

Agenda Date: October 21, 2004 Agenda Placement: Regular. Estimated Time: 45 Minutes Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Tom Murphy, 961-8857

SUBJECT: Draft 2004 Clean Air Plan and Associated Supplemental Environmental

Impact Report

RECOMMENDATION:

Review the Draft 2004 Clean Air Plan and Supplemental Environmental Impact Report (Attachments 1 and 2), hold a public hearing to accept comments, and provide direction to staff on any needed changes.

DISCUSSION:

Air quality in Santa Barbara County continues to improve, with 2002 being one of the cleanest years on record. In fact, our air quality has improved to the point that it meets the federal 1-hour ozone standard. Meeting this milestone is clear evidence that Santa Barbara County residents are breathing cleaner air and the United States Environmental Protection Agency (USEPA) has declared us an attainment area for the federal 1-hour ozone standard. While Santa Barbara County's air quality has improved significantly, we do not yet comply with the more health protective state 1-hour ozone standard. Therefore, we are developing a 2004 Clean Air Plan (2004 Plan) that will focus solely on the state 1-hour ozone standard and the associated planning requirements mandated by the 1988 California Clean Air Act.

A Clean Air Plan represents the blueprint for air quality improvement in Santa Barbara County. A Clean Air Plan's goals are to explain the complex interactions between emissions and air quality and to design the best possible emission control strategy in a cost-effective manner. This 2004 Plan also represents a partnership among the Air Pollution Control District (APCD), the Santa Barbara County Association of Governments (SBCAG), the California Air Resources Board (ARB), the USEPA, local businesses, and the community at large to reduce pollution from all sources: cars, trucks, industry, consumer products, and many more.

We have made remarkable progress in cleaning our air; the number of days on which we experience unhealthful air quality in Santa Barbara County has been reduced over 80 percent from 1988 to present, despite substantial increases in population and vehicle miles traveled. The community should be proud of the accomplishments made to date in reducing air pollution. The 2004 Plan reflects a commitment to continue this progress and bring clean air to all of the residents of Santa Barbara County.

Planning Mandates

The key requirements of the California Clean Air Act addressed in this 2004 Plan are the Triennial Progress Report (H&SC Section 40924(b)) and the Triennial Plan Revision (H&SC Section 40925(a)). Additionally, this 2004 Plan must provide an annual five percent emission reduction of ozone precursors, or, if this cannot be done, include every feasible measure as part of the emission control strategy. Finally, state law requires this 2004 Plan to provide for attainment of the state ambient air quality standards at the earliest practicable date (H&SC Section 40910).

Section 40924(b) of the California Health and Safety Code requires the APCD to conduct an assessment of its air quality control program every three years, starting in 1994. This assessment must address the expected and revised emission reductions scheduled for adoption during the previous three years. This triennial report must also include an assessment of progress based on monitored pollutant levels and air quality indicators.

H&SC Section 40925(a) requires the APCD to review and revise its attainment plan at least once every three years, beginning in 1994. The review and revisions are to correct for any deficiencies in meeting the interim measures of progress incorporated into the plan pursuant to Section 40914 (emission reductions), and to incorporate new data or projections.

This 2004 Plan does not address any specific federal planning requirements, as Santa Barbara County was designated as an attainment area for the federal 1-hour ozone standard in 2003. All of Santa Barbara County's federal requirements are documented in the 2001 Clean Air Plan. The USEPA has also designated the county as an attainment area for the federal 8-hour ozone standard, although we only meet the attainment test by a very slim margin. A Clean Air Plan to maintain the new federal 8-hour standard is due by June 15, 2007, under USEPA's Final Implementation Rule.

2004 Clean Air Plan Components

The Draft 2004 Clean Air Plan has an Executive Summary and 8 chapters that document our local air quality conditions and how we propose to comply with applicable air quality mandates. A brief summary of each chapter and its major highlights is provided below.

Executive Summary

The Executive Summary utilizes a question and answer format to address the major requirements and elements of the 2004 Clean Air Plan.

Chapter 1 – Introduction

This Chapter discusses the purpose of the Plan, current state planning requirements that apply to Santa Barbara County, a summary of our local planning efforts, and the Plan's organization. The chapter provides the planning background that has brought us to this point and then describes our efforts to comply with the California Clean Air Act.

Chapter 2 – Local Air Quality

Chapter 2 provides a summary of our local air quality and discusses the nature and extent of the ozone problem. Starting with a discussion on the climate of the county, we transition into how our local and regional weather patterns influence the air quality concentrations recorded at our monitoring stations. Then, we focus on state 1-hour standard exceedances, air quality indicators used to assess progress toward the state standard, our current designation value which determines our attainment status, and the results of a year-long study conducted by the Air Resources Board on the impacts of transported air pollution from Santa Barbara County to the South Coast Air Basin (Los Angeles region).

