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Ms. Tonya Baer
Director, Air Quality Division
Texas Commission on Environmental Quality (TCEQ)
P.O. Box 13087
Austin, TX 78711-3087
tonya.baer@tceq.texas.gov

Re: New Mexico Environment Department (NMED) Comments and Questions on TCEQ's proposed 2021 Regional Haze State Implementation Plan Revision for the Second Planning Period (Project No. 2019-112-SIP-NR)

Dear Director Baer,

NMED submitted a letter to TCEQ on April 24, 2020, "New Mexico Environment Department (NMED) Comments and Questions for TCEQ on Regional Haze Consultation," which requested a robust, ongoing consultation process as we move forward with the evaluation of potential additional controls and Regional Haze State Implementation Plan (SIP) development. As part of this process, NMED has reviewed TCEQ's proposed 2021 Regional Haze SIP Revision (Project No. 2019-112-SIP-NR). NMED comments on the 2021 Regional Haze SIP revision are detailed below and will also be submitted via eComments:

1. Overarching: NMED agrees in principle with the National Park Service (NPS) consultation document, "Regional Haze Consultation Documentation for NPS/Texas; October 8, 2020," stating that many of the emission reduction opportunities considered by TCEQ may be more affordable than presented and that the cumulative benefit of emission reductions over time will be necessary to achieve the Clean Air Act and Regional Haze Rule goals. NMED also generally agrees with the NPS, as well as the U. S. Forest Service (USFS) formal comments submitted on the proposal and evaluations that TCEQ should evaluate additional sources and should implement emission controls that substantively address the need for incremental improvement. TCEQ's presentation of modeling results showed visibility impacts from Texas on Class I Areas in New Mexico, particularly in the vicinity of the Permian Basin.
2. Commissioners Page 3: "Consultation with other states and the FLMs is ongoing and because other states are at different stages of development of their Regional Haze State Implementation Plan (SIP) revisions, this proposal does not include a complete record of consultation. Documentation of additional consultation after July 31, 2020 will be included at adoption." NMED would like to continue consultation calls with TCEQ as we review and interpret our modeling results and potential additional control strategies through March of 2021.

3. Page ES-1: What percentage of the overall NO_x and SO₂ emissions does the Q/D = 5 represent?
4. Pages 3-4: Consultation Summary 3.4.5 Federal Land Managers: NPS requested that TCEQ look at fifteen (15) additional sources that have a Q/d >5 that were not included in the analysis, asked why Bandelier National Monument (BAND), Big Bend National Park (BIBE), and Carlsbad Caverns (GUMO) were not included in the SO₂ Area of Influence (AOI) analysis, and that Salt Creek Wilderness Area (SACR) should have been included for both pollutants. See Appendix A. Were these concerns addressed in the proposed SIP revision? NPS also encouraged TCEQ to consider expanding their engine rule for ozone non-attainment areas to the Permian Basin as an effective method of addressing oil and gas (O&G) area source emissions that are impairing visibility at Carlsbad Caverns and Guadalupe Mountains National Parks. Was this addressed in the SIP revision? The Salt Creek Wilderness Area in southeast New Mexico shows monitored and modeled progress above the uniform rate of progress glidepath on several modeling scenarios conducted by EPA, TCEQ, and the Western Regional Air Partnership (WRAP). Is TCEQ taking any action to help address this issue, since TX emissions contribute to visibility impairment at this site?
5. Pages 6-9: NO_x and SO₂ emissions from area sources increased due to increased natural gas production and flaring at O&G wells. Were emissions from minor and area sources considered in determining what sources are subject to a four-factor analysis? Will TCEQ post four-factor analyses on its website for review?
6. Pages 7-4 and 7-5, Figures 7-1, 2: What major O&G sources are located within the AOI for White Mountain Wilderness Area (WHIT), Bosque del Apache Wilderness Area (BOAP), SACR and GUMO Class I Areas? What were the Q/d values for those sources? NMED would like to review the Q/d analyses for these Class I areas.
7. Pages 7-12: Units with NO_x or SO₂ <5% of the total emissions of the same pollutant were removed from further control measure analysis screening, based on consideration of the cost to control and anticipated improvement in visibility. If a source had a Q/d >5, then TCEQ should complete the 4-factor analysis for these sources. NMED requests additional justification for selecting 15 years as the remaining useful life of control equipment. A justification for this assumption would help explain why the selected remaining useful like is practical.
8. Page 7-13: The upper end of the cost threshold, \$10,000/ton, was determined to be inappropriate to apply to existing sources not undergoing any kind of physical or operational change. To how many of the screened sources would this apply?
9. Appendix A: TCEQ used a 10% interest rate in their cost calculations instead of the bank prime rate for both EGUs and non-EGUs as a conservative assumption. An appropriate interest rate (current bank prime) should be used instead of an assumed rate without any basis. It could make a difference on whether additional controls are cost effective at a particular facility.
10. What factors did TCEQ consider for selecting sources on a per pollutant basis, rather than combined emissions of SO₂ and NO_x? The question of analyzing the pollutants separately was previously raised with TCEQ. Sources were screened for Q/d individually using NO_x or SO₂. Is TCEQ aware of other states that are conducting their Q/d analyses in this manner? NPS comments suggest that there are facilities that would be required to undergo four-factor analysis if the cumulative Q/d was considered. The Q/d screening criteria used to evaluate the

