To: Beeler, Cindy[Beeler.Cindy@epa.gov]
From: Morales, Monica
Sent: Wed 6/22/2016 3:48:57 PM
Subject: FW: Draft Responses to WEA questions
WEA QAs_CYS response to MB comments.docx

Monica S. Morales

Acting Director, Air Program (8P-AR)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, Colorado 80202-1129

Phone: (303) 312-6936

morales.monica@epa.gov

From: Smith, Claudia
Sent: Wednesday, June 22, 2016 9:38 AM
To: Boydston, Michael <Boydston.Michael@epa.gov>; Morales, Monica <Morales.Monica@epa.gov>
Cc: Rothery, Deirdre <Rothery.Deirdre@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>; Ostendorf, Jody <ostendorf.jody@epa.gov>
Subject: RE: Draft Responses to WEA questions

Hi, Mike,

I've attempted to address your comments and make some suggested edits. Let me know what you think.

Thanks,

Claudia

From: Boydston, Michael
Sent: Tuesday, June 21, 2016 4:28 PM
To: Morales, Monica <Morales.Monica@epa.gov>
Cc: Smith, Claudia <Smith.Claudia@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>; Ostendorf, Jody <ostendorf.jody@epa.gov>
Subject: RE: Draft Responses to WEA questions

Hi everyone – I have a few comments and questions on the timing responses. The main was is that I'm wondering about moving a big paragraph, as indicated in the attached. Thanks for preparing and sending this.

Michael Boydston

Associate Regional Counsel, EPA Region 8

303.312.7103

From: Morales, Monica
Sent: Tuesday, June 21, 2016 12:32 PM
To: Boydston, Michael <Boydston.Michael@epa.gov>
Cc: Smith, Claudia <Smith.Claudia@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>; Ostendorf, Jody <ostendorf.jody@epa.gov>
Subject: Draft Responses to WEA questions

Hi Mike – Please review our draft responses to WEA's questions that we discussed yesterday and let us know if you have any edits. Claudia's draft responses are in the first email and Chris' are in the last email. We would like to send to OAQPS for their quick review tomorrow, if possible.

Can someone look for our proposed action on the OMB website and see if it is there

yet?

Monica S. Morales

Acting Director, Air Program (8P-AR)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, Colorado 80202-1129

Phone: (303) 312-6936

morales.monica@epa.gov

From: Smith, Claudia
Sent: Tuesday, June 21, 2016 9:43 AM
To: Morales, Monica <Morales.Monica@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>
Cc: Ostendorf, Jody <ostendorf.jody@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>
Subject: RE: responses to WEA questions

Please see the following draft responses to WEA's Timing Questions (Jody, please check the designation timeline details):

•□□□□□□□□ Will Uinta Basin operators be able to use the National FIP beginning October 3, 2016?

•□□□□□□□□ Will Uinta Basin operators be able to use the National FIP until an official nonattainment designation is made?

The Uinta Basin is currently attainment/unclassifiable for all NAAQS pollutants. The National FIP, as finalized, is not available for sources in areas designated nonattainment. Additionally, the reviewing authority may in some cases require sources that are located in attainment or attainment/unclassifiable areas to obtain a site-specific permit to ensure protection of the NAAQS. Given our intent to finalize an area-specific FIP for existing sources on the Indian

country lands within the Uintah and Ouray Indian Reservation (U&O Reservation), we intend to allow operators on those lands to use the national FIP beginning October 3, 2016, until the Uinta Basin is officially designated nonattainment for the ozone. Designation recommendations are due from States and are optional from the Tribes for the 2015 ozone standard by October 2016 and the EPA will make final designations by October 2017.

Although the National FIP is not available for sources in areas designated nonattainment, in response to comments, the final rule stated our intent to potentially apply the national FIP's requirements as appropriate to new sources in nonattainment areas where the EPA has established a separate, area-specific FIP. Such an action would be a separate, area-specific rulemaking in which we would propose and seek comment on applying the national FIP's requirements to new sources on the Indian country lands within the U&O Reservation. As part of that rulemaking, we would need to demonstrate that the established U&O Reservation FIP for existing sources reduces existing emissions sufficiently that the addition of new sources would not cause or contribute to further degradation of air quality or hinder efforts to come into attainment with the NAAQS. Therefore, this area-specific rulemaking to extend the national FIP to new sources on Indian country lands within the U&O Reservation would have to be finalized before the Uinta Basin is designated nonattainment (by October 2017) in order for U&O Reservation operators to continue to use the National FIP after nonattainment designation.

•□□□□□□□□ When does EPA anticipate finalizing its proposed FIP?

We intend to finalize our proposed FIP for existing sources by late 2016 or early 2017.

•□□□□□□□□ When will the basin specific FIP be issued for comment?

As you may have seen, a draft of the proposed FIP is being reviewed by OMB. We intend to issue the proposed FIP for comment as soon as OMB completes review and we have addressed all comments.

