AGENDA NO. 8

South Coast

2022 DRAFT AIR QUALITY MANAGEMENT PLAN

Board Meeting

South Coast Air Quality Management District

August 5, 2022

Policy Briefing Papers

o On June 9, South Coast AQMD released policy briefs summarizing key issues in the 2022 AQMP

- Residential and Commercial Building Appliances
- Climate Change and Decarbonization
- Federal Approach
- Infrastructure-Energy Outlook
- Black Box Measures



• Available online at http://www.aqmd.gov/2022aqmp

Appendices

- o Drafts of all remaining appendices released June 1
 - Appendix I: Health Effects
 - Appendix II: Current Air Quality
 - Appendix III: Base & Future Year Emission Inventory
 - Appendix IV-B: CARB Strategy for South Coast
 - Appendix IV-C: Regional Transportation Strategy & Control Measure
 - Appendix V: Modeling & Attainment Demonstrations
 - Appendix VI: Compliance with Other Clean Air Act Requirements
- Available online at http://www.aqmd.gov/2022aqmp



Advisory Council

• California Health and Safety Code §40471(b) requires Advisory Council to review the health impacts of air pollution during the development of the AQMP (see Appendix I)

Membership



One Liaison to the Governing Board appointed by Board Chair

12 members appointed by Governing Board (each Board Member appoints one representative)

1 representative from each active advisory group:

- Air Quality Management Plan Advisory Group
- Clean Fuels Advisory Group
- Environmental Justice Advisory Group
- Local Government and Small Business Assistance Advisory Group
- Scientific, Technical, and Modeling Peer Review Advisory Group

Meeting Date

August 10, 2022

Updated Air Quality Modeling

- New modeled attainment demonstration reflects updates in emissions inventory
- Updated NOx carrying capacity^{*} is 60 tons per day
 - Estimated carrying capacity in Draft AQMP was 63 tons per day

Tons

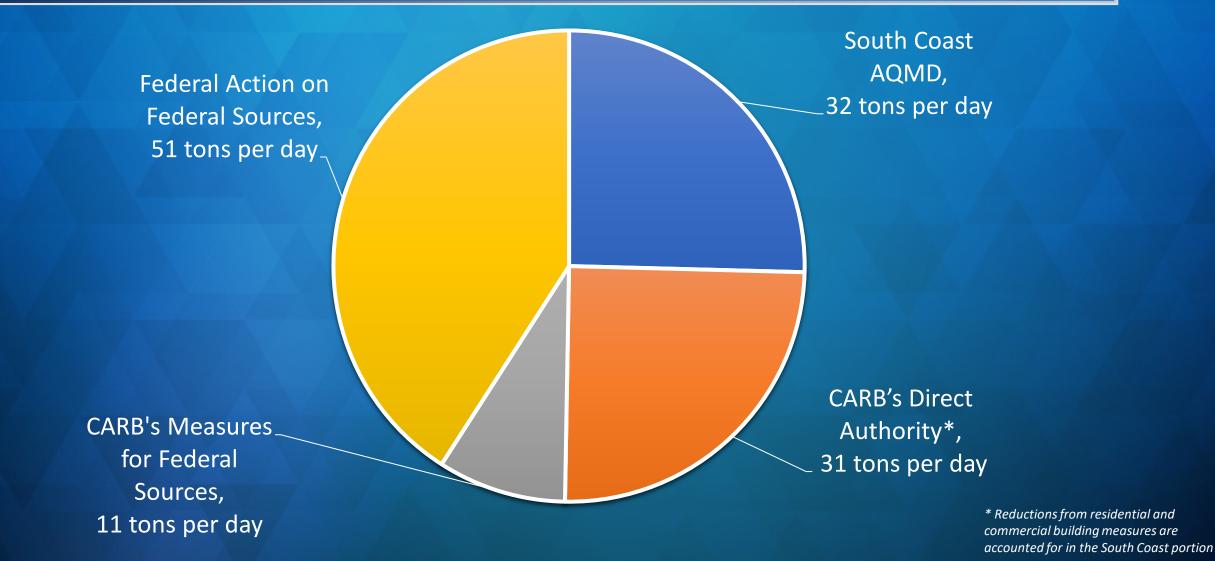
- 83% below current conditions
- 67% below Business-As-Usual conditions in 2037

