

BOARD MEETING DATE: December 4, 2015

AGENDA NO. 24

REPORT: Mobile Source Committee

SYNOPSIS: The Mobile Source Committee met on Friday, November 20, 2015. Following is a summary of that meeting. The next Mobile Source Committee meeting is scheduled for Friday, January 22, 2016 at 9:00 a.m.

RECOMMENDED ACTION:  
Receive and file.

Dr. Clark E. Parker, Sr., Chair  
Mobile Source Committee

PMF:AFM

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### **Attendance**

Committee Chair Dr. Clark E. Parker, Sr. and Committee Member Shawn Nelson attended via teleconference; Committee Members Judith Mitchell and Dr. Joseph Lyou attended at SCAQMD headquarters in Diamond Bar. Dr. Parker called the meeting to order at 9:02 a.m.

### **INFORMATIONAL ITEMS:**

#### **1) Governor's Executive Order to Develop an Integrated Freight Action Plan**

Henry Hogo, Assistant Deputy Executive Officer provided an overview of the Governor's Executive Order B-32-15 issued in July 2015, calling for a team of state agencies to develop an integrated freight action plan by July 2016. The Executive Order directed the Secretaries of the California State Transportation Agency, California Environmental Protection Agency, and California Natural Resources Agency along with their respective departments (Caltrans, CARB, and CEC) and the Governor's Office of Business and Economic Development to work cooperatively in developing the plan.

The Integrated Action Plan (or Plan) would establish clear targets to: 1) improve freight efficiency; 2) transition to zero-emission technologies; and 3) increase competitiveness of California's freight system. The Plan is to identify state policies, programs, and investments to achieve the targets. In addition to the Plan development, work is to be initiated in 2015 on freight corridor-level pilot projects integrating advanced technologies, alternative fuels, freight and fuel infrastructure, and local economic development opportunities. Lastly, public and private stakeholders are requested to assist in the development and implementation of the Plan.

Work has begun on Plan development with stakeholder meetings initiated by the California Freight Advisory Committee (CFAC) led by Caltrans. The CFAC has held two meetings on Plan development. An efficiency target of 25 percent improvement by 2030 has been proposed. A zero-emission vehicle and equipment target of 100,000 or more vehicles and equipment is proposed to be fully implemented by 2030. Staff commented that the 100,000 or more vehicles and equipment is "modest" compared to the number of zero- and near-zero emission vehicles needed to demonstrate attainment by 2030. The lead agencies are evaluating potential costs across various freight sectors and examining ways to minimize negative impacts to the freight industry as part of the competitiveness element of the Plan.

The Plan will build upon and provide information to various transportation plan developments in California and the National Freight Plan as well as the 2016 AQMP and RTP development. Workshops are scheduled in early 2016 with an anticipated draft Plan release in Spring 2016 for public comment. The final plan will be submitted to the Governor in July 2016.

Dr. Parker asked about the target of 100,000 zero-emission freight vehicles and equipment by 2030 and how many are there now. Staff commented that for smaller industrial equipment, there are a large number of zero-emission and alternative fuel industrial equipment operating today. In addition, there are smaller heavy-duty trucks (Class 5 and 6) that are being funded through the HVIP (Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project). However, for larger Class 8 trucks, they are currently being demonstrated. Dr. Parker followed with a question on staff's use of the word "modest" to imply that the proposed target is at such a low limit relative to the numbers needed to attain air quality standards.

*[Supervisor Nelson joined the meeting via videoconference at 9:18 a.m.]*

Councilmember Mitchell asked if staff has an opinion on how long it will be to fully develop and commercialize zero-emission truck technologies. Staff commented that there are several zero-emission truck projects underway at this time. There are Class

8 zero-emission trucks currently being demonstrated and zero-emission yard hostlers demonstrated at the Ports. Some of these technologies are expected to be commercialized in the next few years and to be used in niche applications such as short-haul operations. Staff also mentioned that if the right market signals are put in place to advance the development of the near-zero and zero-emission technologies, there will be more availability. Moreover, setting stringent national and state emissions standards at 0.02 g/bhp-hr is needed and a natural gas engine is available today at that level. The use of renewable natural gas in low NOx natural gas engines is also key, so that these engines can be funded with the Greenhouse Gas Reduction Fund.

Dr. Lyou commented that we do not really know the cost of the zero-emission trucks, nor the additional cost of the low-NOx natural gas engines. Staff indicated that the manufacturer felt that it would be a 10 to 20 percent premium over today's natural gas engine. Dr. Lyou followed with a question of whether the cost of zero-emission trucks can be brought down. Staff indicated that the policies and structure of incentive programs need to be reexamined to see how best to incentivize early deployment, ultimately leading to greater volume sales that will bring down the costs. Dr. Lyou asked if this will be part of the AQMP. Staff indicated that we are working closely with CARB staff on this issue and to identify what the costs are.

