



MATTHEW G. BEVIN
GOVERNOR

CHARLES G. SNAVELY
SECRETARY

**ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION**

ANTHONY R. HATTON
COMMISSIONER

300 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40601

November 16, 2018

Mr. Trey Glenn
Regional Administrator
U.S. EPA, Region 4
Sam Nunn Atlanta Federal Center
61 Forsyth Street
Atlanta, Georgia 30303-8960

RE: Final Revision to the Kentucky Regional Haze State Implementation Plan

Dear Mr. Glenn:

On behalf of the Commonwealth of Kentucky, the Kentucky Energy and Environment Cabinet (Cabinet) respectfully submits to the U.S. Environmental Protection Agency (EPA) a final revision to the Kentucky Regional Haze State Implementation Plan (SIP). The Cabinet's SIP revision relies on EPA's determination that the Cross State Air Pollution Rule (CSAPR) satisfies the requirements of the Regional Haze program. Consequently, the Cabinet requests EPA to revise its limited disapproval of Kentucky's Regional Haze SIP to full approval.

In a 2005 rulemaking, EPA determined that states participating in the Clean Air Interstate Rule (CAIR) cap-and-trade programs were not required to mandate installation, operation, and maintenance of Best Available Retrofit Technology (BART) at affected electric generating units (EGUs); but, rather, a state could rely on the CAIR cap-and-trade program. Additionally, states, including Kentucky, applied the CAIR requirements as an element of the long-term strategy (LTS) for achieving their reasonable progress goals for the Regional Haze Program.

On June 25, 2008, Kentucky submitted its Regional Haze SIP to EPA to address the first implementation period for the Regional Haze Rule (RHR). The original submittal was followed with an amended SIP revision dated May 28, 2010, that addressed the emission limits for Louisville Gas and Electric's (LG&E) Mill Creek Station and revised modeling for East Kentucky Power Cooperative's (EKPC) Cooper Station. After review of the submittals in light of D.C. Circuit's 2008 ruling that CAIR was "fatally flawed", EPA finalized a limited disapproval of Kentucky's Regional Haze SIP on March 30, 2012, due to the submittal's reliance on CAIR to satisfy BART requirements.



Mr. Trey Glenn
November 16, 2018
Page 2

On June 7, 2012, EPA finalized a finding that states covered by CSAPR achieve greater reasonable progress towards achieving natural visibility in Class I areas through CSAPR trading programs than through source-specific BART requirements.¹ In this final rule, EPA promulgated Federal Implementation Plans (FIPs) to establish reliance on CSAPR, instead of CAIR, as an alternative to meet BART requirements for sulfur dioxide (SO₂) and nitrogen oxides emissions from EGUs in 12 states, including Kentucky.

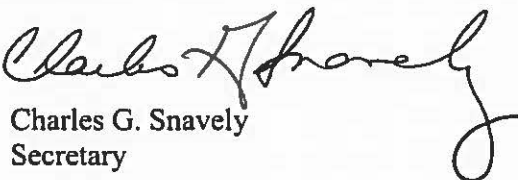
On September 29, 2017, EPA promulgated a final rule affirming that the 2012 CSAPR-better-than-BART rule analysis is still valid.² EPA completed a sensitivity analysis, which determined that no revisions were needed to the CSAPR-better-than-BART rule since the actions being taken to respond to the D.C. Circuit's remand of CSAPR Phase 2 budgets did not have an adverse effect on the rule. As a result of EPA's findings, the Cabinet is revising the Kentucky Regional Haze SIP. Specifically, Kentucky is requesting EPA to:

- 1) Revise Kentucky's Regional Haze SIP to change reliance from CAIR to reliance on CSAPR to satisfy: BART for SO₂ and nitrogen oxides for subject EGUs; reasonable progress for SO₂ for subject EGUs during the first implementation period; and to support the reasonable progress goals for Mammoth Cave National Park.
- 2) Revise its limited disapproval of Kentucky's Regional Haze SIP to full approval.
- 3) Grant full approval of section 110(a)(2)(D)(i)(II) "prong 4" within Kentucky's 1997 ozone, 2012 PM_{2.5}, 2010 NO₂ and 2010 SO₂ Infrastructure SIPs once the revised Regional Haze SIP has been approved.

