tried to say through their FIP that PacifiCorp had to do
2 additional control technologies above and beyond what Wyoming said through its Regional Haze
3 SIP. So, PacifiCorp is still litigating but that case is similar to Wyoming's case – it's just kind of
4 being stayed while everything gets finalized with the controls that Basin is installing through the
5 settlement agreement. And the other side of it is also environmental groups that have brought
6 their own lawsuit against EPA and then have also joined in the different lawsuits by industry and
7 by states against the EPA. So, it's very complex litigation and some of the parties are in
8 settlement and some aren't. And it's – as Pat has explained – it's sort of being mirrored in other
9 cases nationally, as well.

10 MS. VEHR: One point I would like to add on, if I may, from
11 what Elizabeth was saying, just to let you know. Even though these items are tied up in litigation,
12 on Regional Haze, there are still emission reductions going on. They don't stop just when the
13 cases are in litigation. The emissions of all these pollutants are still decreasing over time and we
14 just had our Regional Haze Progress Report that we put out for public comment back in the
15 2013-14...

16 MR. LETEFF: December 2013, Public Hearing was in January
17 2014.

18 MS. VEHR: Yeah. So, we had done a progress report and gotten
19 some feedback on the progress report about the same time these cases were – that the litigation
20 was going on. And EPA suggested that we put out the progress report again for additional round
21 of public comment. A couple of years have gone by, so there have been some further reductions.
22 But the progress report shows that visibility continues to improve in Wyoming. And so we're

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1 still making progress on visibility even though there are these litigations that are going on, as
2 well. So, that's the good news side of that – that visibility continues to improve.

3 MR. LETEFF: And I'd like to add, too, Nancy, that as part of that
4 update to the progress report, the EPA Regional Office asked us to update the emission
5 reductions that were showing over the years up through 2014. So even though the report is up
6 through, officially, 2009, we've included information up through 2014 to show continued
7 reductions, as well.

8 MS. MORRISSEAU: And one more additional quirk about the
9 Regional Haze program is that primarily the Clean Air Act is about healthy air, and it's about
10 making sure that people aren't exposed to pollution because pollution hurts people. But Regional
11 Haze is different. Regional Haze is not a health-based standard. Regional Haze is what I like to
12 call a tourist-based standard because it really is only about having good visibility in specific parts
13 of the country called Class I areas. So, the kind of places that you might go on a vacation.
14 Regional Haze is meant to make sure you have good pictures – that's kind of what it's there for.
15 So, a lot of times, we talk about litigation and we talk about all these things, but I wanted to also
16 say it's not a health-based standard. It's visibility. So it's different from other parts of the Clean
17 Air Act where we talk about health and human impact in that way.

18 BOARD MEMBER HEYNEMAN: These negotiations are only
19 in Class I airspace?

20 MS. MORRISSEAU: Regional Haze is about visibility
21 improvements for Class I areas. So, Wind Caves in South Dakota, and I'm sure Rob can rattle off
22 all of the Class I areas...

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1 MR. LETEFF: We have seven in Wyoming. Yellowstone, Tetons,
2 Absaroka – I just learned how to pronounce that. I don't have them all off the top of my head.

3 BOARD MEMBER HEYNEMAN: What is – this negotiation is
4 impacting what specifically.

5 MR. LETEFF: The negotiation doesn't impact a particular space,
6 as I understand. It impacts particular companies that are...

7 BOARD MEMBER HEYNEMAN: Which space is it?

8 MS. MORRISSEAU: It's not a specific space.

9 BOARD MEMBER HEYNEMAN: Which one is it – what Class I
10 airspace is being impacted here?

11 MS. MORRISSEAU: That's not how it – so, the point of the
12 Regional Haze program is that every state has to come up with a plan to look at sources that emit
13 over a certain amount, which are usually coal-fired power plants but they could also be other
14 very large sources. And then it has to sort of determine, based on the Class I areas that we have
15 in our state, do we tell these sources to ratchet down on NO_x or PM or SO₂. And if so, how do
16 we do it? But the plan isn't about a specific – it's not about, 'Basin, turn down this power plant
17 so that Yellowstone looks better.' It's more about that the Class I areas are really the driver for
18 Regional Haze. But each state has to come up with a plan that isn't space specific.

