
SOUTH CENTRAL COAST BASINWIDE AIR POLLUTION CONTROL COUNCIL

TECHNICAL ADVISORY COMMITTEE

Larry R. Allen, APCO
San Luis Obispo County APCD

Michael Villegas, APCO
Ventura County APCD

Dave Van Mullem, APCO
Santa Barbara County APCD

COUNCIL MEMBERS

Debbie Arnold
5th District Supervisor
San Luis Obispo County

Mike Morgan
Council Member, City of Camarillo
Ventura County

Janet Wolf
2nd District Supervisor
Santa Barbara County

MEETING MINUTES

March 4, ~~2014~~ 2015 SLH

Present

Council Members: Karen Bright, San Luis Obispo County
Mike Morgan, Ventura County
Janet Wolf, Santa Barbara County

Staff: Larry Allen, San Luis Obispo County
Michael Villegas, Ventura County
Dave Van Mullem, Santa Barbara County
Alicia Stratton, Ventura County (Minutes)

1. Election of Officers

Ms. Karen Bright nominated Mr. Mike Morgan to be Committee chair. Mr. Mike Morgan seconded the motion and accepted chair position.

2. Approval of Minutes of December 14, 2014

Approved. Mr. Larry Allen indicated that his District counsel says committee members may vote on items if they were not present at the meeting as long as they have read the meeting minutes.

3. Public Comment Period

There were no public comments.

4. New OEHHA Risk Guidelines for the Preparation of Health Risk Assessments

Mr. Mike Villegas explained that the California Office of Environmental Health Hazard Assessment (OEHHA) is proposing new health risk guidelines reflecting recent research findings by epidemiologists. Fifty-five scientific reviews were evaluated then refined into three reports that guide the new guidelines. The research indicates that children are more susceptible to health effects of air pollution because of their increased breathing rates and still developing immune systems. Mr. Mike Villegas explained that a link exists between concentrations of pollutants and health effects. Mr. Larry Allen pointed out that there are over 500 regulated compounds in California and 189 at the federal level. He also explained that the new breathing rate for children increased by a factor of ten. Children 0-2 are now accounted for in the guidelines. He also explained that we have seen 80 percent reductions in toxic emissions, but our understanding of the risks have changed as well. Mr. Dave Van Mullem indicated that the new guidelines are trying to protect unborn children as well; third trimester babies in utero are susceptible to air pollutants. Mr. Mike Villegas explained that air districts have been monitoring air toxics for quite a while. Mr. Dave Van Mullem pointed out that aerospace plating industry and degreasers using perchlorethylene have been sources of air toxics but now have controls and are no longer significant sources of air toxics. He outlined AB 2588, California's Air Toxics Hotspots Program, and its cycle of reviews and inspections of all subject facilities. Mr. Larry Allen provided general background on how air toxics programs are run, and explained that it is a risk management approach vs. a monitoring approach and that it is important to look at the distinction between criteria pollutant programs and air toxics programs. Mr. Mike Villegas explained that each air district decides their risk thresholds. Mr. Mike Morgan asked if there has been a concomitant decrease in cancer cases since the air toxics risks have decreased in California. Each committee member agreed this is an important question. Mr. Larry Allen pointed out that several environmental factors are involved in cancer and trying to separate out the extent that air pollution plays may be difficult. Mr. Dave Van Mullen reported that on April 3rd, ARB will look at the next step to approve the air toxics risk assessment management guidance document and that this will be a good management tool for air districts across the state to use. Mr. Larry Allen announced that Dr. Melanie A. Marty, Ph.D. of OEAHHA will be presenting an overview of the proposed changes in the guidelines to his district.

5. NRG Puente Power Project

Mr. Mike Villegas provided an update on the two coastal power plants in Ventura County, both of which are in the City of Oxnard. Mandalay Beach 500 mw/day and Ormond Beach 800 mw/day both have catalysis subject to the most stringent regulations in the country. They both used to burn fuel or natural gas but now run only on natural gas. These power plants are seawater cooled and have marine life entrainment issues that must be addressed by 2020. NRG wants to shutter the plants and replace them with a single turbine. Ventura County APCD has prepared an Indemnity Agreement with NRG to protect the public health concerns during the process of converting the plant to a single turbine or possible shutdown. The existing Edison peaker plant will remain at the Mandalay Beach site.