In accordance with 40 CFR 51.102, the Cabinet made this SIP revision available for public inspection and provided the opportunity for written comments 30 days prior to the public hearing. The public hearing was held on October 4, 2018 at the Division for Air Quality office located at 300 Sower Boulevard, Frankfort, Kentucky. There were no attendees to present testimony. The Cabinet received one written comment from EPA during the public comment period. The Cabinet's response to the comment is provided in Appendix A, along with a copy of the public hearing notice.

If you have any questions or comments concerning this matter, please contact Ms. Kelly Lewis, Program Planning and Administration Branch Manager, Division for Air Quality at (502) 782-6687 or kelly.lewis@ky.gov.

Sincerely,


Charles G. Snavely
Secretary

Enclosure

Cc: Beverly Banister, Region 4 US EPA
Scott Davis, Region 4 US EPA

¹ 77 FR 33642

² 82 FR 45481 *Interstate Transport of Fine Particulate Matter: Revision of Federal Implementation Plan Requirements for Texas*

COMPLETENESS CRITERIA FOR SIP SUBMITTALS –
40 CFR PART 51 APPENDIX V

To ensure completeness of this SIP revision submittal, the following elements detailed in 40 CFR Part 51, Appendix V are listed:

A. ADMINISTRATIVE MATERIALS:

1. A formal letter of submittal from the Governor or his designee, requesting EPA approval of the plan or revision.

The cover letter dated November 16, 2018 signed by Secretary Charles G. Snaveley, the Governor's designee, requests EPA's approval of the SIP revision to the Kentucky Regional Haze SIP that relies on EPA's determination that the Cross State Air Pollution Rule (CSAPR) satisfies the requirements of the Regional Haze Program. The Cabinet requests EPA to revise its limited disapproval of Kentucky's Regional Haze SIP to full approval. Additionally, the Cabinet requests EPA grant full approval of section 110(a)(2)(D)(i)(II) "prong 4" within Kentucky's 1997 ozone, 2012 PM_{2.5}, 2010 NO₂ and 2010 SO₂ Infrastructure SIPs once the revised Regional Haze SIP has been approved.

2. Evidence that the State has adopted the plan in the State code or body of regulations; or issued the permit, order, consent agreement in final form. That evidence shall include the date of adoption or final issuance as well as the effective date of the plan, if different from the adoption/issuance date.

This SIP submission is legally adopted by the letter signed by Secretary Charles G. Snaveley, the Governor's designee, on November 16, 2018.

3. Evidence that the State has the necessary legal authority under State law to adopt and implement the plan.

The powers and duties of the Cabinet established in KRS 224.10-100 provide the Energy and Environment Cabinet with the statutory authority to prepare and develop a comprehensive plan or plans related to the environment of the Commonwealth. Additionally, KRS 224.10-100 requires the cabinet to administer and enforce all rules, regulations and orders promulgated under Chapter 224, Environmental Protection, including those regulations that provide for the prevention, abatement, and control of all air pollution.

4. A copy of the actual regulation, or document submitted for approval and incorporation by reference into the plan, including indication of the changes made to the existing approved plan, where applicable. The submittal shall be a copy of the official State regulation/document signed, stamped, dated by the appropriate State official indicating that it is fully enforceable by the State. The effective data of the regulation/document shall, whenever possible, be indicated in the document itself.

The Energy and Environment Cabinet has attached the entire document with appendices for approval. The SIP revision has been signed by the Governor's designee, Charles G. Snaveley, Secretary for the Energy and Environment Cabinet, and is effective November 16, 2018.

5. Evidence that the State followed all of the procedural requirements of the State’s laws and constitution in conducting and completing the adoption/issuance of the plan.