19 BOARD MEMBER HEYNEMAN: The Navajo plant closed
20 because it was impacting the Grand Canyon. So, there are examples where things are much
21 closer and I was just curious.

22 MS. VEHR: Yeah, there is – I'll back-step a little bit on the
23 Regional Haze. There is a technology called Best Available Retrofit Technology, or BART, and

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1 that's part of Regional Haze. And there is something where people talk about reasonable
2 progress goals, which is to get to basically background conditions by 2064. So, there are two
3 goals that are going on in the Regional Haze rule. The SCR is the Best Available Retrofit
4 Technology determination that was made. So, the Regional Haze requirements came about back
5 in, I think it was, 1977 – the Clean Air Act amendments. They didn't have the technology in
6 place to look at this BART technology. And they established the Reasonably Attributable
7 Visibility Impairment. I know – attorneys have careers all over this. So, this Reasonably
8 Attributable Visibility Impairment was designed so that if you could see what I would call
9 emissions from a – let's say it was a power plant or another kind of facility was right near one of
10 these Class I areas impacted. The Federal Land Manager for the National Park or whatever, who
11 managed that particular land, could say, 'Hey, State. I think this facility is causing problems right
12 here. I can see it coming.' And so, that was what – for a long time – was the extent of Regional
13 Haze. And then, in the late 1990s, the EPA came up with the Regional Haze rule. And that was
14 when they said, 'This is how you do an analysis to determine the technology, that BART
15 technology, that goes into place. There is a component of it that looks at modeling of visibility
16 impacts to certain facilities. And then there is a component that looks at all of the Class I areas.
17 So it's a combination of both.

18 BOARD MEMBER HEYNEMAN: Thank you.

19 BOARD MEMBER VICKERY: Okay, so...wow. (laughter) So, if
20 you folks spend \$400 million, let's say, and you get everything compliant two years down the
21 road. And then, 10 years down the road, all this new technology shows back up again. What do
22 you do? I mean, there's a threshold out there that you can only do so much. I don't care who you
23 are. You can bring levels down and then there has to be a stop. You just can't do it anymore.

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1 And then what? You're still going to have someone out there filing these – excuse me – damn
2 bogus lawsuits. And so, how do you address that? Do you look forward and say, 'Well, 10 or 15
3 years from now, we're going to have to look at this situation all over again and we're going to
4 have to spend another \$500 or \$600 million dollars to do what we've just done?

5 MR. DAY: The Regional Haze Program continues to 2064, so no
6 one will know when it all ends until then. Nancy can speak better to it than I can to the
7 management of the issue. The BART retrofit program is a one-time thing that we do in the
8 BART program. And once we install these BART controls, we will still be regulated for
9 purposes of visibility going forward, but this is our big, up-front commitment that is being made
10 in the program. And it wouldn't be our expectation that there would be a new regulatory control
11 requirement for decades, but that remains to be seen. We just don't know because the law will be
12 administered differently over time by different administrations and different regulators. The good
13 news is, I guess, from the environmental standpoint, the controls we're installing now – the
14 visibility impact is already going to be not visible. So, we're making improvements that are so
15 small that you can't even see them anyway. So, NO_x sources – big, major NO_x sources like
16 power plants have been regulated down to virtually no visibility impacts. The bigger challenges
17 are things like wildfires and minor point sources and increasing car traffic. That sort of stuff that
18 Nancy is wrestling with and will be for a long time. But we're hopeful that this gets us over the
19 hump with respect to the Regional Haze program.

20 CHAIRMAN BROWN: Okay, is there any comment from the
21 public? Is there anyone from the public who would like to make a statement? Okay, time to vote.
22 Any discussion from the board?

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1 BOARD MEMBER VICKREY: No. I just feel sorry for people
2 trying to keep up with all this stuff you can't keep up with.

3 CHAIRMAN BROWN: I do, too.

4 MS. VEHR: So, if there is no further discussion, we would ask
5 that the Board would make a move to approve the recommended changes that we have
6 recommended for adoption.