400NOx Emission in South Coast Air Basin35035130083 %250200200185



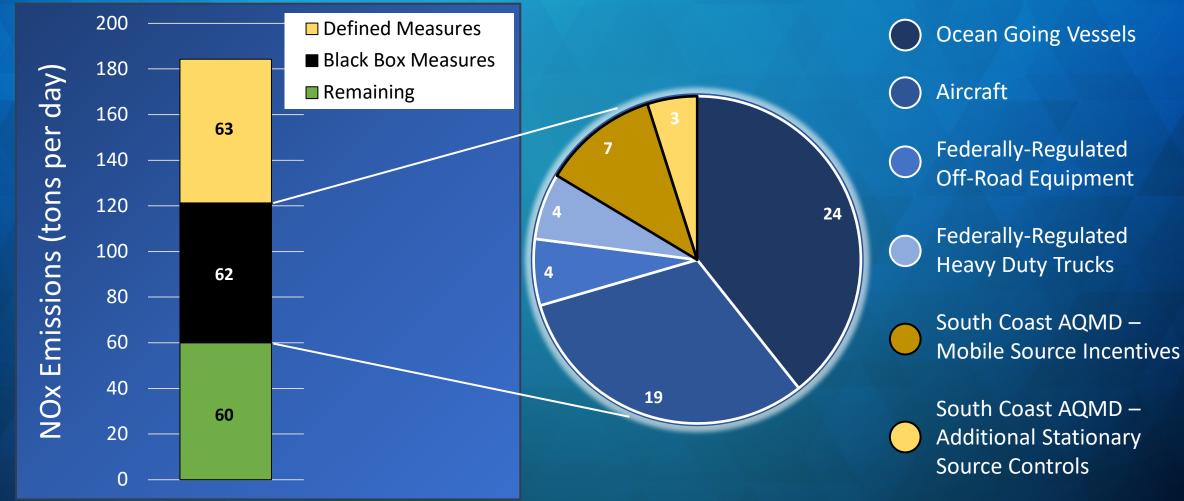
*The 'carrying capacity' is the allowable amount of emissions while meeting an air quality standard

NOx Emission Reductions Needed for Attainment



6

Emission Reductions Potentially Subject to Clean Air Act 182(e)(5) Flexibility (*black box*)



CARB's Updated Draft State Implementation Plan (SIP) Strategy

- SIP focuses on statewide actions to meet federal air quality standards
 - Scheduled release in July 2022
- Revised emissions inventory
- Revised building measures to align with the South Coast AQMD's commitment
- Updated measures for off-road mobile sources (e.g., aircraft and ocean-going vessels)

Measures	NOx Reductions (tons per day)	
Sources under CARB's Direct Authority*	31	
Primarily-Federally and Internationally Regulated Sources – CARB Measures	11	
Primarily-Federally and Internationally Regulated Sources – Federal Action Needed	51	
Total	93	

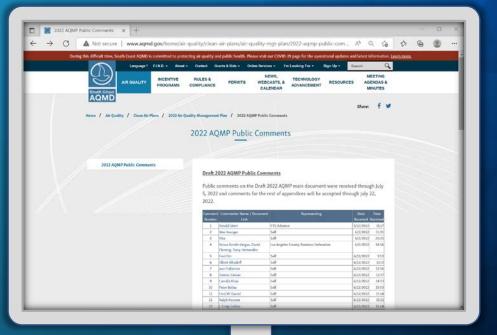
* Emission reductions removed from CARB reductions for building measures which overlap with South Coast AQMD's measure

