A[~~1.3~~] 1.2 [Other] Milestone Adjustments.

Comment: Page 24, Public Review Draft, 2/22/11

(a) All [~~other~~] milestone adjustments shall require a SIP revision. Section A3.3 of this implementation plan element outlines adjustments to be made to the emissions inventory to ensure a consistent comparison to the milestones. These adjustments shall be incorporated into the milestones every five years as part of the periodic implementation plan revisions required by 40 CFR 51.309(d)(10). The Department shall track all adjustments to the milestone pursuant to Section A3.3.

(b) Within 90 days of the periodic implementation plan revision incorporating adjustments based on section A3.3, the Department shall provide the date of the SIP revision reflecting the milestone adjustment to sources whose records were used as the basis for the milestone adjustment and state that the source needs to retain the record at least five years from the date of the SIP revision, or 10 years from the date of establishing the record, whichever is longer.

(c) Opt-in Provision for States and Tribes. The regional milestones in Table 3 were developed for a [~~four-state~~] three-state region: [~~Arizona,~~] New Mexico, Utah, and Wyoming. Other western states and tribes may choose to join this backstop trading program in the future. The addition of a state or tribe to the program will require a SIP/TIP revision for all participating states and tribes to adjust the regional milestones, and will not occur automatically. Any state or tribe that wishes to opt in to the program will propose milestone adjustments to the participating states and tribes using the same methodology that was used to develop the milestones in Table 3. A new participant must agree to develop a SIP and backstop trading rule that is consistent with those adopted by the other participating states and tribes.

A2 Regional Program Administration.

A2.1 Pre-trigger tracking of regional SO_2 emissions.

The Department shall work cooperatively with the states and tribes that are participating in the SO_2 Milestones and Backstop Trading Program to ensure that an emission tracking system for the regional SO_2 inventory is developed and maintained. The Western Regional Air Partnership (WRAP) compiled the SO_2 emission inventories that were used during the development of the Annex and subsequent SIP revisions, and the WRAP continues to refine and improve the overall tracking system for regional haze.

The WRAP shall maintain the pre-trigger emissions tracking functions outlined in this Implementation Plan element for the foreseeable future. If the WRAP is no longer able to fulfill this function, then the Department shall ensure that other arrangements are made, either through a different regional organization, independently, through a contractor, or in collaboration with the State of New Mexico to maintain the SO_2 tracking system that is described in this Implementation plan. The Department is responsible for all regional program administration functions as described in this Implementation plan. The Department shall perform these functions through the WRAP, as the AQCB agent.

The WRAP shall have no authority to make regulatory determinations. The WRAP has limited authority under this Implementation plan to perform tracking and accounting functions, prepare reports, and perform other administrative functions as directed by the states and

PENGAD 800-631-6989
AQD EXHIBIT
7

(c) An explanation for emissions variations at any applicable source that exceeds +/- 20 percent from the previous year.

Comment: Page 26, Public Review Draft, 2/22/11

A3.3 The annual emissions report for Bernalillo County shall include a proposed emissions adjustment as described in (a) through [~~(c)~~] (b) below to ensure a consistent comparison to the milestones.

~~**[(a) Changes in flow rate measurement methods**. The provisions in this Subsection (a), shall apply only to the 2003-2007 milestone report. Actual emission inventories for utilities that use EPA's Reference Method 2F, 2G, or 2H to measure stack flow rate will be adjusted to be comparable with the flow rate assumptions that were used in 1999, the base year inventory for the Annex. The adjustment may be calculated using any of the following three methods.~~

~~1. Directly determine the difference in flow rate through a side-by-side comparison of data collected with the new and old flow reference methods during a Relative Accuracy Test Audit (RATA) test.~~

~~2. Compare the annual average heat rate using Acid Rain heat input data (MMBtu) and total generation (MWHrs) as reported to the federal Energy Information Administration (EIA). Under this approach, the flow adjustment factor shall be calculated using the following ratio:~~

~~Heat input/MW for ***first*** full year of data using ***new*** flow rate method~~
~~Heat input/MW for ***last*** full year of data using ***old*** flow rate method~~

~~3. Compare the standard CFM per MW before and after the new flow reference method based on CEMs data submitted in the Acid Rain Program, as follows:~~

~~SCF/Unit of Generation for ***first*** full year of data using ***new*** flow rate method~~
~~SCF/Unit of Generation for ***last*** full year of data using ***old*** flow rate method~~]

~~**[(b)]**~~ **(a) Changes in emission monitoring or calculation methods:** Actual emission inventories for sources that change the method of monitoring or calculating their emissions shall be adjusted to be comparable to the emission monitoring or calculation method that was used in the 2006 base year inventory.
~~[The base year inventory for the 2003-2007 milestone report is 1999 for utilities and 1998 for all other sources. The base year inventory for the 2008 and later milestone reports is the 2006 inventory for all sources.~~]

~~**[(c)]**~~ **(b) Changes due to enforcement actions:**

1. Adjustments due to enforcement actions arising from settlements. Adjustments to the milestones shall be made as specified in [~~Section A3.3(c)3 and A3.3(c)4~~] Sections A3.3(b)3 and A3.3(b)4, if:

(A) an agreement to settle an action, arising from allegations of a failure of an owner or operator of an emissions unit at a source in the program to comply with applicable regulations which were in effect during the base year, is reached between the parties to the action;

Table 7a: RESERVED

Comment: Page 38, Public Review Draft, 2/22/11

Table 7b. RESERVED

(b) Compiled Allocation Report

The Tracking System Administrator shall compile the information provided by all participating states and tribes into a draft regional allocation report, and shall submit this draft regional report to the Department and all participating states and tribes for review and comment 30 days after receiving the preliminary allocation reports. The draft regional allocation report shall include a proposed budget for each state and tribe and the proposed allocation for each WEB source in Bernalillo County

The Department will work closely with the other participating states and tribes to ensure that the regional allocation is distributed consistently and fairly and to address any change in status that may affect this process.

