



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

HOME RULE ADVISORY GROUP MEETING

AGENDA

November 9, 2016 ♦ 10:00 a.m.

**SCAQMD Headquarters ♦ Conference Room CC-8
21865 Copley Drive, Diamond Bar, CA**

*(The public may also participate at the locations listed below.
Committee members may only participate from noticed locations.)*

TELECONFERENCE LOCATIONS

**California Air Resources Board
1001 I Street, Room 7-26
Sacramento, CA 95814**

**U.S. EPA
75 Hawthorne Street, Room 18320
San Francisco, CA 94105**

**SCAG (Main Office)
818 W. 7th Street, 12th Floor
Conference Room CR-West-7th
Los Angeles, CA 90017**

1. Opening Comments & Self-Introductions Dr. Joseph Lyou, Chair
2. Discussion of September 21, 2016 Minutes Dr. Joseph Lyou
3. EPA and Federal Activities..... Wienke Tax and Andy Steckel, EPA
This item is to report on EPA and federal activities for the year 2016.
4. CARB Regulatory Activities Chris Gallenstein, CARB
This item is to report on proposed CARB Rules and amendments for the year 2016. CARB staff and the committee will discuss items on CARB's Board agenda and CARB's control measures calendar. CARB staff will provide periodic updates on AB 32 auction revenues, as needed.
5. Legislative Update Philip Crabbe III
Community Relations Manager, SCAQMD
This item highlights legislation and related matters of interest at the local, state, and federal level that were discussed at the recent Legislative Committee meeting.

6. Update Regarding Litigation Items and Related EPA Actions.....Bill Wong
Principal Deputy District Counsel, SCAQMD
This item is an update on several litigation items that SCAQMD is currently involved in as a party, an intervener, or an amicus curiae.

7. EPA, CARB and SCAQMD Coordination on
Implementation of non-PFOS Fume Suppressants Susan Nakamura
SCAQMD staff will provide a summary of implementation of EPA's NESHAP requirements to ban PFOS in chemical fume suppressants used in chrome plating operations, and the interaction with SCAQMD Rule 1469 and CARB's Air Toxics Control Measure from chrome plating.

8. Consensus BuildingJayne Joy
This item is to discuss recommendations to avoid litigation regarding local, state, and federal regulatory activities.

9. Subcommittee Status Reports:
These items are to report on the subcommittee activities and discussions that have occurred at monthly HRAG subcommittee meetings.
 - A. Freight Sustainability..... Noel Muyco
Subcommittee Chair
 - B. Small Business Considerations..... Bill LaMarr
Subcommittee Chair
 - C. Environmental Justice Curt Coleman
Subcommittee Chair
 - D. New Source Review Bill Quinn
Subcommittee Chair
 - E. Climate Change Activities..... David Rothbart
Subcommittee Chair

10. Report From and To Stationary Source CommitteeDr. Philip Fine
Deputy Executive Officer, SCAQMD
This item is to report on any action items coming to the HRAG from the Stationary Source Committee and to discuss items that the HRAG would like staff to bring to the Stationary Source Committee.

11. Approval of the 2017 HRAG Meeting Schedule..... Dr. Joseph Lyou
Paragraph 15 of Resolution No. 98-33 regarding the Advisory Council and Advisory Groups states that annual meeting calendars shall be established by November 15 of the previous year."

12. 2016 Accomplishments, 2017 Goals & Objectives Dr. Joseph Lyou
and Mission Statement
This item will be discussed by the group for the purpose of planning and for possible revisions to the Home Rule Advisory Group's mission statement. Paragraph 30(a) of Resolution No. 02-29 (adopted by the Governing Board on December 6, 2002, as part of the Blue Ribbon Panel recommendations) states that "(the) Advisory Groups will develop Goals and Objectives on an annual basis, and submit them to the appropriate Board Committee and then forward to the Governing Board for review no later than February of each year.

13. Other Business

Any member of the committee, on his or her own initiative or in response to questions proposed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or may take action to direct staff to place matter of business on a future agenda. [Govt. Code Section 54954.2]

13. Public Comment

Members of the public may address this body concerning any agenda item before or during consideration of that item (Govt. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Home Rule Advisory Group's authority. Speakers may be limited to three (3) minutes each.