The procedural requirements associated with this plan and public comment period are included in the submittal to EPA.

6. Evidence that public notice was given of the proposed change consistent with procedures approved by EPA, including the date of publication of such notice.

In accordance with 40 CFR 51.102, a public hearing notice was posted on the Division’s website and sent to members of the community on September 4, 2018. This notice detailed that the public had 30 days to provide comment and that a public hearing would be held on October 4, 2018 at 10:00am in room 111 at 300 Sower Blvd, Frankfort, KY. A copy of the public hearing notice is included in Appendix A-1.

7. Certification that public hearing(s) were held in accordance with the information provided in the public notice and the State’s laws and constitutions, if applicable.

A public hearing was held at the Division for Air Quality offices located at 300 Sower Blvd, Frankfort, Kentucky on October 4, 2018. The SIP revision document was made available for public review on the Division’s website throughout the 30 day review period. The transcript of the public hearing is included in Appendix A-1.

8. Compilation of public comments and the State’s response thereto.

All comments along with the Cabinet’s responses are available in Appendices A-2 and A-3.

B. TECHNICAL SUPPORT:

1. Identification of all regulated pollutants affected by the plan.

The appropriate pollutant(s) have been identified within the narrative consistent with EPA’s guidance.

2. Identification of the locations of affected sources including the EPA attainment/nonattainment designations and the status of the attainment plan for the affected area(s).

This plan focuses on Regional Haze and “prong 4” of CAA Section 110(a)(2)(D)(i)(II), Good Neighbor Provisions, which encompasses the entire state of Kentucky.

3. Quantification of the changes in plan allowable emissions from the affected sources; estimates of changes in current actual emissions from affected sources or, where appropriate, quantification of changes in actual emissions from affected sources through calculations of the differences between certain baseline levels and allowable emissions anticipated as a result of the revision.

Quantification and changes in emissions are not relevant to this submittal.

- 4. The State's demonstration that the national ambient air quality standards, prevention of significant deterioration increments, reasonable further progress demonstration, and visibility, as applicable, are protected if the plan is approved and implemented. For all requests to redesignate an area to attainment for a national ambient air quality standard, under section 107 of the Act, a revision must be submitted to provide for the maintenance of the national primary ambient air quality standards for at least 10 years as required by section 175A of the Act.**

This submittal addresses CAA section 110(a)(2)(D)(i)(II) which focuses on protecting visibility in relation to interstate transport. The submittal demonstrates that the NAAQS will be protected if the plan is approved and implemented.

- 5. Modeling information required to support the proposed revision, including input data, output data, models used, justification of model selections, ambient monitoring data used, meteorological data used, justification for use of offsite data (where used), modes of models used, assumptions, and other information relevant to the determination of adequacy of the modeling analysis.**

Modeling information is not included in this submittal, as it is not relevant to the proposed revision.

- 6. Evidence, where necessary, that emission limitations are based on continuous emission reduction technology.**

This is not applicable to this submittal.

- 7. Evidence that the plan contains emission limitations, work practice standards and recordkeeping/reporting requirements, where necessary, to ensure emission levels.**

This is not applicable to this submittal.

- 8. Compliance/enforcement strategies, including how compliance will be determined in practice.**

The SIP revision changing Kentucky's Regional Haze SIP reliance from CAIR to CSAPR is based on EPA's September 29, 2017 final rule affirming that the 2012 CSAPR-better-than-BART rule analysis is still valid.

- 9. Special economic and technological justifications required by any applicable EPA policies, or an explanation of why such justifications are not necessary.**

This is not applicable to this submittal.

