SOUTH CENTRAL COAST BASINWIDE AIR POLLUTION CONTROL COUNCIL

Ventura County APCD 669 County Square Drive, 2nd Floor Ventura CA 93003 805-645-1400

TECHNICAL ADVISORY COMMITTEE

Michael Villegas, APCO Ventura County APCD

Terrence E. Dressler, APCO Santa Barbara County APCD

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COUNCIL MEMBERS

Mike Morgan, Chair Council Member, City of Camarillo

Eric Onnen, Vice Chair Council Member, City of Goleta

Karen Bright Council Member, City of Grover Beach

MEETING MINUTES September 24, 2009

Present

Council Members: Mike Morgan, Ventura County

Eric Onnen, Santa Barbara County Karen Bright, San Luis Obispo County

Staff: Mike Villegas, Ventura County

Suzanne Devine, Ventura County Terry Dressler, Santa Barbara County Larry Allen, San Luis Obispo County

1. Approval of Minutes of July 29, 2009

Received and filed.

2. Portable Engine Regulatory Update (Dressler)

Portable Diesel Engine Air Toxic Control Measure has a provision in it that would require all Tier 0 portable diesel engines over 50 hp to be put out of service by December 31, 2009. There is a small exemption for low use engines, which is an engine that operates less than 80 hours a year. District permits and portable equipment registrations will expire December 31, 2009, on these diesel engines. APCDs have been very concerned especially about the engines that are operated by small businesses that do not have large fleets of engines. These small businesses may have only one or two engines. These small businesses can be put out of business because of this.

ARB was made aware of this, several different options were explored including enforcement discretion, hearing board actions, and binding compliance agreements.

Because this is a statewide regulation and these engines move between counties, there are a lot of logistical and legal reasons why the same solutions that we used for the gas stations will not work for the portable engines. These small companies use their fleets of engines as collateral to get business loans and now their collateral is being compromised because of this regulation.

CAPCOA created a task force with ARB regarding this matter. There are approximately 5,000 engines statewide and most of them are in South Coast area. We believe there are lots of engines out there that have not been captured in the databases. The conservative estimate is 7,500 to 10,000 engines out there that will be affected by this rule.

We are finding that some people are dumping these engines on unsuspecting buyers. People who know they are going to be phased out are selling them to people who have no idea they will not be able to operate the engines.

ARB has come to the conclusion that the best solution is a rule revision. A recommendation is going to be made to the Director or ARB that the rule be revised. They came up with a rule revision that would apply only to small fleets with twenty-five engines or smaller. It would give them one more year to come into compliance. The larger fleets would still have to comply by 12/31/09. By doing it this way you get most of the emission reductions. The larger fleets shouldn't be impacted because they have other newer engines that they can operate and the larger fleets usually have fleet managers that know this rule was coming and have a process that replaces the older engines.

SLO is offering a non-operation permit for a small fee for businesses that have several engines but are only using one. They will be in compliance but they cannot operate the engine until the pay for the permit to do so.

3. New Lead Standard and Monitoring Requirements (Villegas)

To give you some history, the old lead standard was 1.5 mg/m^3 and it was averaged over a quarterly period. Back in the 70s in California you'd see average lead concentrations at 10 mg/m^3 . After lead was removed from automobile gasoline lead concentrations dropped dramatically.

On October 15, 2008, US EPA revised the NAAQS for lead, lowering the limit from 1.5 mg/m^3 to 0.15 mg/m^3 . A minor change in the averaging, it has been changed from quarterly to a rolling 3-month average. This is a straight not to exceed standard.

Federal Clean Air Act requires the states to develop recommendations on the area designations for the new standard by October 15, 2009. EPA has one year after that, until October 15, 2010, to promulgate the final area designations. State Implementation Plans will be due 18 months after that, April 15, 2011.

The issue is EPA realizes that the current air monitoring network is not adequate to make the area designations. EPA is allowed to take an additional two years to

designate areas. New samplers will be deployed to collect the data to resolve unclassifiable designations.

Current recommendations that are going before the Air Resources Board today are the Imperial County be found in attainment; Los Angeles County portion of South Coast be found nonattainment; and the rest of California be unclassifiable due to lack of data.