6. Update on Statewide Climate Protection Efforts

Mr. Larry Allen presented an update on activities on the federal level and how these may affect statewide climate protection efforts. EPA proposed clean power plant proposals for how new and existing facilities can meet specific CO2 levels and conform to statewide flexible plans for jurisdiction specific requirements. Every state is free to choose how they want to achieve a 30 percent decrease in emissions. ARB is working on developing compliance with clean power regulations. He said that the governor will announce mid-term GHG targets in the next six months; scoping plans will be updated and all measures will be proposed. A Short-lived GHG pollution plan will be on the docket next year, addressing powerful climate forcers in atmospheric potency (e.g., those chemicals 10-10,000 times greater than CO2: black carbon, hydrofluorocarbons, methane, etc.). He explained it is important to synchronize the strategy for GHG and criteria pollutants with these short-lived GHGs to obtain the greatest yield in reductions. CAPCOA is working with ARB on an adaptive management plan. Mr. Larry Allen brought up cap and trade, the GHG Registry and what is happening at the state and local levels. SLO Civic Spark Program involves all cities in the county adopting climate action plans to implement common measures, including a solar voltaic program and water heaters. Ms. Janet Wolf asked if the Empower Program is part of this. Mr. Allen explained that it is. Mr. Dave Van Mullen discussed the hydrogen vehicle study taking place, explained the technology behind hydrogen vehicles, and told the committee about the demonstration hydrogen vehicle fuel station near a mall in Santa Barbara.

7. Offsets

Mr. Dave Van Mullen reported that his board unanimously recommended undertaking rulemaking to change their NSR program to allow them to change how they manage their offsets program. He provided a PowerPoint presentation on the topic (attached to these minutes). The proposed offset program will be simplified and will apply to the largest sources in Santa Barbara County. He identified three problems with the current approach: ERC availability, high offset ratios, and a lack of a community bank for essential public services. He expects final approval next week.

8. Update on SLOCOAPCD Dunes Dust Rule Implementation

Mr. Larry Allen discussed ongoing dust issues in sand dune areas in his district. There is a 2015 mitigation program to prevent further violations of federal standards. The program includes miles of fencing in certain sites and 30 acres of hay bales in non-riding areas. They are trying to control PM emissions in the most active, highest-emission zones and are working on a five-year plan. Riding areas generate eight times more PM emissions than nonriding areas. They have issued a NOP for an environmental impact report. Mr. Mike Morgan asked if they have measured emissions before and after use and Mr. Allen affirmed that they have due to the Snowy Plover nesting area providing a seasonal period where no riding occurs. The Coastal Commission is also involved.

9. Other Business

No other business was discussed.

10. Confirm Next Meeting Date

The next meeting will be July 22, 2015.

11. Adjourn

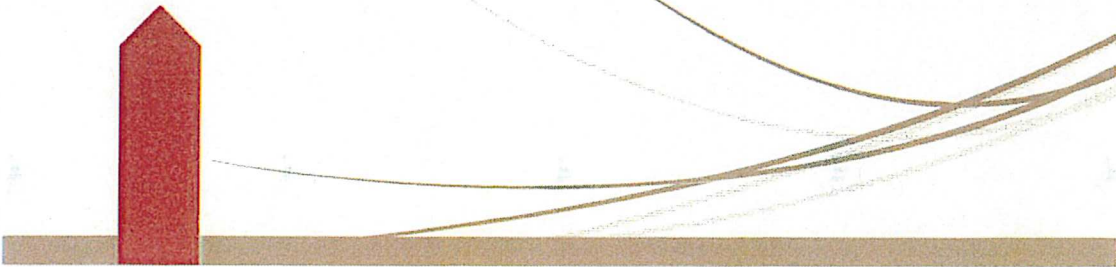
The meeting was adjourned at 12:00 p.m.



