

Agenda Date: October 20, 2005
Agenda Placement: Admin
Estimated Time: N/A
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board
FROM: Terry Dressler, Air Pollution Control Officer
SUBJECT: Minutes of the June 2005 South Central Coast BCC Meeting

RECOMMENDATION:

Receive and file the attached draft minutes from the June 29, 2005 meeting of the South Central Coast Basinwide Control Council.

DISCUSSION:

The Health and Safety Code (Section 40900) requires that each air basin, which is comprised of two or more air pollution control districts, establish a basinwide air pollution control council. This council is intended to promote coordination of air pollution control efforts throughout the air basin. The council receives reports on rule development and planning efforts, the anticipated effect of state and federal actions, and other issues of interest.

The South Central Coast BCC meets quarterly and consists of one Board Member, appointed by the Air Pollution Control Board, from each of the following Districts: San Luis Obispo County, Santa Barbara County, and Ventura County. As you may recall, Donna Jordan was appointed by your Board at the January 20, 2005 meeting to represent Santa Barbara County on this Council.

The attached minutes summarize the June Central Coast Basinwide Control Council meeting. We provide such minutes to your Board on a regular basis.

**SOUTH CENTRAL COAST BASINWIDE
AIR POLLUTION CONTROL COUNCIL**

**VENTURA COUNTY APCD
669 COUNTY SQUARE DRIVE, 2ND FLOOR
VENTURA, CA 93003**

TECHNICAL ADVISORY COUNCIL

Michael Villegas, APCO
Ventura County APCD

Terence E. Dressler, APCO
Santa Barbara County APCD

Larry R. Allen, APCO
San Luis Obispo County APCD

COUNCIL MEMBERS

James Heggarty, Vice-Chair
Council Member, City of Paso Robles
San Luis Obispo County

Ernie Villegas
Council Member, City of Fillmore
Ventura County

Donna Jordan
Council Member, City of Carpinteria
Santa Barbara County

**DRAFT
Minutes
June 29, 2005**

Present:

Council Members	James Patterson-Alternate, San Luis Obispo County Donna Jordan, Santa Barbara County Ernie Villegas, Ventura County
Staff	Larry Allen, San Luis Obispo County Terry Dressler, Santa Barbara County Tom Murphy, Santa Barbara County Mike Villegas, Ventura County Christine White, Ventura County Suzanne Taylor, Ventura County
Industry	Colby Morrow, The Gas Company

1. CALL TO ORDER

The meeting was called to order at 10:03 a.m.

**2. Approval of Minutes of March 30, 2005
Jordan/Patterson Receive and file.**

3. Ag Permitting Issues and Portable Equipment – Dressler

Since Senate Bill 700 was passed in 2003 there has been an ongoing effort to bring certain agriculture engines into air pollution control permitting and rules and regulations.

South Central Coast has been working on permitting the very largest ag sources, the ones that are over half the major source threshold. In Santa Barbara County it is 50 tons, San Luis Obispo County it is 50 tons, and Ventura County it is 12.5 tons.

The next phase will deal with all the other ag sources. Technically, the other sources do not have exemptions, but the APCDs are limited to requiring them to be permitted until their respective Boards make specific findings that it is necessary to regulate them.

ARB promulgated the Airborne Toxic Control Measure for Diesel Particulate Matter from portable engines could have an impact on ag sources.

The South Central Coast Districts has asked ARB for written guidance to clarify policy issues with regard to their portable equipment registration rule. BCC prepared a letter and sent it to CAPCOA for the July meeting to forward on to ARB. BCC felt that CAPCOA should send this letter so there is statewide support for this.

Ernie Villegas asked if it would help for the APC Boards sent letters to ARB asking for written guidance. It was decided that if ARB does not provide guidance, it would be a good idea for the APC Boards/elected officials to send letters to ARB at that time.

It was decided to make sure a deadline was placed in the letter to ARB for a response from them.

