

March 28, 2025

Regional Air Quality Council Board 1445 Market Street Suite #260 Denver, Colorado 80202

Dear Members of the Regional Air Quality Council Board:

The Air Pollution Control Division (Division) appreciates the opportunity to share further actions the State of Colorado (State) will be taking in light of recently completed modeling results.

Given that the region is unable to model attainment and, based on recent monitoring data, is unlikely to monitor attainment, the State will be requesting voluntary reclassification from Serious to Severe nonattainment under the 2015 ozone National Ambient Air Quality Standard (NAAQS). Voluntary reclassification is a process by which the State requests that the United States Environmental Protection Agency (EPA) proactively reclassify an area rather than wait for EPA to determine the area failed to attain the standard and then reclassify it as a matter of law. This action will result in lower thresholds for major sources of air pollution in the nonattainment area defined by the 2015 ozone NAAQS - meaning more sources will be subject to more stringent permitting provisions and reasonably available control technology requirements sooner than if the State waits for EPA to reclassify the area. It does not absolve the State of the need to develop State Implementation Plan (SIP) revisions this year, nor does it limit the State's ability to continue to develop and implement technically and economically feasible measures to reduce emissions of ozone forming pollution.

The State recognizes that this is a hard decision to make, but believes taking this step is the only reasonable and responsible path forward given the reality of the region's circumstances.

Though this is a difficult choice, it is not without advantages including:

- 1) Removal of the requirement to submit attainment demonstration modeling to EPA in 2025.
- 2) Additional time to utilize resources provided by <u>Senate Bill 24-229</u> to conduct further analyses and enhance our planning efforts.
- 3) Removal of the need to hold certain reduction strategies in reserve as contingency measures.
- 4) Next attainment date of August 3, 2032, which allows for already adopted strategies to fully mature as well as implementation of other long term strategies.





Removal of the requirement to submit attainment demonstration modeling to EPA in 2025

If the State were to submit photochemical modeling to EPA in 2025 that doesn't demonstrate attainment, the State would be vulnerable to sanctions as the required attainment demonstration would not be approvable. By requesting voluntary reclassification, however, the State no longer has an obligation to submit photochemical modeling with this SIP submission and, therefore, is alleviated of the sanction risk.¹

Sanctions are non-discretionary and, if the SIP deficiency is not resolved, would apply beginning 18 months after the effective date of the disapproval. Sanction actions would include:

- Nonattainment New Source Review sanctions: Requirement that a ratio of at least 2-to-1 will be required for emissions reductions to be achieved within the nonattainment area to offset emissions from new or modified major facilities.
- Federal Highway sanctions: Restriction of highway funding and prohibition on Secretary of Transportation approval of projects and/or awarding of grants.

Additional time to utilize resources provided by Senate Bill 24-229 to conduct further analyses and enhance our planning efforts

Colorado has reduced emissions of ozone forming pollution generated by human activity by more than 50% since 2011. The region, however, continues to struggle with high levels of ozone due to challenging topography and meteorology as well as high background levels and impacts from wildfire smoke. Deepening our understanding of how these factors impact ozone formation will better prepare us to address the challenges they present. To support this critical deepening of understanding the Colorado General Assembly, under Senate Bill 24-229, afforded the Colorado Department of Public Health and Environment \$275,000 over the next two fiscal years to conduct additional photochemical modeling studies. This funding is being contracted by the State to the Regional Air Quality Council to design and execute investigative photochemical modeling efforts with the goal of better understanding the complex factors that impact ozone monitors in the Denver Metro North Front Range ozone nonattainment area.

¹ See 90 Fed. Reg. 5651, 5665 (Jan. 17, 2025) (where EPA finalized its position that "[p]lanning requirements applicable to the lower, former classification for the ozone NAAQS continue to be legally required following a change in an area's classification level, except: (1) the attainment demonstration; (2) [Reasonably Available Control Measures]; and (3) for areas that are voluntarily reclassified, contingency measures to address failure to attain by the attainment date associated with the prior classification.")





Removal of the need to hold certain reduction strategies in reserve as contingency measures

By requesting voluntary reclassification, the State no longer has an obligation to develop federally enforceable control strategies to hold in reserve as contingency measures with this SIP submission. This allows the State to focus resources on the continued implementation and refinement of existing emissions reduction strategies, as well as development of additional new and innovative strategies to reduce ground level ozone levels in efficient and cost effective ways.