Overview of Public Comments

85 comment letters submitted (next slides)

- Comments received were anticipated given the dramatic reductions required by this AQMP
- Detailed responses to comments are being developed now and will be released with Revised Draft AQMP in August
- Key concern: the 2022 AQMP is going to be expensive to implement
 - U.S. EPA does not consider cost when setting health-based air quality standards
 - CA Health and Safety Code does consider economic feasibility for establishing Best Available Retrofit Control Technology limits
 - Staff will update Board in October on benefits and costs after Draft Socioeconomic Analysis has been released

Public Comments available online: <u>http://www.aqmd.gov/home/air-quality</u> <u>/clean-air-plans/air-quality-mgt-plan</u> <u>/2022-aqmp-public-comments</u>



Comments on Large Combustion Sources



- ZE technology may not be commercially ready
- Potential increase in use of emergency standby engines
- Incentive programs needed to assist developing and deploying ZE equipment
- New operational requirements may be needed to transition to low NOx or ZE technologies
- Uncertainty of achieving additional 20% reductions beyond Rule 1109.1
- Allow newly installed equipment to be used for their useful lifetime
- Greater emission reductions needed

Comments on Mobile Sources



- Pursue indirect source rules
- Only focus on zero emissions technology
- South Coast AQMD has limited regulatory authority over mobile sources
- Fair share reductions needed between stationary and mobile sources
- Incentive funding is critical
- Standards for aircraft and ocean-going vessels should be developed first at an international and national level
- Zero emissions vehicles and infrastructure are costly and not available at scale

Comments for Other Plan Elements



- Stronger plan with more specific commitments needed
- Minimize/avoid use of "black box"
- Re-visit commitments of previous AQMPs
- Cost-effectiveness threshold should be revisited
- Mineral resource management a concern (for batteries)
- UV/EB/LED should be used for VOC control
- Warehousing growth impacts on communities should be addressed
- Increase baseline aircraft emissions to allow greater activity at Ontario Airport

Comments on Building Measures

Residential and commercial space heating, water heating, cooking and others



- Support for zero emissions (ZE) appliances
- Allow low-NOx appliances in parallel to ZE
- Promote early transition to ZE to avoid emergency purchase of non-ZE appliances
- Concern about utility rates and building upgrade costs, especially for low-income community
- Incentive funding for low-income community
- Some ZE appliances are not readily available
- Restricts consumer choice

Recent Proposed Developments on Building Measures

- CARB Draft SIP Strategy for attaining federal air quality standards includes residential/commercial space heating and water heating measure
 - 2030 all sales to be ZE
 - More stringent than the 2022 AQMP building control measure
- City of Los Angeles Motion 22-0151 passed in May 2022
 - All new residential and commercial buildings would achieve zero-carbon emissions starting January 1, 2023 (ordinance still in development)
 - Report on improvements needed for Los Angeles grid infrastructure transmission and distribution
 - Existing city climate plan calls for entire building stock to be zero emission by 2050
- Bay Area Air Quality Management District (BAAQMD)
 - Proposed rules in the 4th quarter 2022 could ban sales of natural gas appliances starting from 2027

Comments on Infrastructure



Key Feedback

Electrical Grid

- Support for economy-wide ZE technology adoption
- Need expanded grid capacity at scale that is reliable and affordable, in particular for low-income households
- Electrical grid is getting ready for at-scale ZE deployment