4. **Hot Gas and LNG Ports – Villegas**

Hot gas is natural gas that has a lower methane content than the natural gas that would meet PUC and ARB requirements. The hot gas is problematic in some older natural gas vehicle engines. More importantly the hot gas can increase nitrogen oxide emissions in boilers and turbines by anywhere from 20-50 percent. If hot gas is introduced into the distribution network increase NOX, and would be detrimental to air quality.

Other countries prefer to use hot gas, it has a higher Btu content. There is a concern at the CAPCOA level about what could that mean to California's air quality if LNG is imported that does not meet PUC and ARB requirements. If it has low methane content, there could be serious implications.

Ventura County has two LNG deep water ports purposed off shore.

- Cabrillo Port would be located 14 miles south of the Ventura/LA County line
- After 18 months of negotiations with the project proponent, the EPA with the District's concurrence has determined that our Rule 26 NSR requirements do not apply.
- BACT and offset requirements are the two components of NSR
- Project proponent has proposed BACT
- Cabrillo Port supplier controls their own natural gas field and they are willing to treat the gas to meet any spec needed to assure there will not be any hot gas
- LNG tankers and crew and supply boats will be utilized to support the platform
- Crystal Energy would be located on Platform Grace, 11 miles offshore of Ventura County.
- Legal issues are much more complex on this one because it would be co-located with an oil/gas production where the District rule does apply.
- EPA would permit these facilities under the Deep Water Port Act.

Colby Morrow has offered to set up a meeting with a Gas Company rep to brief the BCC on what the Natural Gas Committee has been working on. Colby also stated CARB will be holding a workshop on Aug 3 on changing the alternative fuel specifications.

5. **Legislative Update – Allen**

CAPCOA is sponsoring the following bills

AB1101, Magnet Sources

- Requires risk assessments and emission inventory information on specific sources that attract diesel emissions to them (rail yards, ports)

- 2-year bill
- Heavily opposed by the trucking industry

AB1220, Portable Equipment Registration Program

- Requires notification, installation of hourly use meters on equipment, actual cost recovery for the Districts for implementing this program
- None of this is currently in the state program
- Bill is moving through the legislature, been through the Assembly and Senate Environmental Quality Committee
- This bill is good from the standpoint that industry has come to CAPCOA and we are now in negotiations
- CAPCOA and industry are close to an agreement on a consensus package
- If agreement is reached, the author would park the bill and wait for ARB to act

SB225, Soto

- Will increase Carl Moyer funding for all Districts
- No language in bill at this time
- Negotiations are ongoing at this point
- Industry may be proposing a one cent per gallon gas tax that would apply to both gasoline and diesel

AB1430, Goldberg

- Will constrain the use of ERCs in the state
- This has been put on two-year status

SB 870

- Put on two-year status
- It will require mandatory minimum penalties for all violations
- Districts have discretion where the Health & Safety Code establishes maximum amounts that you can set for penalties
- This bill would establish minimums
- It will only give 10 percent of the penalties to the Districts, 40 percent would go to ARB, and 50 percent would go to community asthma health programs

AB286

- Would implement many of the recommendations by the Inspection/Maintenance Review Committee for Smog Check
- It would move program responsibilities from the Bureau of Automotive Repairs over to ARB
- Would require an interagency agreement between the two agencies

AB1222

- Creates high polluting locomotive program
- Would require ARB to encourage voluntarily testing, repair, maintenance, and replacement of high polluting locomotives
- Establishes a remote sensing pilot program to determine emissions from locomotives using remote sensing devices

South Coast had three bills they are pushing on locomotives. One was on reducing locomotive idling emissions and the other was a mitigation fee program for excess emissions.

ARB has signed a MOU with Burlington Northern and Union Pacific and essentially negated the effect of these bills. These bills will not move forward and they are now two-year bills. The deal that took place is less effective than what was going through the legislature, it would

reduce some idling at rail yards and it would require some voluntary controls on engines. If the railroads chose not to comply with the MOU, they could just pay ARB \$3 million a year.

South Coast Board Chair sent a letter to ARB, the Governor, and Alan Lloyd, questioning how this could be done at a staff level. They asked that no further action be taken until this is open to public input.