impact of new facilities on Class I Areas considers cumulative emissions from all criteria pollutants (2010 FLAG guidance, page 18, Initial Screening Criteria).

11. A capital recovery factor (CRF) of fifteen (15) years was used to estimate annualized capital costs for each potential control measure. New Mexico facilities' CRFs were generally 20-25 years. Did TCEQ use 15 years across the board? Based on NMED's review of different control technology, this capital recovery factor may not be appropriate.
12. WRAP has recently posted updated Weighted Emissions Potential (WEP) and AOI modeling results for Class I areas (CIAs) on the Technical Support Site (TSS): <http://views.cira.colostate.edu/tssv2/>. A number of CIAs in New Mexico show that facilities from Texas are within the top 20 of the facility-level rank point results for NO_x and SO₂. Several of these, having a Q/d (where Q is on an individual pollutant basis) of greater than 5, have not been analyzed by TCEQ in their Four Factor Analysis. If a cumulative NO_x and SO₂ basis for Q is used, even more sources are unaccounted for in the analysis. These facilities should undergo further four factor analysis review and consideration of additional controls to reduce impacts at Class I areas in NM. Rank point results show the top facilities ranked by weighted emissions potentials whose emissions have the potential to contribute to visibility impairment due to their emissions on the Most Impaired Days (MID) for each year in 2014-2018. More information on the rank point results is available on the TSS, as well as results for the CIAs in each state, including NM and TX.

NMED and the City of Albuquerque/Bernalillo County are currently working together on the development of our respective Regional Haze State Implementation Plan revisions. NMED has a dedicated website to the development of the 2021 Regional Haze SIP at <https://www.env.nm.gov/air-quality/reg-haze/>. We would like to continue the consultation process with you and our EPA Regional Office as more of this information is completed and delivered to the WRAP TSS Site at <https://views.cira.colostate.edu/tssv2/>. The WRAP TSS site will provide modeling and analysis information for Western States and is being used to help WRAP states develop their 2021 SIPs. Both NMED, City of Albuquerque/Bernalillo County and TCEQ should work cooperatively to try to help ensure that the Federal Land Managers concerns are addressed. This will help ensure that both states fulfill their responsibilities to take prudent actions so that the views at our CIAs will continue to improve. This will also help set the stage for better cooperation on other state initiatives aimed at improving air quality in the areas near our border.

We look forward to meeting with you again soon to discuss these issues and next steps. Should you have questions or require clarification, please contact Mark Jones, mark.jones@state.nm.us, or Kerwin Singleton, kerwin.singleton@state.nm.us.

Sincerely,

Liz Bisbey-Kuehn
Chief, Air Quality Bureau
Environmental Protection Division
New Mexico Environment Department