



## MINUTES

Friday, December 13, 2013

### **RAQC MEMBERS PRESENT:**

Terri Blackmore, *North Front Range MPO*  
Melissa Chalona, *Citizen*  
Darryl Jones, *Coventry Development*  
Elise Jones, *Boulder County*  
Doug Linkhart, *Denver Department of Environmental Health*  
Jackie Millet, *City of Long Tree*  
Bob Murphy, *City of Lakewood*  
Paul Natale, *City of Commerce City*  
John Putnam, *Kaplan, Kirsch, & Rockwell, LLP*  
Jep Seman, *Corporate Advocates*  
Skip Spensley, *Environmental Consultant*  
Joyce Thomas, *City of Federal Heights*  
Will Toor, *Southwest Energy Efficiency Program*  
Bruce White, *Weld County*  
Elena Wilken, *Colorado Association of Transit Agencies*

### **RAQC MEMBERS NOT PRESENT:**

Andy Spielman, *Chairman, Hogan Lovells*  
Reeves Brown, *Colorado Department of Local Affairs*  
Eric Doering, *Town of Frederick*  
Rick Garcia, *Department of Urban Housing and Development (advisory)*  
Gerry Horak, *Larimer County*  
Steve Hogan, *City of Aurora*  
Don Hunt, *Colorado Department of Transportation*  
Jennifer Schaufele, *Denver Regional Council of Governments*  
David Stewart, *EnCana Oil & Gas (USA)*  
Phil Washington, *Regional Transportation District*  
Tracy Winfree, *City of Boulder*  
Larry Wolk, *Colorado Department of Public Health and Environment*

### **RAQC ALTERNATES PRESENT:**

Martha Rudolph, *Colorado Department of Public Health and Environment*  
Bill Van Meter, *Regional Transportation District*

### **RAQC STAFF PRESENT:**

Ken Lloyd, Meg Alderton, Lauren Beliles, Kate Cooke, Jerry Dilley, Misty Howell, Steve McCannon, Kate Ruygrok and Anne Ritter.

### **OTHERS PRESENT:**

Ken Beitel, Drive Sunshine Institute; Andy Berger, Tri-State G&T; Karen Hancock, City of Aurora; Scott Jackson, EPA Region 8; Mark Kunugi, City and County of Denver, DIA; Trevor Lex, Larson Engineering; Rich Muzzy, Pikes Peak Area Council of Governments; Lincoln Sherman, ARS; Mike Silverstein, AQCC; Robert Spotts, DRCOG; Sabrina Williams, CDOT; and Travis Yee, COGA.

The meeting was called to order at 9:37 a.m. by Councilmember John Putnam. A quorum was present.

**Approval of Agenda**

**Terri Blackmore moved to approve the agenda. Seconded by Elena Wilkins. Motion passed without objection.**

**Approval of Minutes**

**Jep Seman moved to approve the minutes. Seconded by Jackie Millet. Motion passed without objection.**

**Informational Items**

*Chair*

None.

*Executive Director*

None.

*Members*

None.

**Public Comment**

Ken Beitel, Drive SunShine Institute, informed Council that the Drive SunShine Institute has partnership opportunities to assist companies who want to add an alternative energy fund to their 401K investment options. The SunShine Institute is a division of The Renewable Energy Initiative and its mission is to create \$1 trillion of new clean energy investment by 2024 by having 5% of US retirement assets invested in renewable energy technologies and project finance instruments like solar bonds. He said that plans currently have 10% of the funds in traditional fuels. Mr. Beitel encouraged Council to go to [drivesunshine.org](http://drivesunshine.org) for more information.

**Welcome and Introduction of New Members Representing the North Front Range**

John Putnam welcomed the new members from the North Front Range: Terri Blackmore from the North Front Range MPO and Bruce White representing Weld County. He noted that Gerry Horak from the Fort Collins City Council representing Larimer County was unable to attend. The new members provided Council with their background and Council introduced themselves.

*Public Comment*

None.

## **Conversation with Shaun McGrath, Regional Administrator, EPA Region 8 on EPA Regional Priorities**

Shaun McGrath provided Council with his background including his work with the Boulder City Council and with the Western Governors Association. Mr. McGrath outlined EPA priorities which included:

- Development of an Ozone Attainment plan for the Denver area. Mr. McGrath acknowledged Colorado as a national leader.
- Working with Utah and Wyoming on ozone issues through the Ozone Advance program. He noted that Colorado cannot participate in this program due to its current designation.
- Outside ozone issues, Region 8's priorities include working with Utah on the Salt Lake City PM2.5 Attainment plan and addressing issues related to fracking in the Bakken formation of the Williston Basin in the Montana/North Dakota area.