7 BOARD MEMBER HEYNEMAN: I'll make a motion.

8 BOARD MEMBER VICKREY: And I'll second.

9 CHAIRMAN BROWN: Okay, it's been moved and seconded to
10 adopt the rules as presented in this document. All those in favor?

11 Board (all): Aye.

12 CHAIRMAN BROWN: All those opposed? So, it's been moved
13 and seconded to adopt the rules as written in the presentation by the DEQ.

14 MS. VEHR: Thank you.

15 CHAIRMAN BROWN: Any other discussion on this, quick and
16 simple?

17 MS. VEHR: I think we've talked about the Regional Haze
18 Progress Report. We're analyzing comments and then we'll be getting that sent down to EPA.
19 And then the next stage for this is to go in front of the Environmental Quality Council. And then,
20 as Amber mentioned, there is a time frame in terms of the settlement agreement in getting
21 everything all packaged up and sent down to the EPA for their final review. But we're on track,
22 right now, to get all that accomplished. So, I don't think there are any other matters that the Air
23 Quality Division has for the Board's consideration.

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1 CHAIRMAN BROWN: I guess we just have to ballpark the next
2 meeting.

3 MS POTTS: We're thinking sometime at the end of September,
4 and that's going to be John's favorite time – IBR Christmas (laughter).

5 MS. VEHR: Oh, and we'll probably have one other item right
6 around then. I don't know if it'll be IBR Christmas, it may be a little bit after that. But we are
7 working on our Presumptive Best Available Control Technology Guidance for oil and gas
8 sources, and that's another Christmas present. (laughter) But that was something that we started
9 last May of 2016. We finished the adoption and implementation of the previous round and then
10 we started on getting the next round. And this is control technology that we evaluate. There is a
11 cost and a pollution reduction that goes with it. And so it's always being evaluated because right
12 now, emissions keep getting lowered and they've been cost effective. And so, this is something
13 we do – as soon as we finish one, we start going on the next one. So, last year, we started – and
14 then something called OOOOa came out, which the Board had adopted about a year ago in
15 September of 2016. And we had to put on pause, our review, because we wanted to make sure
16 that our Best Available Control Technology lines up with New Source Performance Standards so
17 that we don't have different requirements. And then we had, in the fall, the BLM's venting and
18 flaring rule. Again, we had to put it on pause to make sure we don't have conflicting
19 requirements line up. Then, we had ozone season. We don't have enough staff to be working on
20 everything, and then we had a vacancy in the New Source Review program manager position.
21 We got that filled with Andrew this spring. And we've re-engaged with environmental groups
22 and PAW, and we've got some individual comments from oil and gas. What we would like to
23 then is to get all this information, finish analyzing it, and then bring forward a revised proposal

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1 of this guidance. So, it might fall about the same time if we don't have any more hiccups in the
2 road.

3 BOARD MEMBER HEYNEMAN: Or, if we don't have any new
4 technology. (laughter)

5 MS. VEHR: So, with that, that would be the only other item for
6 consideration on the Board's fall meeting.

7 Vickery: So, that will be from Christmas through New Year's?
8 (laughter) Kind of?

9 MS. VEHR: Well, no, I'm thinking the Christmas for
10 Incorporation by Reference in September. But we can have another one for you.

11 BOARD MEMBER VICKREY: Yeah, right. I'll look forward to
12 that one.

13 BOARD MEMBER HEYNEMAN: Well, while we've got time,
14 what's new with venting and flaring? That's a volatile topic.

15 MS. MORRISSEAU: So, the venting and flaring case – we argued
16 to ask for a preliminary injunction of the rule, and lost that argument. So, that rule is technically
17 in effect. But, the compliance dates don't start until like January 17, 2018. The BLM recently put
18 out what's called at 705 stay, where they have stayed compliance dates that are associated with
19 the rule. They have been challenged in two separate lawsuits – both in the Northern District of
20 California. One, by California and New Mexico. And then, one by a group of environmental
21 organizations. The first lawsuit triggered additional action, which triggered additional lawsuits
22 and then BLM had indicated – there's an executive order talking about energy independence that
23 directed agencies to look at certain rules. This was one of these rules. So, as part of BLM's

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1 analyzing the venting and flaring rule, they've said that they're going to extend the compliance
2 dates. Which they've done partially. And then, they're going to look at the rule and make
3 changes through notice and comment. So, the litigation is waiting because the BLM basically
4 went to the Court and said, 'Our agency is working to change the rule. Please don't make us go
5 through briefing and arguing this case that might go away. And so the Court said, 'Okay, fine,
6 I'll put everything on hold.' So, we're really waiting to kind of see what the BLM is going to do
7 in their next action.