Supervisor Nelson commented that we know what it takes and how to attain the air quality standards and it is the federal government that must do their share to set and achieve emission standards. Supervisor Nelson commented that the SCAQMD should not be bearing full responsibility for attainment if the federal government does not take action. He asked if we have confronted U.S. EPA on this. Dr. Barry Wallerstein, Executive Officer, indicated that he has been meeting with U.S. EPA expressing the comments made by Supervisor Nelson on the need for the federal government to do their share. Staff noted that the 2016 AQMP will discuss what it will take in terms of cost to attain the federal air quality standards.

Under public comment, Mr. Lee Wallace commented on an E3 (Energy + Environmental Economics) study sponsored by the Gas Company looking at low-NOx natural gas engines and the use of renewable natural gas and the cost of zero-emission technologies. He indicated that the natural gas technologies can be the path to zero-emission technologies. Councilmember Mitchell asked if today's trucks running on CNG can run on renewable natural gas. Mr. Wallace indicated that they can, with minor modifications.

## 2) 2016 AQMP Update

Dr. Philip Fine, Deputy Executive Officer in Planning and Rules, provided a list of the five key air quality standards to be addressed or updated in the 2016 Air Quality Management Plan (AQMP or Plan) along with the year of attainment for each standard. A series of 2031 baseline ozone (NO<sub>x</sub> and VOC) emission isopleths at five air quality monitoring stations were shown reflecting the different chemistry and meteorology in each area. The levels to meet the 1997 National Ambient Air Quality Standard (NAAQS) (80 ppb) and 2008 NAAQS (75 ppb) were highlighted to indicate what levels of reductions would be necessary to meet the standards and the changing carrying capacity depending on the area. For some of the areas, VOC reductions would not generate a significant attainment benefit when decreasing NO<sub>x</sub> emissions. However, for Glendora and western Basin sites, VOC reductions might offset the need for some NO<sub>x</sub> emission reductions. Thus VOC emission reductions may be beneficial to meet the 2008 NAAQS, but staff analysis will continue beyond these preliminary estimates.

A chart of the baseline (no additional regulations) annual and 24-hour PM<sub>2.5</sub> concentrations for five key monitoring stations was presented for base year 2012 and milestone year 2023. The highest levels are predicted at Mira Loma where the annual standard (12 µg/m<sup>3</sup>) is still predicted to be exceeded in 2023, so a 4-year extension beyond 2021 as a serious non-attainment area will be a consideration. But these projected levels do not include any benefits from measures in the 2016 AQMP, including co-benefits from ozone reductions. The 24-hour standard (35 µg/m<sup>3</sup>) is anticipated to be met at all stations by 2023. However, the statutory attainment deadline for the 24-hour standard is 2019, and modeling still needs to be conducted for 2019 to assess the baseline attainment status.

Dr. Fine displayed a pie chart highlighting that RECLAIM facilities generate approximately 40 percent of the total NO<sub>x</sub> from stationary sources in 2023.

Councilmember Mitchell inquired how the development of the AQMP is coordinated with SCAG's Regional Transportation Plan (RTP). Staff noted that both documents are on parallel schedules although the RTP will be one or two months ahead of the 2016 AQMP. A draft RTP is anticipated to be released to the public in December and portions of the 2016 AQMP will be released when available in order to provide ample time for public review, comment and response.

Dr. Lyou noted that the CARB Mobile Source Strategy provided a pathway for the region to meet the standards and inquired whether it would be incorporated into the 2016 AQMP. Staff confirmed the CARB mobile source measures would be part of the comprehensive control strategy in the 2016 AQMP, but that CARB's mobile source strategy only accounts for their fair share reductions of 50 percent by 2023 and 65 percent by 2031 from mobile source emissions. Reductions might need to be

more aggressive in certain sectors. In addition, there are programs such as the Governor's climate change goals that can offer co-benefits for local air quality.

Dr. Lyou sought to have the state air quality standards be considered in the analysis and asked how the state standard would affect the ozone isopleths. It was clarified that the isopleths for the different areas wouldn't change but the emission level for attainment (or carrying capacity) would be different than the NAAQS. Ultimately, the state standard would be discussed in the 2016 AQMP as it has been in past Plans.

Finally, it was confirmed that the effects from the performance of selective catalytic reduction on short-haul trucks will be considered in the emissions inventory.

The public provided no comments on this item.