In response to a question regarding EPA's status with carbon dioxide (CO<sub>2</sub>), Mr. McGrath indicated with regard to non-power plant sources there is an opportunity to allow more flexible approaches. He also said EPA is looking at renewable energy sources. John Putnam indicated these topics would be covered in more detail with the upcoming agenda items.

Ken Lloyd asked if there was any new information on the schedule for releasing the new ambient ozone standard. Mr. McGrath said there has been no new information. Scott Jackson, EPA, said the 5-year review was scheduled for 2013 and the latest he has heard is it will be announced later in 2014.

John Putnam said the Salt Lake City ozone issue is challenging and asked if EPA has seen any controls or modeling data from that process that might be of interest to the Council. In response, Mr. McGrath indicated that he was not aware of anything specific. However, he did note that the upcoming FRAPPE study is expected to provide some good scientific insight to ozone formation specifically in the Denver/North Front Range area.

Will Toor asked to what extent EPA is considering methane as part of greenhouse gas regulations. Mr. McGrath said that EPA is not addressing methane through regulations at this time, but is encouraged by state programs.

### *Public Comment*

None.

## **Overview and Discussion of EPA's Program to Reduce Greenhouse Gas Emissions from New and Existing Power Plants and Colorado's Perspective**

### **Environmental Protection Agency: Shaun McGrath**

Mr. Shaun McGrath said this summer the President announced his climate action plan to address Greenhouse Gases. He indicated the three key components include 1) mitigate greenhouse gases, 2) acknowledge there is enough climate change in the atmosphere to affect the future and the need to work to minimize the impact, and 3) recognize that GHG is a global issue and requires a global response.

Mr. McGrath indicated a focus of EPA has been to reduce emissions from electricity generation on new and existing plants. He noted that the 111(b) provision to regulate new power plants was proposed in September, 2013 and it expected to be finalized in June 2014. He said EPA has been reaching out to states' utilities asking for input because they want to allow flexibility on how

states meet the goals and regulations. Mr. McGrath said EPA wants to recognize and build on what states are already doing and is trying to work out how that can be done. He asked Council to participate in the process and provide comments to EPA.

### **Colorado Department of Health and Environment: Martha Rudolph**

Martha Rudolph provided Council with Colorado's perspective on this topic. She said APCD has not been engaged in the discussion regarding 111(b) for new sources, but have been very involved in discussions on 111(d), which is the regulation for existing sources. Martha indicated that 111(d) allows EPA to regulate pollutants that are not already regulated, including carbon. She stated that EPA sets the guidelines, the state develops a plan to achieve a standard of performance and EPA approves the plan. Martha provided Council with the Clean Air Act definition of "standard of performance" which is a standard for emission of air pollutants which reflects the degree of emission limitation achievable through the application of the best system of emission reduction. She indicated that costs, non-air quality benefits, and energy requirements are considered.

She said carbon has to be controlled differently than other pollutants. She noted that on the supply side EPA has had the authority to impose controls (fuel switching etc.). She said the nonconventional way of controlling the demand side is difficult to measure. These are changes through energy efficiency and reducing the need for power.

Martha indicated that EPA is giving states the ability to use rate-based or mass-based calculations to determine emissions reductions. She said Colorado prefers mass-based, which allows the reduction to be a percentage reduced for the State regardless of how achieved.

She said there are many questions that need to be addressed through this process including:

- Can states have a mix of controls?
- Different metrics?
- Interstate issues
- Are credits given for prior actions? If so, how is that included?
- How will big manufacturing states be considered given their facilities demand a lot of power but benefit the entire country

In summary, Martha said Colorado supports the President's plan, the flexibility in each states approach to reducing emissions, credit for renewables, mass-based emission reduction, and allowance for regional reductions. She said there is also a great need to coordinate the effort with Public Utilities Commissions.

### **Air Quality Control Commission: Mike Silverstein**

Mike Silverstein provided Council with an update on the AQCC's climate change activities. He said that one of the objectives from the AQCC's 2012 strategic plan is to "develop greenhouse gas reduction strategies and analyze policy options for modifying the rules to incorporate climate change policies." To that end, the AQCC has established a climate change and GHG working group session as a standing agenda item. Mike outlined the GHG issues discussed by the AQCC which included:

- Authorities to address GHG emissions and climate change;
- EPA's proposed regulations for GHGs and how sources in Colorado may be affected;
- APCD's GHG/climate change activities and initiatives;
- EPA's and Colorado's GHG emission inventories;
- Western Climate Change Initiative's GHG emissions trading program.