Appendix A
Public Hearing
&
Statement of Consideration

Appendix A-1

Public Hearing

**KENTUCKY DIVISION FOR AIR QUALITY
NOTICE OF PUBLIC HEARING
TO REVISE KENTUCKY'S STATE IMPLEMENTATION PLAN**

The Kentucky Energy and Environment Cabinet will conduct a public hearing on October 4, 2018, at 10:00 a.m. (EDT) in Conference Room 111 located at 300 Sower Boulevard, Frankfort, Kentucky 40601. This hearing is being held to receive comments on a proposed revision to Kentucky's Regional Haze State Implementation Plan (SIP). The Cabinet proposes to revise the SIP to rely on the Cross State Air Pollution Rule (CSAPR), instead of the Clean Air Interstate Rule (CAIR), as an alternative to Best Available Retrofit Technology (BART). The Cabinet is also requesting EPA revise its limited disapproval of Kentucky's Regional Haze SIP to full approval. Subsequently, the Cabinet requests EPA grant full approval of section 110(a)(2)(D)(i)(II) "prong 4" within Kentucky's 1997 ozone, 2012 PM_{2.5}, 2010 NO₂ and 2010 SO₂ Infrastructure SIPs once the revised Regional Haze SIP has been approved.

This hearing is open to the public and all interested persons will be given the opportunity to present testimony. The hearing will be held, if requested, at the date, time and place given above. It is not necessary that the hearing be held or attended in order for persons to comment on the proposed submittal to EPA. To assure that all comments are accurately recorded, the Division requests that oral comments presented at the hearing also be provided in written form, if possible. To be considered part of the hearing record, written comments must be received by the close of the hearing. Written comments should be sent to the contact person. All comments must be submitted no later than October 4, 2018.

The full text of the proposed SIP revision is available for public inspection and copying during regular business hours (8:00 a.m. to 4:30 p.m.) at the following location: Division for Air Quality, 300 Sower Boulevard, Frankfort, Kentucky 40601. Any individual requiring copies may submit a request to the Division for Air Quality in writing, by telephone or by fax. Requests for copies should be directed to the contact person. In addition, an electronic version of the proposed SIP revision document and relevant attachments can be downloaded from the Division for Air Quality's website at: <http://air.ky.gov/Pages/PublicNoticesandHearings.aspx>.

The hearing facility is accessible to people with disabilities. An interpreter or other auxiliary aid or service will be provided upon request. Please direct these requests to the contact person. CONTACT PERSON: Anna Bowman, Environmental Scientist, Evaluation Section, Division for Air Quality, 300 Sower Boulevard, Frankfort, Kentucky 40601. Phone: (502) 782-6563; E-mail: Anna.Bowman@ky.gov.

The Energy and Environment Cabinet does not discriminate on the basis of race, color, national origin, sex, age, religion or disability and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities.

Energy and Environment Cabinet
 DIVISION FOR AIR QUALITY
 Public Hearing
 October 4, 2018

Name: <i>Larry Taylor</i>			TESTIMONY			
Affiliation/Company: <i>DEP-Co</i>			Verbal	Written	None	Time limited?
Address:					<input checked="" type="checkbox"/>	
City:	State:	Zip:	Copy of SOC?			

Name: <i>Lauren Hedge</i>			TESTIMONY			
Affiliation/Company: <i>DAQ</i>			Verbal	Written	None	Time limited?
Address:					<input checked="" type="checkbox"/>	
City:	State:	Zip:	Copy of SOC?			

Name:			TESTIMONY			
Affiliation/Company:			Verbal	Written	None	Time limited?
Address:						
City:	State:	Zip:	Copy of SOC?			

Name:			TESTIMONY			
Affiliation/Company:			Verbal	Written	None	Time limited?
Address:						
City:	State:	Zip:	Copy of SOC?			

Name:			TESTIMONY			
Affiliation/Company:			Verbal	Written	None	Time limited?
Address:						
City:	State:	Zip:	Copy of SOC?			