<u>Chapter 3 – Emission Inventory</u>

Chapter 3 establishes an updated inventory for Santa Barbara County by quantifying the emissions of reactive organic compounds (ROC) and oxides of nitrogen (NOx) for the year 2000. This emission inventory is tailored to meet state requirements and is divided into two geographical regions: Santa Barbara County (including state tidelands out to 3 miles) and the Outer Continental Shelf (OCS). Annual emissions estimates are developed for stationary sources, area-wide sources, mobile sources (both on-road and off-road), and natural sources. The chapter also documents that for planning purposes, several adjustments must be made to the annual inventory. The major adjustments include temporal adjustments to account for the May to October ozone season, the exclusion of natural sources (vegetation, oil and gas seeps, and wildfires) that are not regulated, and the conversion of the inventory units of tons per year to tons per day. The attainment inventory shows that mobile sources (on- and off-road) are the most significant source of pollution onshore while marine shipping activities are the most significant source in the OCS.

Chapter 4 – Emission Control Measures

Chapter 4 provides an overview of the APCD's control measures. APCD measures are classified as adopted, proposed, and further study. For state purposes, each proposed control measure is identified as near-term, mid-term, or long-term. There were thirteen measures proposed for adoption in the Draft Plan that are either new measures or revisions to existing measures. In response to recommendations by the ARB, however, we intend to move two rule revisions (Rules 333 and 342) from further study to proposed. The chapter also summarizes our progress made since the adoption of the 2001 Plan and identifies additional measures that require further study.

Chapter 5 – Transportation Control Measures

Chapter 5 discusses the transportation control measures (TCMs) evaluated for this Plan and identifies them as adopted, proposed, contingency, further study, or deleted. There are no new TCMs identified in this Plan, although a suite of TCMs is identified as further study pending the results of the "101 in Motion" study being conducted by SBCAG. An emission overview is also provided to document the travel and

emission factor modeling executed to estimate the on-road mobile source emissions for 2000, 2005, 2010, 2015, and 2020.

Chapter 6 – Emission Forecasting

Chapter 6 details the forecast procedures used to develop future year emission inventories for 2005, 2010, 2015, and 2020. Forecasting emissions is accomplished by applying various activity indicators (future estimates of population, housing units, etc) and control factors (estimates of emission reduction strategies) to the base year (2000) inventory. The future inventories are then adjusted slightly to reflect the current amount of emission reduction credits available in Santa Barbara County. Future emission inventories are presented for Santa Barbara County (including state tidelands out to three miles) and the OCS. Mobile sources (both on-road and off-road) show a significant decline in both NOx and ROC emissions by 2020 while NOx emissions associated with marine shipping double and continue to be the largest component of the OCS emissions.

Chapter 7 – Land Use Strategies

Chapter 7 discusses the connection between land use development and air quality and sets forth specific policies and sustainable ways in which the air pollution impacts from growth can be minimized. First, the linkage between land use and air quality is presented in context of Santa Barbara County's anticipated population growth. This is followed by an identification of specific land use strategies available to county and city planning agencies if such measures fit the needs of the local jurisdiction. This chapter also contains a recommendation from the APCD Community Advisory Counsel that the APCD Board directs staff to develop, as warranted, an Indirect Source Review Rule or Program.

Emphasis Areas

There are three important emphasis areas that are discussed in the Draft 2004 Clean Air Plan: 1) Marine shipping emissions, 2) Land use and indirect source review, and 3) Air Resources Board transport analysis. Each of these topics has implications to our local planning process and is discussed in more detail below.

Marine Shipping Emissions

The emission impacts from marine shipping activities (mostly international) are documented in Chapter 6 of the Plan. Emissions from this largely uncontrolled source account for over 41 percent of the total NOx emissions in the year 2000 and are projected to account for over 74 percent by 2020. The anticipated doubling in marine shipping activities from 2000 to 2020, combined with the already large emission contribution, result in a net increase in total NOx emissions throughout the forecast horizon. Even though these emissions are clearly beyond our local control, we have been working on and will continue to pursue both regulatory and incentive based approaches to address the problem.

Land Use and Indirect Source Review

The APCD Community Advisory Council recommended that the 2004 Clean Air Plan contain a Chapter devoted to Land Use and that the APCD Board direct staff to develop, as warranted, an Indirect Source Review Rule or Program. The purpose of the Land Use Chapter is to discuss the connection between land use development, transportation and air quality and sets forth some policies and strategies through which air pollution impacts of growth can be minimized. It is not envisioned that all local jurisdictions will

become uniform in adopting more land intensive development policies. Communities can decide which elements of these policies to embrace to offer opportunities not currently available. Any air quality benefits to be derived from the menu of strategies would depend on their application on a case-by-case basis. Therefore, land use planning agencies should carefully analyze the applicability and effectiveness of any measure identified Chapter 7 prior to applying it to any specific land use decision.