14. Adjournment

Next Meeting: January 11, 2017– 10:00 a.m. in Conference Room CC-8.

Document Availability: *All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.*

Americans with Disabilities Act: *The agenda and documents in the agenda packet will be made available, upon request in appropriate alternative formats to assist persons with a disability (Govt. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Home Rule Advisory Group meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Ann Scagliola at (909) 396-2423 from 7:30 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to ascagliola@aqmd.gov.*

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
HOME RULE ADVISORY GROUP**

**MINUTES
September 21, 2016**

CHAIR

Dr. Joseph Lyou, Governing Board member

MEMBERS

Present: The following members participated from Conference Room CC-8 at SCAQMD: Philip Fine; Curt Coleman; Sue Gornick; Bill LaMarr; Dan McGivney; Art Montez, Noel Muyco; David Rothbart; Larry Smith; and TyRon Turner. The following members participated by conference call: Michael Downs (Downs Energy); Chris Gallenstein (CARB); Jayne Joy (Eastern Municipal Water District); and Rongsheng Luo (SCAG).

Absent: Mike Carroll; Jaclyn Ferlita; Adrian Martinez; Bill Quinn; Terry Roberts; Larry Rubio; and Morgan Wyenn

AQMD STAFF

Philip Crabbe; Eugene Kang; Matt Miyasato; Susan Nakamura; Wayne Nastri; Jill Whynot; Bill Wong; and Ann Scagliola

OTHER ATTENDEES

Mark Abramowitz (Board Consultant to Dr. Lyou); Amy Zimpfer (EPA); Rita Loof (Radtech); and Bill Van Amburg (CalStart)

WELCOME/INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman). Participants at the meeting were Philip Fine (SCAQMD); Matt Miyasato (SCAQMD); Susan Nakamura (SCAQMD); Wayne Nastri (SCAQMD) Jill Whynot (SCAQMD); Bill Wong (SCAQMD); Curt Coleman (Southern California Air Quality Alliance); Sue Gornick (WSPA); Bill LaMarr (California Small Business Alliance); Noel Muyco (So Cal Gas); David Rothbart (Los Angeles County Sanitation Districts); and TyRon Turner (Dakota Communications). The following members participated by conference call: Michael Downs (Downs Energy); Chris Gallenstein (CARB); Jayne Joy (Eastern Municipal Water District); Rongsheng Luo (SCAG) and Larry Rubio (Riverside Transit Agency).

OPENING COMMENTS

Dr. Lyou reminded members that they are eligible to receive a complimentary ticket to attend the Clean Air Awards on October 7, 2016, at the Riverside Convention Center.

MINUTES

Dr. Lyou asked for comments on the minutes from the July 20, 2016 Home Rule Advisory Group meeting. Hearing none, the minutes were approved.

LEGISLATIVE UPDATE

Philip Crabbe provided a recap on the following items from the Legislative Committee meeting on September 9, 2016.

Federal Legislative Update

- SCAQMD's federal legislative consultants provided a written report on various key Washington, D.C. issues, and the three firms each gave a verbal update as well.
- A general description of some of the larger funding issues that Congress will be facing through the end of the year was reported on, as well as Department of Transportation grant program announcements, including the FASTLANE grant program and the TIGER Discretionary grant program.
- Additionally, the Conference Committee relating to the Energy bill had its first official conference meeting between House and Senate members, in an effort to work out issues and merge the House and Senate versions of the bill into an agreeable joint package. One more such meeting may occur before the October recess. It was mentioned that SCAQMD staff is working to coordinate a visit by Congressional staff to SCAQMD to tour the headquarters and key parts of the region, as well as to be briefed on regional air quality issues.
- The latest developments on the FY 2017 appropriations bills was mentioned at the Legislative Committee. Specifically, it is unlikely that the appropriations bills will be completed before the end of the federal fiscal year (September 30th), and a Continuing Resolution (CR) is expected to be passed that lasts through December 9th or 16th, although the end date is still being debated, with more conservative House members wanting an end date in early 2017.
- A status update on progress with the U.S. EPA regarding the Petition for Rulemaking to Adopt Ultra-Low NO_x Exhaust Emission Standards for On-Road Heavy-Duty Trucks and Engines was provided. It was reported that this effort remains on track and encouraging communications have been received from U.S. EPA regarding the possibility of timely rulemaking.