**COMMONWEALTH OF KENTUCKY
ENERGY AND ENVIRONMENT CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION FOR AIR QUALITY**

**IN RE: REVISION TO KENTUCKY'S STATE
IMPLEMENTATION PLAN (SIP)**

PUBLIC HEARING

*** * * * ***

**October 4, 2018
10:00 A.M.**

**Department for Environmental Protection
Division for Air Quality
300 Sower Boulevard
Room 111
Frankfort, Kentucky**

*** * * * ***

APPEARANCES

**Ms. Anna Bowman
MODERATOR**

**CAPITAL CITY COURT REPORTING
TERRI H. PELOSI
900 Chestnut Drive
FRANKFORT, KENTUCKY 40601
(502) 223-1118**

INDEX OF TESTIMONY

OPENING AND CLOSING REMARKS..... 3 - 5

Court Reporter's Certificate 6

1 MS. BOWMAN: Good morning. It
2 is October 4, 2018 at 10:01 a.m. My name is Anna
3 Bowman with the Kentucky Division for Air
4 Quality, Evaluation Section. As your Moderator,
5 I declare this public hearing in session.

6 The Division asks that
7 everyone attending today's hearing provide all of
8 the information requested on the attendance
9 roster located at the entrance of the conference
10 room.

11 Today's hearing announcement
12 was mailed to everyone on the Division's current
13 mailing list. In addition, the notice was
14 published on the Division's website.

15 This is a non-adversarial
16 hearing. So, the Division will not respond to
17 comments or questions regarding the proposed
18 actions, and individuals who present testimony
19 will not be questioned by anyone attending this
20 hearing. A Division representative may, however,
21 ask questions in order to clarify the meaning or
22 intent of a comment.

23 All comments received in an
24 appropriate format by the close of the comment
25 period will receive equal consideration. The

1 Statement of Consideration will be provided to
2 anyone who requests a copy.

3 Ms. Terri Pelosi to my right
4 is recording today's hearing. Anyone interested
5 in obtaining a copy of the transcript should
6 contact Ms. Pelosi. Are there any questions?

7 Today's hearing is being
8 conducted in order to receive public comment
9 concerning the proposed revision to Kentucky's
10 State Implementation Plan or SIP of CSAPR Better
11 than BART in satisfying requirements for the
12 Regional Haze Program.

13 Since no one has indicated to
14 present testimony at today's hearing, we will
15 pause the hearing record for ten minutes to allow
16 for late arrivals and, then, we'll reopen this
17 session, and it is now 10:03 a.m.

18 OFF THE RECORD

19 MS. BOWMAN: It is now 10:13
20 a.m. The hearing record is reopened. Are there
21 any late arrivals who would like to present
22 testimony? There are none.

23 Does anyone present who has
24 not offered comments previously have any final
25 comments before we close the hearing?

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In the absence of any
testimony, this public hearing is adjourned.

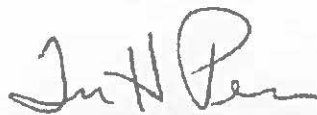
HEARING ADJOURNED

STATE OF KENTUCKY

COUNTY OF FRANKLIN

I, Terri Pelosi, a notary public in and for the state and county aforesaid, do hereby certify that the foregoing pages are a true, correct and complete transcript of the proceedings taken down by me in the above-styled matter at the time and place as set out in the caption hereof; that the proceedings were taken down by me in shorthand and afterwards transcribed by me; and that the appearances were as set out in the caption hereof.

Given under my hand as notary public aforesaid, this the 10th day of October, 2018.



Notary Public
Notary ID 570906
State of Kentucky at Large

My commission expires February 10, 2021.

Appendix A-2

Public Comments



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

September 20, 2018

Mr. Sean Alteri, Acting Director
Kentucky Energy and Environment Cabinet
Department for Environmental Protection
300 Sower Blvd
Frankfort, Kentucky 40601

Dear Mr. Alteri:

Thank you for your letter dated September 4, 2018, transmitting a prehearing state implementation plan (SIP) revision which is scheduled for a hearing on October 4, 2018. This proposed SIP revision changes Kentucky's reliance on the Clean Air Interstate Rule to the Cross State Air Pollution Rule for the regional haze SIP, requests a full approval of the regional haze SIP on that basis, and revises the Clean Air Act section 110(a)(2)(D)(i)(II) visibility transport requirement, referred to as "prong 4," for Kentucky's previous infrastructure SIP submissions covering the following national ambient air quality standards: 1997 8-hour ozone; 2012 annual fine particulate matter (PM_{2.5}); 2010 1-hour sulfur dioxide; and 2010 1-hour nitrogen dioxide. We have completed our preliminary review of the prehearing package and offer comments in the enclosure.