In addition to identifying land use strategies for local jurisdictions to use as appropriate, the Community Advisory Council has recommended that the Board direct staff to develop, as warranted, an Indirect Source Review Rule or Program. An indirect source is a land use which will attract or generate new motor vehicle trips. For example, a new shopping center can attract motor vehicles from customers and employees and trucks delivering merchandise. Thus indirect source emissions are not directly emitted by activities at the location, but result from vehicles traveling to and from the land use. If your Board concurs with this recommendation, APCD staff will evaluate the technical tools needed to implement such a program and bring recommendations for an Indirect Source Review Rule or Program back to the Board for consideration. It is anticipated that this process will follow much of the work that is currently being conducted in the San Joaquin Valley under a legislative mandate.

Air Resources Board Transport Analysis

The California Clean Air Act gives ARB the responsibility to assess the movement of air pollutants from one air basin to another (referred to as "transport") and to establish mitigation requirements commensurate with the level of contribution an upwind area has on a downwind area. The ARB determined through modeling of ozone episodes that occurred in the mid-1980's that under some conditions emissions generated in the South Central Coast Air Basin can contribute to ozone exceedances occurring in the South Coast Air Basin. This led the ARB to classify the South Central Coast Air Basin (excluding San Luis Obispo) as both a significant and an inconsequential contributor to South Coast Air Basin ozone exceedances.

Recently, the ARB performed analyses of state ozone exceedances in the northwestern portion of the South Coast Air Basin to determine whether emissions from the South Central Coast Air Basin, particularly emissions generated in Santa Barbara and Ventura Counties, continue to contribute to exceedances in the South Coast Air Basin. The ARB's analyses suggest that there was a low potential for transport of ozone or ozone precursors from Santa Barbara County into the Santa Clarita and Reseda area during the period of 2000 through 2003 that could have contributed to any of the 263 state ozone exceedances. The ARB has concluded, therefore, that transport from Santa Barbara County into the South Coast has been inconsequential. While this finding relieves Santa Barbara County of the additional "every feasible" measure requirement required for transport contributors, it does not change the requirement of this 2004 Plan to address "every feasible" measure as a state ozone nonattainment area.

Santa Barbara County Association of Governments Board Action

On October 21, 2004, the SBCAG Board of Directors will consider the Transportation Control Measure (TCM) component of the Draft 2004 Clean Air Plan per the existing Memorandum of Agreement between SBCAG and the APCD. The proposed action is subject to a noticed public hearing.

Community Advisory Council Process

The Community Advisory Council (CAC) was established by your Board to review APCD rules and plans. Starting January 2004, the CAC met monthly to review and provide input on individual chapters of the Draft 2004 Clean Air Plan. The CAC provided a range of input including grammatical and formatting suggestions, specific technical input, and policy direction that helped shape many components of the Plan. Some pertinent CAC recommendations are provided below.

- The CAC made technical recommendations on how to best predict future oil and gas production rates in the county.
- The CAC recommended that the Plan contain a separate chapter on land use principles to address air quality impacts from growth.
- The CAC recommended that the growth factor for activities on the Outer Continental Shelf be set to 1.0 (i.e., no growth or decline). The CAC action recognized that APCD rules and regulations would mitigate the potential increases in emissions from newly proposed projects.
- The CAC recommended that staff emphasize the magnitude and projected growth of emissions from channel shipping and the need for action to reduce these emissions.
- The CAC recommended that the APCD Board direct staff develop, as warranted, an Indirect Source Review Rule or Program.

Staff appreciate the time and effort the CAC devoted to the development of the 2004 Clean Air Plan.

Public Process

On August 25, 2004, a Draft 2004 Clean Air Plan was released for a 30-day public comment period. A public notice was published in the Santa Barbara News Press, the Santa Maria Times, the Lompoc Record, and The Independent. Over 100 copies of the Draft 2004 Clean Air Plan and Supplemental Environmental Impact Report were distributed to interested parties, organizations, local governments, the California Air Resources Board, and the U.S. Environmental Protection Agency. The documents were also available on the APCD website at www.sbcapcd.org. The public comment period for the Draft Plan closed on September 24, 2004.

On September 15, 2004, a public workshop was held concurrently with the APCD Community Advisory Counsel in Buellton to receive comments on the Draft Plan. Both APCD and SBCAG staff attended the workshops. Public comments and questions from the workshops and all written comments received by the close of the public comment period along with all APCD and SBCAG staff responses will be included in Chapter 8 – Public Participation. This chapter will be reviewed and considered by the CAC at their October 13, 2004 meeting. The Final 2004 Clean Air Plan will be brought to the APCD Board for consideration and adoption on December 16, 2004.

Compliance with the California Environmental Quality Act

To comply with the California Environmental Quality Act (CEQA), the APCD prepared a Supplemental Environmental Impact Report (APCD-2004-SEIR-01, SCH No. 1991031045) for the 2004 Clean Air Plan. The public review period for the Draft SEIR began August 25, 2005 and closes October 11, 2004. We will ask your Board to certify the SEIR at the December 16, 2004 hearing on the Final 2004 Clean Air Plan.

Attachments:

- 1. Draft 2004 Clean Air Plan
- 2. Supplemental Environmental Impact Report for the 2004 Clean Air Plan