State Legislative Update

- There was a discussion on the tenuous status of the Cap and Trade Program and complexities involved in getting future Greenhouse Gas Reduction Fund (GGRF) monies. Staff made reference to the passage of SB 32 (Pavley), which officially puts into law the greenhouse gas reduction requirements through 2030, and the fact that a deal was recently struck between the Governor and Legislative leadership that released \$900 million in GGRF monies, a portion of which will directly help reduce criteria pollutant emissions.
- SCAQMD's state legislative consultants provided written reports on various key issues in Sacramento, and gave verbal updates as well.
- Our state consultants reported that there were over 800 bills sent to the Governor at the end of the legislative session, for his consideration, and he has until September 30, 2016 to act on these bills. Further, it was reported that AB 197 (E. Garcia) and SB 32 (Pavley), which were double-joined (i.e., each could not become law without the other also becoming law), were both signed into law on September 8th by Governor Brown. A reference was made to the lawsuit filed by the California Chamber of Commerce challenging the validity of the Cap and Trade Program. The Legislature focused only on establishing GHG emission limit levels and timelines this year and did not address the Cap and Trade Program. The plan is to wait and see how the lawsuit develops and if necessary resort to legislation (with a 2/3 vote) or a statewide ballot initiative to re-establish the legitimacy of the program.

- There was an update provided on the key GGRF monies that were released and will benefit the SCAQMD. In particular, \$80 million for the Enhanced Fleet Modernization Program was mentioned. How this money will be distributed will be determined by the California Air Resources Board.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong reported an update to Case 6, World Logistics Center, on the litigation status report. He pointed out that the court had reached a decision in the initiatives case, but stayed the CEQA case pending a decision in the initiatives challenge. It was an adverse ruling and, but case will be appealed.

BARRIERS TO THE ADVANCEMENT OF CLEAN TECHNOLOGIES

Matt Miyasato presented in tandem with CalStart regarding the barriers to implementing clean technologies. The main takeaways were to continue conducting development and demonstration projects and establish areas for early success (e.g., transit), which then enables the supply-chain and potential for other markets. Collaboration and cost-sharing with other agencies, state and federal, are also critical.

Discussion

Bill LaMarr noted the increased rates for electricity, due to the emphasis on clean technologies, and indicated that eventually off-peak hours will not exist. He also commented on hybrid vehicles and the market for these types of vehicles. Staff acknowledged the increased usage of electricity and mentioned there are discussions on electricity storage, to level the grid load.

Art Montez inquired about vehicle fairs or events for state and federal agencies. Dr. Lyou noted the recent National EV Week, the Alt Car Expo in Santa Monica and other annual events. Staff noted the Replace Your Ride event for low-income, environmental justice communities.

Bill LaMarr remarked that there is a missing component and technology innovation should start at the legislative level. He indicated that these days everything is driven by regulations and referenced RECLAIM and how the program is based on shutdown emission credits from companies going out of business or closing. Dr. Lyou commented that RECLAIM is intended to be based on the Best Available Retrofit Control Technologies.

Bill LaMarr inquired about the progress of charging stations at gas stations. Mr. Van Amburg replied that the primary focus is on homes, businesses and destination sites. Staff added that with the fast charge technology there are plans to go statewide with charging stations.

Larry Smith indicated that technology should focus on the city trash trucks for the most community impact. Staff commented that SCAQMD is working with CR&R Waste Services on ultra-low NOx technology for the trash trucks in Perris.

***ACTION ITEM** – De. Lyou asked for electronic copies of Mr. Miyasato's and CalStart's presentations be provided to the HRAG members.*

Public Comment

Rita Loof indicated that businesses in general are hesitant to adopt new technology because of the risk, but would welcome incentives. She agreed that regulations can drive conversions, but rolling back some regulations can also remove barriers.

CARB OIL AND GAS REGULATION AND HOW IT APPLIES

Susan Nakamura provided an overview of EPA's, CARB's and SCAQMD's oil and gas regulations, and identified the requirements and differences between the various regulations. Also provided was a summary of initial concepts for SCAQMD's proposed rule for underground natural gas storage facilities mentioning that it would be designed to complement CARB's proposed regulation.