New monitors are going to be required near industrial sources greater than 1 ton per year of lead. ARB believes the only location that will have to have this type of monitor is Los Angeles County.

General aviation airports are a source of lead, as aviation gasoline still contains lead.

Another component is that any area with a core based statistical area with over 500,000 population will have to do lead monitoring; Ventura County will have to monitor for lead. Our network plan is due July 1, 2010, and we'll begin monitoring July 1, 2011.

Another criteria we have to meet is it has to be neighborhood scale in an urban area. We are hoping to use an existing monitoring site and not have to set up a new one. They also want to see if it is impacted by re-entranced dust from roadways.

Lead is highly toxic especially in the brain development of children.

4. CARB Regional Targets Advisory Committee (RTAC) Recommendations (Allen)

SB 375 is the legislation that requires all metropolitan planning organizations in the state to work with ARB to set greenhouse gas emission reduction targets for each area. Each metropolitan planning organization is supposed to develop a sustainable community strategy that contains all the different types of land use planning and transportation strategies, etc. that will help them meet the target.

ARB was required to create this regional targets advisory committee (RTAC) to recommend the factors that they would consider setting those targets and the methodology to be used. RTAC is a very diverse group of 21 individuals that represent metropolitan planning organizations, air districts, local governments, transportation agencies, home builders, environmental planners, affordable housing organizations, environmental justice organizations, and some other members as well.

In January they started meeting monthly, then every two weeks to try to get the recommendations together. In the early discussions, they focused on trying to determine how are we going to be able to measure whether or not we've met the targets. What tools are available out there to do this? One big hurdle the committee had to get over was how they deal with the big difference in technology for transportation models. They came up with a two tiered recommendation where

the larger metropolitan planning organizations that the target setting and the measurements of the target would be based on the models that they use. For those that do not have that modeling capability will have to include x, y and z in their sustainable community strategy and that would be their demonstration.

In the final recommendation, they have decided to use 2005 as the base year. There was also a big discussion on should the targets be specific to a given region or should one statewide target be set and everyone have to comply with that. What they recommended was that ARB would use a metric with per capita emission reductions to set single statewide uniform target that could be adjusted up or down to respond to regional differences. Any adjustment that they make would be subject to a reasonably tough test. The legislation language requires that the targets be the most ambitious achievable for each region.

The committee supports the use of best management practices for target setting, greenhouse gas reduction strategy development, and target compliance demonstrations, also to use as an action plan to supplement the model compliance demonstrations by the larger MPOs. ARB would use the best management practices list as an accuracy check on each MPO submittal. The committee also discussed letting every MPO regardless of size to use the best management practices as their way of demonstrating compliance rather than modeling. They could not agree on this so they are leaving it up to ARB to make a recommendation on this. Another recommendation is as part of the process that ARB initiated the development of a list of Best management practices and that they hire a consultant to quantify the emission reduction benefits of those including regional differences that might occur in the application of density requirements, etc. ARB has been given that task and the RTAC also given them a goal to convert that list to an analytical spreadsheet tool that can assess the level of greenhouse gas reductions by implementing some or all of the bmps.

The RTAC was to come up with the recommendation by the end of September and then ARB would have a year to actually establish the regional targets.

In terms of demonstrating on how they would meet the target they expect implementation of SB 375 is going to advance the modeling technology quite a bit because of the requirements to actually use modeling at some point in time. They want to make sure that even though we might not have the tools available right now to set the targets and initially to demonstrate compliance with the targets, the process includes a way to advance the requirements that once the technology become available people would have to start using more sophisticated tools to demonstrate their compliance.

The report will go to the board in October.

5. EPA Marine Vessel Regulations (Dressler)

SBAPCD has been hammering the EPA for years to control emissions from marine vessels. It is over 50 percent of our manmade air pollution and 20 percent of our total air pollution. It has been determined in court that EPA does have an

affirmative responsibility promulgate regulations to control the emissions from these ships. They had a deadline to write a rule, and they wrote a rule extending their deadline.

