
SOUTH CENTRAL COAST BASINWIDE AIR POLLUTION CONTROL COUNCIL

Santa Barbara APCD 260 N. San Antonio Rd. Suite A Santa Barbara CA 93110 805-961-8800

TECHNICAL ADVISORY COMMITTEE

Michael Villegas, APCO
Ventura County APCD

Dave Van Mullem, APCO
Santa Barbara County APCD

Larry R. Allen, APCO
San Luis Obispo County APCD

COUNCIL MEMBERS

Mike Morgan, Chair
Council Member, City of Camarillo
Ventura County

Roger Aceves
Council Member, City of Goleta
Santa Barbara County

Karen Bright
Council Member, City of Grover Beach
San Luis Obispo County

MEETING MINUTES September 19, 2012

Present

Council Members: Mike Morgan, Ventura County
Karen Bright, San Luis Obispo County

Staff: Mike Villegas, Ventura County
Nancy Mendoza, Ventura County
Dave Van Mullem, Santa Barbara County
Gary Willey, San Luis Obispo County

- 1. Approval of Minutes of June 20, 2012**
Received and filed.
- 2. Carl Moyer Program Update and Re-Authorization Efforts** (Michael Villegas)

Mike Villegas gave an update on the Carl Moyer Program and the reauthorization efforts that are underway. Ventura County is in its 14th year of administering this program, which has been effective in reducing emissions from diesel engines. The program initially focused on reducing nitrogen oxides but the program has also resulted in a significant reduction in toxic diesel particulate which is a major public health concern. In Ventura County over the 14 years we have allocated approximately \$25 million. Looking at projects funded from 2008 to 2012 (five-year period), the program resulted in a significant reduction in nitrogen oxides (NOx) emissions of approximately 1.4 tons per day. This is a significant reduction of NOx, translating to about 20 percent of the total NOx reductions achieved in the County during that time period. The program is clearly a major player in the attainment efforts of the

District. The program also significantly reduced toxic diesel particulate.

To date, the District has repowered or replaced 100 fishing vessels, 209 agricultural engines, 66 on-road vehicles, 45 pieces of construction equipment, and 239 farm tractors. At our September 11, 2012, board meeting, our Board approved 73 tractors and 1 commercial fishing vessel.

Gary Willey asked how projects are prioritized for funding. Mike Villegas replied the selection or prioritizing process is based on cost effectiveness.

With a significant portion of Ventura County emission reductions coming from the Carl Moyer Program, District staff hopes to continue this program since there is not a lot to emission reductions to obtain from stationary sources. A significant portion of the Carl Moyer program funding sunsets in 2015. The air district's plan is to work through the California Air Pollution Control Officers Association (CAPCOA) and with the California Air Resources Board to have the program reauthorized until approximately 2023. This effort will be discussed during the upcoming CAPCOA legislative retreat on October 8 and 9.

In the last 2 weeks of the past legislative session, Senator Kehoe introduced SB 1455 to reauthorize the Carl Moyer program. The bill passed the Assembly with two-thirds support, but fell two votes short in the Senate.

Dave Van Mullen inquired about lawn mower exchange programs. Mike Villegas stated Ventura APCD previously administered a lawn mower rebate program, which was not funded with Carl Moyer funds. The program was efficiently handled without requiring extensive staff time. Council Member Karen Bright asked if Ventura County APCD had an exchange program for leaf blowers. Mike Villegas responded that Ventura County APCD had administered a leaf blower program for commercial gardeners.

Upcoming Replacements - Portable Diesel Air Toxic Control (Gary Willey)

One of the airborne toxic control measures adopted in the early 2000's covered portable diesel equipment and took effect in 2010 requires pre-1997 engines to be certified for toxic control. This could cause a lot of uproar since there are currently compliance agreements out there. On the horizon, which is the real 'meat' of the rule, the fleet averaging requirements will begin in January 2013. A fleet is one or more engines controlled by an individual operational entity, which is hard to explain. If one person has control on the engines they can be summed up in one big group or put in smaller groups. There is not much guidance on how to do it or what to do. An example might be, a County as an operational entity including its CSD or its CSD independent. County department can be independent or city departments can also be independent. There's a lot of coordination that needs to go on throughout each government entity and I am not aware it if is occurring - to optimize this fleet standard because they use an average for their fleet. It is important, especially, for the City and County departments to figure how to deal with the requirement in the most economical way.