He provided Council with upcoming agenda items for the AQCC:

- Statutory requirements for potential GHG regulations;

- Climate change science and mitigation;
- Perspectives of the Colorado Mining Association;
- Revised Colorado GHG emissions inventory;
- Colorado's GHG permitting effort;
- Climate change initiatives of the Colorado Water Conservation Board;
- CDPHE's greening government efforts; and
- Oil and gas methane emissions research.

## **Discussion**

Paul Natale said he would have liked to see industry comment on this topic to provide a balance.

Elise Jones asked with regard to cost benefit analysis, if anyone is looking to understand the costs associated with impacts that cannot be attributed to a specific cause. She specifically referenced the 100 year flood. Shaun McGrath indicated he is not aware of such analysis.

Mr. McGrath shared that during the recent Western Governor's meeting, discussion emphasized the need to get away from wildfire and flood mitigation as an annual budget line item. It was expressed that there is a need to get more proactive and invest in preparedness to save money down the line. Martha Rudolph stated that in the public health world it is hard to draw a direct line when it is difficult to prove that you kept something from happening by an action that was taken.

Will Toor asked the level of reduction EPA will be considering from this program. Mr. McGrath said that is part of the discussion and yet to be determined.

Doug Linkhart said often these issues become real to the public when they are institutionalized within an agency with a budget. He asked how that is addressed. Martha Rudolph indicated that the State of Colorado has a group of state departments that are involved in discussions on how to look at climate issues in Colorado. It has been decided that the Colorado Water Conservation Board would take the lead within the group. Mr. McGrath said Congress has considered establishing a National Climate Service, but it has not passed.

Paul Natale expressed concern that the big picture is not being considered, but rather issues are being compartmentalized. Mr. McGrath said this is struggle that has not been figured out yet.

### *Public Comment*

None.

## **Approval of Proposed 2014 Work Program and Budget**

This agenda item was moved to an earlier time in the meeting to assure a quorum for voting.

Ken Lloyd provided Council with an overview of the 2014 work program and budget. He explained it is primarily a continuation of work from 2013. Ken highlighted the major work components: Diesel/ Alternative Vehicle program; OzoneAware outreach program; Ozone planning (modeling); and the expansion of the Every Trip Counts program. He also noted that the Natural Gas vehicle program, an initiative through the Governor's Energy Office, received initial approval by the Colorado Transportation Commission. This will be a new five-year program beginning in 2014. The RAQC has been asked by CDOT and CEO to handle the vehicle purchase portion of the program since we have experience in that area.

Ken reviewed the staff request for approval to enter into contracts to support the Front Range Air Pollution and Photochemistry Experiment (FRAPPE). He informed Council that the State of Colorado is contributing \$2 million to the FRAPPE effort and CDPHE has asked the RAQC to provide contract administration services for the study. The RAQC will receive up to \$50,000 for administrative services. Ken indicated a the review team composed of 15 experts representing NCAR , NOAA, NASA, EPA, APCD and RAQC staff selected proposals to be funded.

He also outlined the staff request for approval to migrate RAQC websites to a new content management system to elevate functionality limitations and security vulnerabilities of the current system. Staff issued an RFP and the review team selected FleetCreature to move the sites. The maximum cost is estimated at \$85,000.

There was discussion regarding how many of the subcontractors selected for the FRAPPE study were outside Colorado. Ken Lloyd indicated that NCAR has its own source of funding for their part in the study and that the review team did fund most of the Colorado proposals submitted that were within the scope of the project.

Jep Seman asked if \$50,000 to administer the funding was sufficient. Ken Lloyd indicated he thought it would be sufficient. Jep also clarified that there was a 2.7% Cost-Of-Living increase included in the salary line item of the budget. Ken Lloyd indicated it was included as directed by Council in 2013, based on the government employee increase from Mountain States Employment Council's pay structure survey.

#### *Public Comment*

None.

**Jackie Millet moved to approve the 2014 work plan and budget including the FRAPPE and website requests as outlined. Seconded by Jep Seman. Motion Passed without objection.**

Bruce White asked if local government from the North Front Range will be solicited for 2015 funding assistance since the NFR is now included on the RAQC. Ken Lloyd said that would be part of the outreach efforts.

### **Overview and Discussion of CDPHE's Proposed Regulations Pertaining to the Oil and Gas Industry**

Garry Kaufmann, APCD, provided Council with an overview of the proposed revisions to air quality requirements for oil and gas facilities in Colorado. Garry said that Colorado has been a national leader in the regulating air emissions from oil and gas production sector. He provided Council with the background of work done from 2004 to 2012. Garry noted that in connection with the partial adoption of the NSPA0000 regulations, the AQCC directed the APCD to consider full adoption as well as other improvements to Colorado's oil and gas emissions regulations.