6. GDF Vapor Recovery - Dressler

April 2001 ARB passed regulations on enhanced vapor recovery (EVR). This was necessary because it was determined that some of the new vapor recovery systems, the bootless nozzles, had high failure rates. ARB made several changes to their systems certifications that required changes to these systems.

Phase I EVR had to do with modifications to the tubes that are used to access the underground tanks that the trucks use to drop the gasoline into. It was found that because of the way the truck drivers were handling the fill tubes, they were constantly coming unscrewed and leaks would occur. This field tube had to be redesigned. The deadline for these systems to be retrofitted was April 1, 2005.

Districts were trying to warn operators the deadline was coming. ARB was late with the certification but did not change the deadline.

The Districts went to ARB and said if there are not enough contractors and manufacturers to make all of this equipment prior to the deadline. Districts were told to use enforcement discretion.

Santa Barbara has 140 stations that were required to meet this deadline. On April 1, 94 stations had the work completed. CAPCOA had a conference call to decide how all the districts would deal with this.

Santa Barbara Hearing Board issued 30 variances on April 1. On May 1, 12 stations still needed variance relief. To day, there are 7 stations left that have variances until the end of August.

They did not receive NOVs, but they did have to pay the variance fee.

Ventura County did not issue variances, but chose to utilize enforcement discretion. The station owners were notified that NOVs would start to be issued on a certain date.

San Luis Obispo did not have to do anything because of being in attainment for ozone.

Phase II Vapor Recovery will have deadlines also. The first deadline is September 1, 2005, for stations that have through put of over two million gallons per year. Deadline for one-two millions gallons thru put per year is January 1, 2006. Deadline for less than one million gallons per year is March 1, 2006.

Another new requirement will be in station diagnostics that will tell operators in real time when there systems are not working. The first deadline for the largest facilities is April 1, 2009. Other deadlines are April 1, 2010, and stations less than 600,000 gallons per year are not required to have this system due to the cost.

7. NSR Litigation Update – Villegas

New Source Review is the program that requires new and modified facilities to install BACT and offset any remaining emission increase. There is a State program under the California Clean Air Act and a federal program that applies to major facilities under the federal Clean Air Act.

EPA prevailed in the litigation. The Court found that EPA did not abuse its discretion and did not act in a manner considered to be arbitrary and capricious when it promulgated the rules.

The appellate court did rule that the EPA erred in adopting the Clean Unit applicability test, the exemption for Pollution Control Projects, and the waiver of record keeping for source operators that claim that there is no reasonable possibility that the equipment change will constitute an NSR modification.

8. EPA's Monitoring Assessment – Tom Murphy, Santa Barbara APCD

EPA is preparing to make changes to their monitoring regulations which among other things will require a periodic network assessment. EPA is hoping to put these changes into effect in 2006. Each region of the EPA has the task of completing an initial assessment by September 30, 2005. Region IV is proposing to look at our networks combined, [Ventura, Santa Barbara, San Luis Obispo Counties] based on statistical tests.

- Spatial Coverage
- Population Coverage
- Pollution Concentrations
- Estimation uncertainty deviation from the national ambient air quality standards

They will run the statistics and ranking all our sites in quartile. The bottom quartile can be possibly subject to further evaluation. In this initial assessment they will be looking at 2001 – 2003 data.

There are some problems with doing a statistical only based evaluation. EPA would like official comments by July 2005.

9. Governor's Proposal For Climate Change Actions – Allen

On June 1, Governor Schwarzenegger announced greenhouse gas emissions targets for California at the United Nations World Environment Day. He signed executive orders that establish greenhouse gas targets and charges Cal EPA in coordinating the efforts to achieve them. Three targets were established:

- Reduction of greenhouse gas emissions to 2000 levels by 2010
- Reduction of those emissions to 1990 levels by 2020
- Reduction to 80 percent below 1990 levels by 2050

10. Other Business/Confirm Next meeting Date

There was no other business.

Next meeting scheduled for September 21, 2005.

11. Adjourn

Meeting was adjourned at 11:45 a.m.