In addition to the fleet standard, there is the Tier 1 standard emission level which means Tier 1's are gone and you need to meet Tier 2 on an average basis. By taking Tier 1s of the same size range and averaging it with some Tier 2 and Tier 3 engines, a big company can probably comply with the limit if they have enough Tier 2s and 3s to bring it down. However, for an individual company – a company of one and with one Tier 1 engine, it will be illegal to operate such equipment at the end of this year. This is a big issue here in our

County and it may be the same in other Counties. I looked at our list and we have 85 on the district's list, but ARB have many more on their list since these are 85 that could not get on the ARB registration ARB program because they were late and the only option is to register with us. Of that 85, I have 20 businesses (20 people) with only Tier 1 equipment that will be hurting at the end of this year. They are businesses using wood chippers, concrete pumps, portable generators, or small construction businesses with compressors.

This standard is applicable only for portable equipment which also affects cities and the County since they operate numerous portable engines. Based on calculation, engines of cities (wood chippers, some generator sets, concrete pumps) will be below the 175 range but for larger pumps that is 175-750 like mud pumps or large generator sets or rock crushers. The large equipment has a different calculation and emission limits. Backup stationary or those bolted to the ground, even if portable, is not covered by this new standard. Emergency portable generators may be covered if they are also used for normal and predictable jobs.

The other issue with this new regulation is that enforcement is up to the District, but it is the State's averaging program. The State does not have a mechanism and under the law they are not enforcing this but the District; however, the State is only the one who understands what the individual entity is comprised of. In-house, we know which entity is Tier 1 but for those registered at State level we do not have the information. This is difficult to enforce and State has not given us any support or information. The enforcement will vary by District, some will do it some will not. It is up to the District on how to enforce this regulation but it must be fair and consistent across every business unit. For the coming January deadline, we are not planning to start enforcing this year since we do not have any information from the State and have no manpower to figure out statewide items. To be fair, we will not enforce this to the individual entities with Tier 1 on our records. We have told our inspectors to use this dialogue - "We currently do not have the necessary information and guidance from ARB to enforce this statewide fleet standard limit, we do not anticipate receiving this guidance anytime soon, thus SLOAPCD enforcement on the Statewide Averaging standard will not be possible given our rather significant work load constraints. Enforcement is delayed until 2014, we urge you come in if you need information regarding the requirements as it relates to your business. However, please contact the District for replacement purchasing of engines so we can provide guidance on how to best meet this new regulation".

3. Marine Shipping Initiative – Slide Presentation (Dave Van Mullem)

Dave Van Mullem gave a Powerpoint presentation on continued efforts to reduce emission from marine shipping. There are about 4,000 transits a year through the 130 miles that make up Santa Barbara Channel with cruising speeds at 20-22 knots. Santa Barbara Channel shipping contributes 54% of the countywide NOx emissions.

Santa Barbara APCD is formulating an initiative that has real promise not only for coastal areas, but Statewide. The proposed initiative is to create a monetary based incentive to slow ships down when entering Santa Barbara Channel and anywhere else along the California Coast.

This proposed initiative will benefit Santa Barbara County's environment in 3 ways:

- It achieves significant reduction in GHG emissions.

- It provides complementary air quality benefits by reducing NOx - a precursor to smog, including stack pollutants; and
- It promotes natural resource management by reducing lethality of whale strikes.

Funds generated by California Air Resource Board (CARB) Greenhouse Gas (GHG) Cap-and-Trade program could be used to create our incentive program. The actions that led us to proposing this initiative was from meetings where we discovered that ships approaching the Ports of Los Angeles and Long Beach slow down to achieve incentives and our meeting with Maersk Shipping lines. Also, we were invited by National Oceanic and Atmospheric Administration (NOAA) to attend a significant team-building meeting with the Dean of the Bren School of Environmental Science and Management at University of Santa Barbara.

There is a pending legislation, Assembly Bill 1532 GHG Reduction Fund, which is now on the Governor's desk. This bill formulates the parameters for spending GHG Cap-and-Trade revenues and gives direction to CARB to plan and execute the program. CARB will appoint lead agencies to execute approved initiatives and funds will flow into state budget then to lead agency to cover programmed costs.