Garry outlined the proposed revisions with included:

- Revisions to reporting and permitting (Regulation 3)
  - Remove NSDPS, NESHAP, MACT "catchall" provisions
  - Revise non-criteria reportable pollutant threshold
  - Remove the crude oil storage tank permitting exemptions

- NSPA 0000 full adoption (Regulation 6, Part A)
  - Partial adoption on October 19, 2012
  - Proposed full adoption
    - All affected facilities regardless of size
    - Well completion requirements
- Oil and gas emissions reduction strategies (Regulation 7)
  - Revise Title and Section 11.B. to clarify that Reg. 7 includes emission reduction strategies aimed at ozone precursors and hydrocarbon emissions from oil and gas
  - Revise general provisions § XVII.B.
    - Enhance good air pollution control practices
    - Require auto-igniters on all combustion devices
  - Expand control requirements for storage tanks § XVII.C.1.
    - Lower control threshold from 20 tons per year to 6 tons per year
    - Include crude oil and produced water storage tanks
    - Require controls during the first 90 days of production statewide
  - Expand control requirements for glycol dehydrators § XVII.D.
    - Lower control threshold from 15 tons per year to 6 tons per year
    - More stringent threshold for facilities near populated areas
  - Require capture or control of gas stream at well production facilities § XVII.G.
  - Establish requirements to minimize emissions during well maintenance § XVII.H.
  - Expand pneumatic controller requirements statewide § XVIII.C.2.
  - Improve capture of emissions at controlled tanks § XVII.C.2.
    - Clarify that controlled tanks must be operated without venting to the atmosphere
    - Establish requirements for Storage Tank Emission Management systems (STEM)
  - Establish LDAR requirements for compressor stations and well production facilities § XVII.F
    - Frequent monitoring using Method 21 or infra-red (IR) camera
    - Repair schedule for identified leaks
    - Recordkeeping and reporting requirements

Garry also provided Council with the regulatory process. The AQCC hearing is scheduled for February 19-21, 2014. Interested persons can participate as a party or provide public comment. Party requests are due December 13, 2013 with a status conference scheduled for December 19. He indicated that pre-hearing statements are due January 6, 2014 and the pre-hearing conference is scheduled for January 17, 2014. The hearing will take place at the Aurora Municipal Center, 15151 East Alameda Parkway, Aurora, Colorado.

Garry summarized the key points of the revised provisions. He said there is a wide range of regulatory requirements aimed at reducing volatile organic compounds and methane emissions from the oil and gas production sector. Garry stated that this has been a collaborative effort involving the APCD, industry and environmental group stakeholders. The revised provisions expand Colorado's existing programs and establish innovative new strategies that address each of the most significant sources of hydrocarbon emissions from oil and gas production sector.

Ken Lloyd explained that the RAQC has party status in the matter. He explained that the proposal has impacts on RAQC future planning and many of the issues being raised involve work of the RAQC. He indicated that through this process staff will track progress and highlight issues for Council at the February 2014 meeting. Council can determine at that time what action, if any, staff should take as part of the process. He explained that often during this process the role of the RAQC has been to provide information, but on occasion the Council has taken positions on proposals.

Doug Linkhart said he would like to see Council support the regulations with recognition that there may be changes to them. Jep Seman indicated he would need a more robust conversation on the topic before he would be comfortable taking a position. John Putman asked staff to forward prehearing statements to Council. Ken Lloyd said there are many and it would be easier for Council to review them from the AQCC's website. Staff will forward the link to Council.

Elise Jones suggested that Council may need a higher level statement to help direct staff during the process. Ken Lloyd said issues will be apparent after the prehearing statements are submitted and staff can bring the issue to Council at the February meeting. Staff will highlight areas where it makes sense for the RAQC to get involved and Council can have a discussion at the February 2014 meeting.

#### *Public Comment*

None.

#### **Discussion of 2014 Meeting Dates and Topics of Interest**

Ken Lloyd indicated the next meeting would be February 7 and agenda items would include the oil and gas issues from the prehearing process and any legislation of interest that is introduced.

Staff will survey Council to determine if the April meeting will be held on the 4<sup>th</sup> or 11<sup>th</sup>. The June meeting is scheduled for June 6.

Council suggested topics for upcoming meetings, including:

- Odor control (metro issue)
- I-70 trench
- Cost-Benefit Analysis (in simple terms) on the oil and gas regulations

#### **Adjournment**

There being no further business before the Council, the meeting was adjourned at 12:30 p.m.