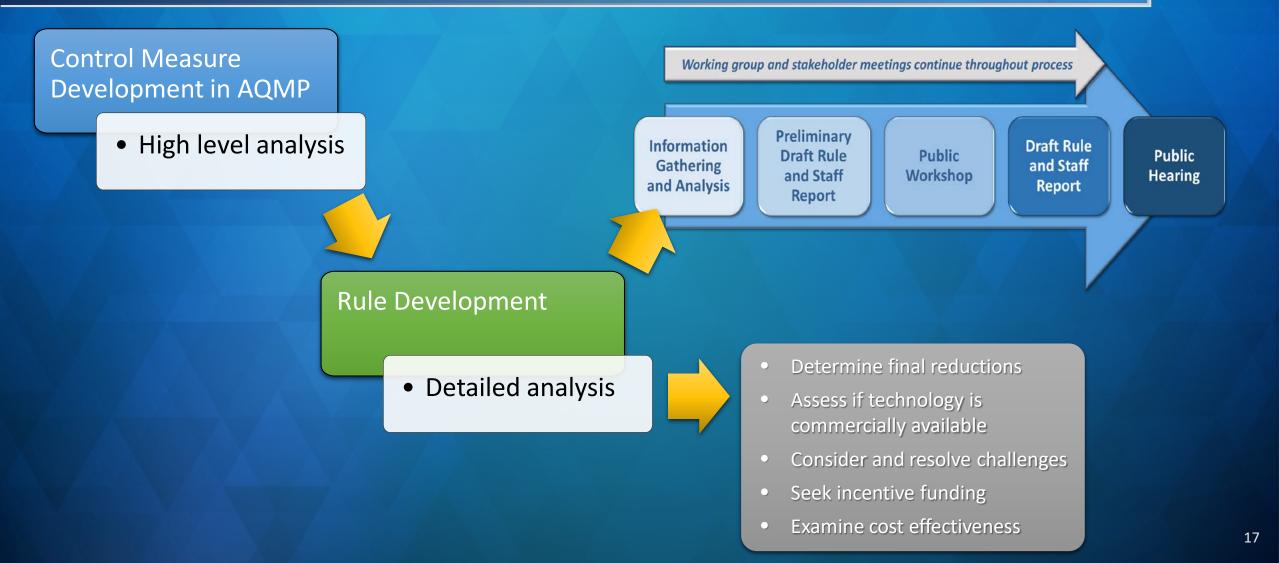
Fuel Cells

- Can be useful for many applications (mobile and stationary)
- Fueling infrastructure siting and development can be challenging

ZE Infrastructure – Opportunities for Collaboration

Agency	Description	Plan	Frequency
CEC	State energy policy and planning agency	Integrated Energy Policy Report (2021) Battery EV Charging AB 2127 Report (2021) Fuel Cell EVs and Station Network Report (2021)	Biannual Biannual Annual
CARB	State air regulator, ZEV deployment rulemaking agency	CARB Mobile Source Strategy (2020) CARB Scoping Plan (2022)	5-years 5-years
CAISO	Operator of high-voltage electricity distribution	Transmission Plan (2021-22)	Annual
CPUC	State regulator of privately owned utilities	Integrated Resource Plans	Biannual
Go-Biz	State agency facilitating ZEV transition	ZEV Market Development Strategy (2021) EV Charging Station Permit Streamlining (2019)	Ad hoc
Utilities	Local agencies and companies that provide energy to consumers	Integrated Resource Plans	5-years

Rulemaking Process for Control Measures



Public Outreach

- Recent Engagements
 - Southern California Association of Governments (SCAG) April 7
 - Environmental Justice Community Partnership (EJCP) June 1
 - Orange County Council of Governments (OCCOG) May 26
- o Upcoming
 - AB617 Community Steering Committees August through November
 - South Coast AQMD Advisory Groups Summer/Fall 2022
 - Regional Public Hearings Fall 2022
 - Local governments, industry associations, community groups, etc. ongoing

Next Steps

Submission to U.S. EPA

Early 2023 (EPA must act within 18 months after submission) CARB Public Hearing Late 2022/Early 2023

> South Coast AQMD Public Hearing December 2, 2022



South Coast AQMD Regional Public Hearings October – November, 2022



Release Revised Draft AQMP and Draft CEQA Document and Draft Socioeconomic Report Late summer to early Fall