New attainment date of August 3, 2032, which allows for already adopted strategies to fully mature and implementation of other long term strategies

Colorado has recently adopted bold strategies that will be implemented over time, with the greatest ozone forming pollution reductions expected in the late 2020's and early 2030's. These strategies include:

- Nitrogen Oxides (NOx) Reduction Program for Upstream Oil and Gas Operators (initiated in March 2023): Governor Polis directed the Air Pollution Control Division to develop rules that apply to upstream oil and gas operators in areas of Colorado that do not meet federal ozone pollution standards. According to Governor Polis's direction, these operations need to achieve a 30% reduction in NOx by 2025 and at least a 50% reduction in NOx by 2030 compared to 2017 emission levels. Preliminary data for 2024 shows the reduction program has exceeded this directive 5 years ahead of schedule: achieving a 35% reduction in NOx emissions from 2023 to 2024, which is equivalent to achieving a 52% reduction in NOx compared to 2017 emission levels. This is an annual reduction of 1,842 tons of ozone forming pollution.
- Advanced Clean Trucks/Low NOx Omnibus (adopted in April 2023): The Advance Clean Trucks Rule directs manufacturers of medium- and heavy-duty on-road vehicles to sell an increasing percentage of zero-emission vehicles from model year 2027 and beyond. Zero-emission vehicle types include electric, hydrogen, and plug-in hybrids. The rule is projected to reduce ozone forming pollution by 32,210 tons by 2050.
- Colorado Clean Cars (adopted in October 2023): The Colorado Clean Cars standard directs vehicle manufacturers to sell 82% electric vehicles by model year 2032. The standard also requires new gasoline-powered cars and passenger trucks to produce less air pollution. The rule is projected to reduce ozone forming pollution by 2,522 tons annually by 2040 with a 1,116 tons of ozone forming pollution being reduced annually by 2032.
- Greenhouse Gas Emissions and Energy Management 2 Program (adopted in October 2023): This program requires 18 of Colorado's highest-emitting manufacturers to collectively reduce their greenhouse gas emissions 20% by 2030, compared to 2015 levels. The reduction of greenhouse gasses will have the co-benefit of reducing ozone





forming pollution.

- <u>Stationary Engine Standards</u> (adopted in December 2023): Operators of natural gas-fired engines 100 horsepower or larger and diesel engines 500 horsepower or larger are subject to NOx emission standards with all engines needing to be compliant by 2029. Looking at reductions that will occur after 2025, the rule is projected to reduce ozone forming pollution by 2,198 tons annually once fully implemented in 2029.
- Greenhouse Gas Intensity Program for Upstream Oil and Gas Operators (updated in May 2024): This program requires all upstream oil and gas operators to optimize their operations to meet an emissions generated per barrel of energy produced standard. The first standard is established for 2025 with more stringent targets set for 2027 and 2030. The reduction of greenhouse gasses will have the co-benefit of reducing ozone forming pollution.
- Energy and Carbon Management Commission (ECMC) Cumulative Impacts/Enhanced Standards and Practices Rules (adopted in October 2024): The rules require oil and gas operators to adopt new, more protective practices when applying for oil and gas permits and ensure that operators are compliant with air pollution rules. The rules require operators and ECMC to provide additional opportunities for communities particularly disproportionately impacted communities to engage in the permitting process. The State is currently unable to quantify reductions specifically associated with these requirements but recognizes this requirement will further reduce emissions of ozone forming pollution in the nonattainment area.
- Midstream Fuel Combustion Equipment Rule (adopted in December 2024): Midstream facilities must begin taking steps to reduce emissions from combustion fuel equipment by February 14, 2025. Then, midstream facilities have a 2030 deadline to meet emissions limits for both the overall sector and their own company. The rule prioritizes direct reductions in the front range of the state and in disproportionately impacted communities statewide. The rule is projected to reduce ozone forming pollution by 1,857 tons annually once fully implemented in 2030.
- Vehicle Inspection/Maintenance Program Updates (adopted in January 2025): Recent revisions to the State's vehicle inspection/maintenance program provide extra convenience for gasoline-powered vehicle owners. The revisions also require heavy-duty trucks from model year 2008 and newer to utilize a more effective testing method, ensuring a more accurate evaluation of nitrogen oxides (NOx) emissions.
- Pneumatic Controller/Pump Retrofit Program (adopted in February 2025): Oil and gas operators will need to retrofit or replace existing pneumatic controllers and pumps to ensure they do not generate emissions. The rule is projected to reduce ozone forming pollution by 4,099 tons annually once fully implemented in 2029.

Cumulatively, these rules will reduce emissions by over 11,110 tons each year by 2032.





The State remains committed to building on this bold work as we continue to protect Colorado's air quality in partnership with the Regional Air Quality Council.

Sincerely,

Michael Ogletree

Senior Director of State Air Quality Programs

Colorado Department of Public Health & Environment

	**		