8 BOARD MEMBER HEYNEMAN: What were the differences
9 between the federal and the state rule? Because Wyoming had some regs – I mean, Wyoming
10 and North Dakota were ahead of the game, ahead of the curve.

11 MS. MORRISSEAU: And Nevada and Colorado and California.
12 There are a lot of states that are ahead of the curve.

13 BOARD MEMBER HEYNEMAN: Producing states. The
14 producing ones.

15 MS. MORRISSEAU: The BLM's regulations are only applicable
16 to federal wells. That's not that easy because in the West, you have a mix of federal land, state
17 land, and then Indian land. And then, underneath, you have a mix of federal minerals, state
18 minerals, and Indian minerals. And the top doesn't always match the bottom. It's tricky to figure
19 out what applies where. State rules apply everywhere except for on the reservation. BLM rules
20 only apply to wells that are mingled, in some form or fashion, with federal minerals. If you look
21 at, historically, what the BLM has done in response to application for permission to drill, they've
22 put in a phone number for the Air Quality Division and say, 'You need to get a permit, oil and
23 gas company. These are the people who do it; we're just telling you how to get this out of the

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1 ground and give us royalties back. Because BLM is not an environmental agency. They're a land
2 management agency. So the way that they regulate oil and gas is really about making sure that
3 taxpayers get their due mineral royalties. But when it comes to controlling the associated air
4 emissions, which include methane...

5 BOARD MEMBER HEYNEMAN: Which is a royalty.

6 MS. MORRISSEAU: But also other things. Right, methane,
7 absolutely, you can get royalties from methane because it is a federal mineral. But you've got all
8 kinds of volatile organic compounds which aren't salable and the reason that these guys regulate
9 them is because of air quality. Not because of royalties. So, these guys continue to regulate oil
10 and gas, consistently, the way that they have for decades. And the federal government is going
11 back and forth.

12 MR. DAY: And the lawyers are busy.

13 MS. MORRISSEAU: It's always good for the lawyers. (laughter)

14 CHAIRMAN BROWN: Any other comments?

15 MR MORRIS: I think I do have an update, actually. I would be
16 remised if we didn't touch base on this since we last convened. So, regarding that City of
17 Sheridan PM₁₀ nonattainment area that we had a specific meeting for in December of last year
18 and we touched base in March on it, as well. I'm pleased to announce that we finally did actually
19 formally send that off. The Governor of Wyoming signed a request for redesignation to the EPA
20 in early June. So, that is, to my knowledge, the first time that the State of Wyoming has ever
21 made a request for redesignation for an air pollution area, and so, in this case, it was a really
22 good learning experience for us. Hopefully, it will kind of provide the guiding lantern through
23 the darkness if we have any other future request for redesignations that we pursue. But, at this

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1 time, it's now in EPA's court and we anticipate hopefully hearing something back from them in
2 the fall or later in 2017. But that situation is now kind of closed at this point.

3 MS. VEHR: And this was something that the City of Sheridan was
4 really interested in because of the economic impacts. They did have someone that wanted to
5 relocate there and wasn't able to do that in part because of this.

6 CHAIRMAN BROWN: Okay. Thank you.

7 BOARD MEMBER HEYNEMAN: It's interesting in Sheridan to
8 look at what the sources of those – in the designated nonattainment area – because of sources of
9 heat.

10 CHAIRMAN BROWN: Okay, any other comments? Thank you
11 for that. I guess time to adjourn. Any more comments?

12 MS. VEHR: That was a good gavel hit.

13 CHAIRMAN BROWN: You've got to take advantage of those.
14 You don't get to do that very often.