•□□□□□□□□ How long will the public comment period be?

The draft notice of proposed rulemaking that OMB is reviewing specifies a 60-day public comment period.

•□□□□□□□□ What is the anticipated implementation timeline?

The draft notice of proposed rulemaking that OMB is reviewing specifies an 18-month compliance deadline with the allowance to apply for an extension (anticipated maximum of an additional 18-months) that would only be granted by the EPA upon sufficient demonstration of necessity by the operator.

•□□□□□□□□ When will EPA embark upon rulemaking to provide streamlined permitting mechanism for post nonattainment designation?

We could not reasonably develop and propose a separate area-specific rulemaking to extend the national FIP to new sources on the Indian country lands within the U&O Reservation until we know what the final FIP for existing sources will contain and we can assess its effect in reducing ozone concentrations in the Basin.

Thanks,

Claudia

From: Morales, Monica
Sent: Tuesday, June 21, 2016 8:38 AM
To: Smith, Claudia <Smith.Claudia@epa.gov>; Dresser, Chris <Dresser.Chris@epa.gov>
Cc: Ostendorf, Jody <ostendorf.jody@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>
Subject: RE: responses to WEA questions

Claudia – You edits look great.

Monica S. Morales

Acting Director, Air Program (8P-AR)

U.S. EPA Region 8

1595 Wynkoop Street

Denver, Colorado 80202-1129

Phone: (303) 312-6936

morales.monica@epa.gov

From: Smith, Claudia
Sent: Monday, June 20, 2016 4:58 PM
To: Dresser, Chris <Dresser.Chris@epa.gov>
Cc: Ostendorf, Jody <ostendorf.jody@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>; Morales, Monica <Morales.Monica@epa.gov>
Subject: RE: responses to WEA questions

Please see the some suggested edits in red to Chris' content responses below. I plan to finish drafting responses to the timing questions by tomorrow and will send them around.

Thanks,

Claudia

From: Dresser, Chris
Sent: Monday, June 20, 2016 2:31 PM
To: Smith, Claudia <Smith.Claudia@epa.gov>
Cc: Ostendorf, Jody <ostendorf.jody@epa.gov>; Rothery, Deirdre <Rothery.Deirdre@epa.gov>; Morales, Monica <Morales.Monica@epa.gov>

Subject: responses to WEA questions

Please see the following responses to WEA's content questions:

•□□□□□□□□ What are the anticipated contents/requirements of the basin specific FIP?

One of the stated goals of the proposed rulemaking ~~has been~~ is to create a "level playing field" among operators producing oil and gas on State and Tribal lands in the Uinta Basin. EPA ~~has~~ developed the specific requirements in the FIP with this goal in mind - including consideration of existing oil and natural gas source requirements on Utah state land and in other ~~national rules~~ state and federal rules.

•□□□□□□□□ What are the anticipated cost/benefits of additional controls?

A Regulatory Impact Assessment has been ~~developed~~ prepared that includes a detailed discussion of the economic impacts of the proposed FIP. This document is available in the docket for the proposed FIP.

•□□□□□□□□ How is EPA leveraging the 2014 Uinta Basin Emissions Inventory?

~~The phase I oil and gas inventory~~Phase I of the 2014 Uinta Basin Emissions Inventory was developed using operator submitted activity and emissions information~~;~~ and was finalized in May, 2016. Unfortunately, the inventory was unavailable when the ~~emissions and~~ rule impacts were being evaluated for the proposed FIP. EPA will consider the data collected for the ~~2014 Uinta Basin~~ emissions inventory ~~for the~~ in development of the final ~~version of the~~ rulemaking.

•□□□□□□□□ Has EPA modeled what effect will the proposed controls have on Uinta Basin ozone levels?

Research has shown that ozone levels in the Uinta Basin are most significantly influenced by VOC emissions from the accumulation of existing minor oil and natural gas production operations. Although we know the ozone impact of VOC reductions will be large and beneficial, there are limitations on our ability to specifically quantify it~~, and thus monetize the benefits~~. Model simulations that are currently available are not sufficiently reliable for estimating ~~public health benefits of emissions reduction. That is, we cannot state~~ with certainty the amount of ozone reductions, particularly in the wintertime, that will result from the large VOC reductions

we expect this rule to produce, but modeling and measurement studies show that ozone is sensitive to changes in VOC emissions, and we expect that large reductions in VOC will result in proportionally large reductions in ozone formation. We expect that the emissions information collected from the 2014 Uinta Basin Emissions Inventory will be useful in developing more reliable photochemical models in the future to assess the impacts of VOC emissions reductions on wintertime ozone levels.

Chris Dresser

Acting Unit Chief – Air Quality Planning Unit

U.S. EPA – Region 8

1595 Wynkoop Street

Denver, Colorado 80202-1129

Phone: (303) 312-6385