The following methodology distributes the allowances available under the milestone in the following order: tribal set-aside, new source set-aside, floor, early reduction credit, [renewable energy credit,] reducible allocation. The allocation process is limited by the number of allowances available under the milestone. It is not possible under this methodology to distribute more allowances than are available under the milestone. The Department expects that there will be allowances available for all of the categories listed above. However, if at any time in the process there are not enough allowances available to fully cover a particular category, then the sources eligible for that category will receive a pro-rated allowance, and the process will stop. For example, if the [~~renewable energy~~] early reduction credit allocation is greater than the remaining available allowances under the milestone, then each of the [~~renewable energy~~] early reduction sources would receive a reduced [~~renewable energy~~] early reduction credit allocation, and there would be no reducible allocation.

(1) Table 7C shows the major categories that will be used to allocate allowances under the milestone. The methodology to calculate the available allocation for existing sources is described below. The milestone for the [~~four-state~~] three-state region is the starting point.

[~~NOTE: If the milestone for a particular year is adjusted due to the smelter-specific set-aside provisions in Paragraph A1.2 of this Plan, then the milestone adjustment calculated in Paragraph A1.2 of this Plan will be allocated to that smelter, and will be in addition to the allocations determined from the base milestone as outlined in this subsection. References to the non-utility allocation throughout the remainder of this plan will not include the potential allocation due to the smelter-specific set-aside.~~]

VISIBILITY IMPAIRMENT FOR OTHER CLASS I AREAS

Comment: Page 109, Public Review Draft, 2/22/11

The Western Regional Air Partnership (WRAP) has modeled the impacts of emissions on Class I areas in the west as part of their assistance in development of the Regional Haze SIPs for 309 and 308 states. However, the WRAP has not yet analyzed the effects on Class I Areas from emissions at the individual county scale. This puts Bernalillo County, which acts as a 'state', in a predicament. Without county-level modeling, the required analysis of the effects upon Class I Areas caused by Bernalillo County's emissions, will be qualitative and not quantitative. It is anticipated that the WRAP will complete the modeling of Bernalillo County's effects on visibility at Class I Areas within New Mexico, at its' earliest convenience, and this data will be incorporated into a SIP revision in the future. Therefore, the qualitative analysis will consist of the following:

1. Emissions inventory data showing emissions [~~by New Mexico, Counties~~] for each county within New Mexico including Bernalillo County. This data provides a rough estimate of the percentage of the State's overall emissions that are generated by Bernalillo County, as well as the percentage of Bernalillo County's share of the emissions inventory as it relates to the impact on visibility each pollutant has at each individual Class I Area. The pollutants included in this analysis include: Sulfur Oxide (SOx), Nitrogen Oxide (NOx), Organic Carbon (OC), Elemental Carbon (EC), Fine Particulate Matter (PMf), Coarse Particulate Matter (PMc), Ammonia, Volatile Organic Compounds (VOCs), and Carbon Monoxide (CO).

2. Bar graphs of the potential effects of New Mexico's emissions on Class I Areas on 20% worst visibility days. These graphs give an estimate of which pollutant is the most significant in the impairment of visibility at that Class I Area. The pollutants included in this analysis include OC, EC, PMf, and PMc for each Class I Area in New Mexico.

3. Mapping of the normalized weighted emission potential (WEP) for each pollutant using 2000-04 baseline data and 2018 predicted emissions. WEP values are a function of emissions multiplied by residence time divided by distance from source. These maps will give a rough estimate as to the proximity of elevated WEP% values to Bernalillo County. The pollutants included in this analysis included OC, EC, PMf, and PMf, for each Class I Area in New Mexico.

The results of this analysis are summarized below. The full analysis can be found at Appendix 2007-H. Additional analysis of nitrate/NOx and Sulfate/SOx were conducted, and are shown in the Addendum to Appendix 2007-H.

When the large-scale projections generated by the WRAP were extrapolated down to the level of Bernalillo County, much of the predictive accuracy and value were lost. There are many factors that affect this inaccuracy.
1. The 2002 Baseline is wrong. It is too high for Point and Area sources. (see 2002 NEI data).
2. The growth rate is far too high. (see 2005 and 2008 NEI data.
3. The growth rate for Bernalillo County is disproportionate to the rest of the state. A county with few existing point sources of significance should not be assigned the level of growth used in the WRAP model. 2005 and 2008 NEI data confirms that the projected growth rates shown below are wrong.

NO2 Predicted emission growth:	Point Source	Area Source
New Mexico	(-25.7%)	(34.4%)
Bernalillo County	(+49.9%)	(40.3%)