Last May, District staff attended a public hearing on Cap-and-Trade revenues to solicit ideas for the GHG Reduction programs. GHG Reduction Fund revenues are expected in billions of dollars. The District sent a letter to CARB providing input on the GHG significant benefit of ship speed reductions including the idea of a monetary based incentive program. Stakeholders such as NOAA, Environment Defense Center, Ocean Conservancy, and Sanctuary Advisory Council also sent letters supporting this initiative.

To make this into a reality, Santa Barbara APCD will need to:

- Demonstrate and gain agreement that the Incentive Program fits within the parameters of AB1532.
- Determine if CARB will support the idea and;
- Continue working partners such as NOAA and Bren School
- Gain interest and support from coastal air districts, cities, other agencies, and stakeholders.

4. Update on Port Hueneme Shore Power (Michael Villegas)

Mike Villegas stated this was a \$10 million project to provide shorepower to cargo vessels docked at the Port of Hueneme in lieu of the vessels operating their auxiliary engines. The project would result in nitrogen oxide emission reductions on the scale of 136 tons per year and diesel particulate matter emission reductions of 2.0 tons per year.

The Port of Hueneme has secured \$4.5 million in Proposition 1B funds and \$250,000 in Ventura County APCD funds for the project. This is still a major financial burden on the Port, as the Port has a budget of approximately \$12.5 million. The APCD is supporting the Port in efforts to secure additional funds for the project.

5. Small Business Relief Program (Gary Willey)

Gary Willey, of San Luis Obispo County APCD gave an update on what APCD is doing for small businesses.

- Provide consultation services, give advance notice for any upcoming regulations, or providing creative solutions. Spending more time with small businesses to provide assistance or information regarding other necessary documents.
- Fees are waived for the first year; small businesses will only pay the hourly cost of the engineer to evaluate the permit. The permit fee to operate is waived for the first year.

Small businesses have little operating funds during its first year. This fee waiver program is easy to do and there is little impact to the District.

- Reduced recordkeeping and reviewed our testing program to see if some of the testing can be done on longer intervals. Some of the testing is expensive and it helps. When regulation allows flexibility, we reduced the frequency of testing especially for businesses that are consistently compliant. In addition, some testing was removed after analyzing results and was determined that it is not required by any rule.
- Began offering a voluntary NOx box testing using INTERAC 3000 analyzer that is inexpensive to operate. We were allowed by regulation to offer the service to sources at a rate lower (\$1,000) than what a source test contractor would offer (\$3,000-\$4,000).
- Offered payment plans.
- Started a Low-Use Engine Program for multi-year renewal for small engine operators like wood chippers and concreter pumpers. If the average is less than 80 hours a year over 3 years then renewal is three years - which cuts their renewal fees by at least 66 percent. The billing is still every year but only for one third of the total renewal fee owed. On the third year, the engines are inspected to re-certify if it is still low-use. Our regulation allows this without any rule change.
- Made fee rule changes, such as:
 1. New range category for the Boiler rule - 2 million to 5 million range. The fee for category is 60 percent less than the fees of the above 5 million range category. This rule particularly helped small wineries.
 2. New fee category for dry solvent cleaners which is less than 40 percent than the fees for our wet dry cleaners. We wanted to recognize the efforts of the businesses using dry solvent cleaners for doing the right thing since dry solvent is less toxic but cost more.
 3. Reduced fees by about 40% for non-diesel portable engines.

6. **Hydrogen Refueling Station Update** (Mike Villegas)

Mike Villegas stated that the cost for a typical hydrogen refueling station that CARB is helping to site is \$2.0 million to \$2.3 million. This type of station would have a capacity of 150 kilograms per day and could refuel approximately 40 vehicles per day. Most vehicles would need to refuel once a week for a normal commute.

7. **Pismo Beach Sand Blowing Update – as requested by Committee member Mike Morgan** (Gary Willey)

Currently in litigation. State Parks has somewhat joined the District in the lawsuit. They are listed as an interested party but will be able to participate. There could be a solution, but it may take a number of years before this issue is resolved.

8. Other Business/Next Meeting Date

February 20, 2013.

9. Adjourn

Meeting was adjourned at 11:55 p.m.