Santa Barbara Proposed NSR Rule Revisions

South Central Coast Basinwide Coordinating Council

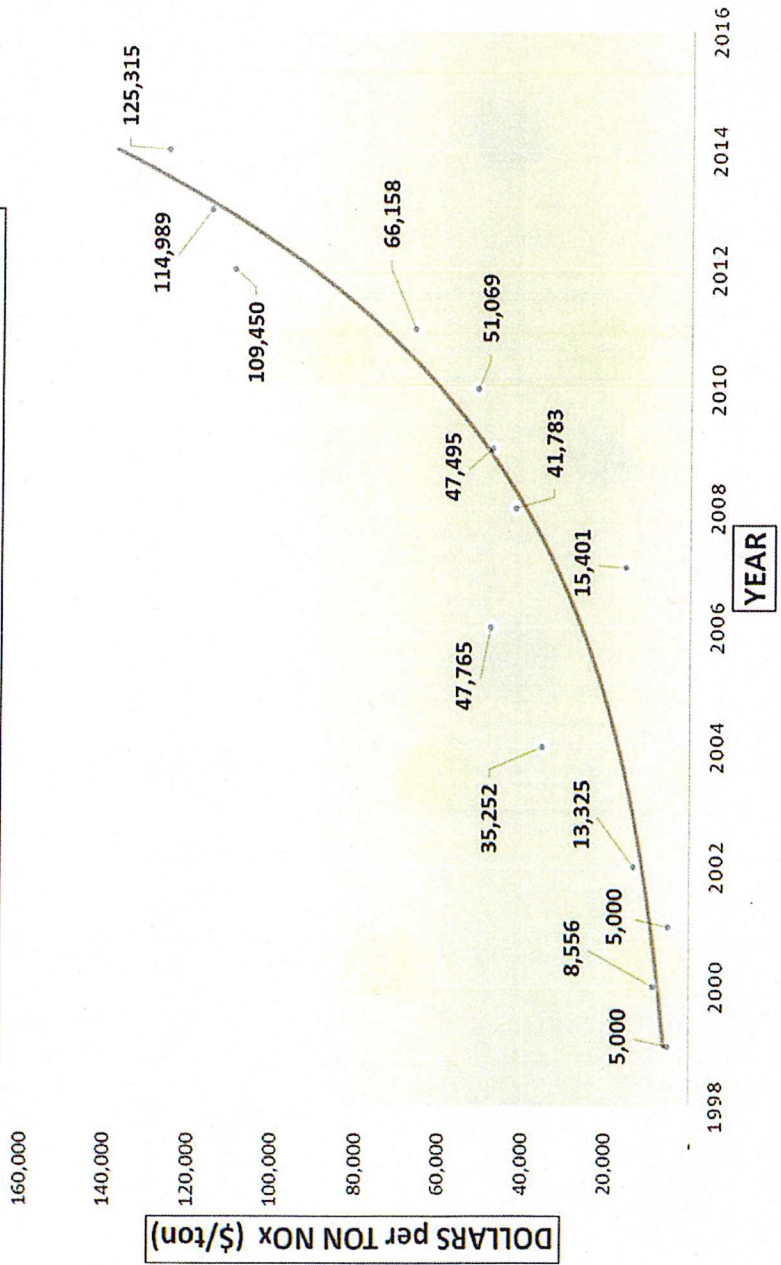
March 4, 2015



Background

- Current/Alternative Offset Program
- ERC Costs Driven by Demand (Figure 1)
- Proposed Offset Program Simplified – Applied to the Largest Sources
- SB 288 Hurdles – Equal to/or More Stringent
- EPA Minor Source NSR Mandate – a Model Rule
- GHG ERC Banking Need
- Update and Reorganize Rules and Text for Better Clarity and for Easier Implementation

FIGURE 1 - NOx 1999 - 2014: AVG \$/TON





Problems with Current Approach

- ▀ ERC Availability
 - ▀ Zone problem (e.g., South Zone – not available)
 - ▀ Companies are unwilling to sell
 - ▀ Large companies are buying up ERCs before listed in the bank
- ▀ Offset Ratios (6:1 between North/South zones)
- ▀ Essential Public Services
 - ▀ There is no Community Bank
 - ▀ Electrical Peaking Plants
- ▀ Current rules discourage modernization and encourage keeping older/dirtier (more polluting) equipment due to current NEI system

Solutions

- There is no silver bullet solution

- Implement H&SC Offset Mandate (25 tpy PTE basis)

- Shift the burden of meeting our "offset program" requirement to the largest stationary sources

 - More sources in the program (e.g., Venoco, Greka, all OCS Platforms, E&B)

 - These larger sources are better positioned to buy ERCs and/or create ERCs

- Only offset new project increases

- SB 288 analysis of 17 years of data shows that there is no programmatic relaxation

- Create a EPS Community Bank – usable within growth reserve limit and when BACT controls are used

- Revise offsets ratios, zones, and calculation basis (PTE)

- Add offset exemption for equipment replacements with BACT controls, no increase in PTE and no de-bottlenecking

- Analyses shows compliance with SB 288 requirements

- New Rule 807 – Greenhouse Gas ERC Bank

- New Rule 809 – Federal Minor Source New Source Review, a Model Rule to follow