When the EPA administration changed, they put out a proposed rule. The rule is grossly inadequate and comments have been submitted to EPA about the inadequacies. They did not use the strictest standards that are technically feasible. They used old standards that would result in no real changes. Foreign flagged ships were exempted. Ninety percent of the ships that call on US harbors are foreign flagged. They did not address existing ships, they only addressed new ships. Existing ships can be in operation 25-30 years, or even longer. If you do not go after retrofit controls, there will be no benefit from this rule for the better part of 15-25 years. We made these comments to EPA. One of our board members went to Washington and met with Senator Boxer and let her know what EPA was doing regarding this. We submitted a letter along with background and scientific information. We are waiting to see how EPA will respond.

By 2020, ships will be 75% of our air pollution. Santa Barbara has one of the cleanest years on record and it has coincided with the significant reduction of ship traffic due to the recession. It would be nice if we could rely on that reduction to be permanent. Once the recession is over, the ship traffic will come back up.

Mr. Villegas was concerned about the federal rule with emission control areas for sulfur and asked if the sulfur control measures would apply to all vessels. Mr. Dressler stated the sulfur control measures will apply to all vessels, even foreign flagged.

6. CARB Low Sulfur Regulation for Marine Vessels (Villegas)

July 1, 2009, ARB put in place a new rule for sulfur content of marine vessels that limits sulfur to 5,000 ppm. January 1, 2012, the limit will drop to 1,000 ppm. The new federal rule would set a limit of 10,000 in 2010 and in 2015 1,000 ppm in an emission control zone. The cleaner fuels have a lower viscosity. The two resolvable issues are fuel leaks and the other is the pumps on these vessels were designed to handle the thicker bunker fuel. With the thinner fuel, they are getting less fuel to the engine. This is causing less power and there is a safety concern with this.

The shippers are moving out of the control zone which is 24 nautical miles from shore for the entire CA coast. To avoid the 24 mile nautical zone, you could leave the SB channel transit route and go outside the islands into the Navy's missile test area. According to ARB staff, prior to the July 1 ruling, six percent of the ships were going outside into the Navy's test range. After implementing the rule, that number has jumped to 20 percent of ships going outside into the Navy's range. This causes the Navy to cease operations until the ship clears. Higher sulfur fuels really increase the particulate matter emissions. This is a significant public health issue.

ARB is considering opening the regulation to extend the control around the miles to up to 40 nautical miles. This would solve the Navy's issue. In order to do this, they might need an EPA waiver.

7. Utility-scale Solar Projects in San Luis Obispo County (Allen)

By 2010, utilities will be required to get 20 percent of all their power from renewable energy sources. Edison is furthest along currently with 16 percent, PG&E is at 12 or 14 percent, and Dublin will be 20 percent by 2010. The latest legislation has just been signed and utilities will need to get 33 percent of their power from renewable energy sources by 2017. Utilities are scrambling to try and find the sources to meet this. Solar is a big possibility in East County San Luis Obispo. Three of world's largest solar power projects ever proposed for construction are proposed for this area.

These three projects would have a total of 1,000 mega watts of solar power. This is enough energy to run 100,000 homes in California.

- First Solar is a 550 megawatt power plant that would have solar panels covering 6,000 acres.
- California Valley Solar Ranch, Sun Power, is proposing a 250 megawatt power plant that will cover about 2,500 acres.
- Carrizo Energy Solar Farm, Ozra Energy Company, that a 175 megawatt solar thermal plant. This uses mirrors to concentrate the sun's energy onto a series of water pipes to super heat the water inside the pipes into steam. It runs the steam into a conventional steam turbine to generate energy.

All three projects plan to start construction before the end of 2010 because of the federal stimulus package that will provide a 30 percent subsidy for construction of renewable energy projects that start construction prior to the end of 2010.

The area is sparsely populated and these projects have generated controversy for several of the people living there. Some environmental groups have weighed in heavily also. Approximately 16 square miles will be covered by these three projects. It represents a threat to a number of endangered species that live in the area - Tule Elk, San Joaquin Kit Fox, and some birds. Construction traffic is a big concern because all three projects will be under construction at the same time. There will be literally thousands of truck trips happening out in this very rural area. The projects will have some of the largest structures in the county, they will be highly visible. Noise is another concern.

The air district has not been formerly asked for an opinion. The only thing to permit would be a standby generator at the solar thermal plant. Because of the controversy generated, the County is going through a lot of struggles right now on the permitting aspect of it.

8. Other Business/Next Meeting Date December 16, 2009.

9. Adjourn

Meeting was adjourned at 11:30 p.m.