### **3) Rule 2202 On-Road Motor Vehicle Mitigation Options Employee Commute Reduction Program Parking Cash-Out Program Component Status**

Carol Gomez, Planning and Rules Manager, presented information regarding the status of the Rule 2202 Parking Cash-Out Program (PCOP) component status. PCOP is a state program adopted in 1992 which applies to employers with 50 or more employees, have lease parking, can unbundle their parking from their building lease, and can reduce parking spaces without a financial penalty. In 2009 SB 728 was adopted which authorized local governments as well as air quality management districts to enforce PCOP. A 2011 amendment to the Rule 2202 Employee Commute Reduction Program (ECRP) Guidelines triggers PCOP when: the ECRP compliance option is chosen, the worksite is not meeting or making progress toward their average vehicle rideshare (AVR) target, and the worksite is subject to the PCOP legislation. The amendment included a provision that this new PCOP program component would remain in effect until January 1, 2016. Prior to this date staff was to return to the Board with a recommendation to continue or discontinue the mandatory PCOP program component.

Evaluation of the worksite data for 2012 through 2015 shows that this program applied to only two worksites, less than 1% of all Rule 2202 submittals. In addition there is no indication that PCOP has improved a worksite's AVR. Therefore staff's recommendation is that PCOP be discontinued as a mandatory program element, but continue as a voluntary trip reduction strategy within the ECRP. All employers subject to the PCOP law must still comply with their existing legal obligations.

Dr. Parker asked for clarification that PCOP is still a state law, but that we are removing it as a mandatory item in Rule 2202. Staff confirmed that this is correct and that PCOP would remain as a voluntary measure within the ECRP program. Dr. Lyou stated that PCOP originally seemed like a good idea, and asked for staff's comments on why it didn't work. Staff responded that while a good concept, there

are many implementation issues (such as employees parking in neighborhoods) that make it very difficult for employers to track how cash-out funds are being used.

This item was agendized for informational purposes for the Committee and will be on the February Board agenda for approval.

**WRITTEN REPORTS:**

**4) Rule 2202 Activity Report**

The report was received as submitted.

**5) Monthly Report on Environmental Justice Initiatives – CEQA Document Commenting Update**

The report was received as submitted.

**OTHER BUSINESS:**

None.

**PUBLIC COMMENT:**

None.

The meeting was adjourned at 10:19 a.m.

**Attachment**

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE COMMITTEE MEETING  
Attendance Roster – November 20, 2015**

| NAME                                       | AFFILIATION                             |
|--|---|
| Dr. Clark E. Parker, Sr. (videoconference) | SCAQMD Governing Board                  |
| Dr. Joseph Lyou                            | SCAQMD Governing Board                  |
| Councilmember Judith Mitchell              | SCAQMD Governing Board                  |
| Supervisor Shawn Nelson (videoconference)  | SCAQMD Governing Board                  |
| Board Consultant Mark Abramowitz           | SCAQMD Governing Board (Lyou)           |
| Board Assistant Chung Liu                  | SCAQMD Governing Board (Mitchell)       |
| David Czamanske                            | SCAQMD Governing Board (Cacciotti)      |
| Curtis Coleman                             | SoCal Air Quality Alliance              |
| Daniel McGivney                            | SoCal Gas                               |
| Noel Muyco                                 | SoCal Gas                               |
| David Rothbart                             | Los Angeles County Sanitation Districts |
| Susan Stark                                | Tesoro                                  |
| Tara Tisopulos                             | Orange County Transportation Authority  |
| Lee Wallace                                | SoCal Gas                               |
| Barry Wallerstein                          | SCAQMD Staff                            |
| Philip Fine                                | SCAQMD Staff                            |
| Jill Whynot                                | SCAQMD Staff                            |
| Joe Cassmassi                              | SCAQMD Staff                            |
| Kurt Wiese                                 | SCAQMD Staff                            |
| Matt Miyasato                              | SCAQMD Staff                            |
| Laki Tisopulos                             | SCAQMD Staff                            |
| Sam Atwood                                 | SCAQMD Staff                            |
| Jillian Baker                              | SCAQMD Staff                            |
| David De Boer                              | SCAQMD Staff                            |
| Lane Garcia                                | SCAQMD Staff                            |
| Carol Gomez                                | SCAQMD Staff                            |
| Tracy Goss                                 | SCAQMD Staff                            |
| Kathryn Higgins                            | SCAQMD Staff                            |
| Michael Krause                             | SCAQMD Staff                            |
| Sang-Mi Lee                                | SCAQMD Staff                            |

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
MOBILE SOURCE COMMITTEE MEETING  
Attendance Roster – November 20, 2015**

|                |              |
|----------------|--------------|
| Chris Marlia   | SCAQMD Staff |
| Dean Saito     | SCAQMD Staff |
| Laki Tisopulos | SCAQMD Staff |
| Patti Whiting  | SCAQMD Staff |
| Kim White      | SCAQMD Staff |