We look forward to continuing to work with you and your staff. If you have any questions, please contact Ms. Lynorae Benjamin, Chief, Air Regulatory Management Section, at (404) 562-9040, or have your staff contact Mr. Brad Akers at (404) 562- 9089.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Scott Davis".

R. Scott Davis
Chief
Air Planning and Implementation Branch

Enclosure

The U.S. Environmental Protection Agency Comments on Kentucky's Prehearing Submittal Regarding the Regional Haze Plan and the Cross-State Air Pollution Rule as Alternative BART

General Comments

The EPA recommends that Kentucky augment item 1 on p. 2 to specify that the Commonwealth's request to revise Kentucky's regional haze state implementation plan to change reliance from the Clean Air Interstate Rule to reliance on the Cross State Air Pollution Rule is to satisfy: Best Available Retrofit Technology for sulfur dioxide (SO₂) and nitrogen oxides for subject electric generating units (EGUs) and, for the first implementation period, reasonable progress for SO₂ for subject EGUs, and to support the reasonable progress goals for Mammoth Cave National Park.

Appendix A-3

Statement of Consideration

STATEMENT OF CONSIDERATION
Relating to the Proposed SIP Revision for the
Kentucky Regional Haze State Implementation Plan

Energy and Environment Cabinet
Kentucky Department for Environmental Protection
Division for Air Quality

Response to Comments for Kentucky’s proposed SIP submittal to address CSAPR-better-than-BART for the Regional Haze SIP, revise its limited approval to full approval and to grant full approval of section 110(a)(2)(D)(i)(II) “prong 4”.

Beginning September 4, 2018 until October 4, 2018, the Cabinet provided an opportunity for the public to review and comment on the proposed SIP revision addressing CSAPR-better-than-BART for the Kentucky Regional Haze SIP. The Cabinet allowed for a 60-day review to Federal Land Managers (FLMs) beginning on August 4, 2018 until October 4, 2018.

The Cabinet made available the public notice of the comment period and public hearing on the Division for Air Quality’s website, and mailed the public notice to interested individuals registered on the regulatory mailing lists maintained by the Cabinet.

The following person submitted a written statement during the public comment period:

<u>Name</u>	<u>Title/Agency/Organization/Entity/Other</u>
Scott Davis	U.S EPA

The public hearing was held on October 4, 2018, at 10:00 a.m. at 300 Sower Boulevard in Frankfort, Kentucky.

The following person attended this public hearing:

<u>Name</u>	<u>Title/Agency/Organization/Entity/Other</u>	<u>Testimony</u>
Larry Taylor	Environmental Scientist Consultant, Office of the Commissioner, DEP	No

The following people from the Division for Air Quality attended this public hearing:

<u>Name and Title</u>
Anna Bowman, Environmental Scientist (Cabinet Representative)
Lauren Hedge, Environmental Scientist

Summary of Comment and Response

1. Comment: The EPA recommends that Kentucky augment item 1 on p. 2 to specify that the Commonwealth's request to revise Kentucky's regional haze state implementation plan to change reliance from the Clean Air Interstate Rule to reliance on the Cross State Air Pollution Rule is to satisfy: Best Available Retrofit Technology for sulfur dioxide (SO₂) and nitrogen oxides for subject electric generating units (EGUs) and, for the first implementation period, reasonable progress for SO₂ for subject EGUs, and to support the reasonable progress goals for Mammoth Cave National Park.

(Scott Davis, U.S. EPA)

Response: The Cabinet acknowledges the comment and made the necessary correction.