Discussion

Sue Gornick asked if CARB's regulations apply only to underground storage. Staff replied no.

Art Montez asked if the SCAQMD had a list of each well and the age of the wells, as the age and integrity would seem important for understanding potential leaks. Staff responded that issues regarding the integrity of the well and well casing are regulated by the Division of Oil, Gas and Geothermal Resources (DOGGR) under the California Department of Conservation. Dr. Lyou added that DOGGR has a website that provides information about all the oil and gas wells throughout California.

Dr. Philip Fine commented that SCAQMD's proposed rule for natural gas storage facilities will focus on above ground air-quality related issues.

Noel Muyco inquired about the rule development process for Proposed Rule 1148.3 for natural gas storage facilities. Ms. Nakamura responded that staff has been awaiting access to visit the natural gas storage facilities and explained that Working Group meetings for proposed rulemaking will start within the next month.

Dr. Lyou commented that the layers of regulation and the varying requirements can be confusing for regulators as well as affected sources and felt that this discussion fits well with the purpose of the Home Rule Advisory Group.

Dr. Philip Fine commented that staff has been working with CARB and to a lesser extent EPA to ensure SCAQMD rules will complement current and proposed regulations at the state and federal level. Ms. Nakamura commented that SCAQMD staff plans on consolidating requirements to streamline implementation for SCAQMD staff and the affected facilities.

***ACTION ITEM** – HRAG Members requested an electronic copy of Ms. Nakamura's presentation.*

EPA AND FEDERAL ACTIVITIES

Amy Zimpfer (pending approval as HRAG member) provided a self-introduction and reported on the following recent U.S. EPA and federal activities.

- EPA recently finalized the Heavy-Duty Greenhouse Gas Rulemaking for Phase 2.
- Petition filed by SCAQMD on the Ultra-Low NOx Exhaust Emission Standards for On-Road Heavy-Duty Trucks and Engines.

- In October 2016, EPA and SCAQMD staff will participate in a goods movement tour by the Moving Forward Network, an environmental coalition focusing on goods movement in United States.
- EPA recently adopted an Exceptional Events Rule, which recognizes the impacts of the fires and other events on air quality and attainment status.
- EPA recently finalized a rule for PM2.5 State Implementation Plans.

Discussion

Art Montez asked about the inequities between small businesses and the big polluters, and the influence of the big polluters on legislation and the disparity for small business and minority groups. Ms. Zimpfer replied that when standards are established, cost effectiveness analysis are conducted for all industry sources. Considerations are given for the size of the business, sources of pollution, type of industry and geographical location. Staff commented that U.S. EPA regulates with the authority granted by Congress. SCAQMD works collectively with organizations, local agencies and other States to jointly go to Congress with petitions to identify problems, request solutions and increase awareness.

Art Montez noted that many of the groups and organizations do not look like his community. Staff commented that SCAQMD reaches out to the environmental justice and disadvantaged communities to educate and build support.

David Rothbart inquired about exceptional events, background levels of ozone, and stratospheric intrusion of ozone, and the related attainment issues for air districts. Ms. Zimpfer commented that U.S. EPA recently adopted exceptional events guidance where framework is provided for air districts to follow for exceedances and specific areas of non-attainment.

David Rothbart inquired further about stratospheric intrusion of ozone. Ms. Zimpfer commented that U.S. EPA has released a white paper on stratospheric ozone and intrusion into ground level ozone. She indicated that this continues to be an emerging, challenging issue for U.S. EPA, due to the ozone origin, the source, and whether it is controllable. Staff commented that SCAQMD would like guidance from EPA on how to handle international emissions in the Air Quality Management Plan (AQMP) model.

Dr. Lyou asked about the Salton Sea and how would this situation be handled. Ms. Zimpfer commented that the Salton Sea is a source and windblown dust occurrences might be considered an exceptional event.

Bill LaMarr expressed his concern about the AQMP incentives and the impact on small businesses, and the anticipated additional burdens. He inquired about U.S. EPA's rulemaking on PM2.5 and when it would be available. Ms. Zimpfer replied that in 2012 the U.S. EPA adopted a more stringent PM2.5 standard, and recently adopted the State Implementation Plan (SIP) requirements rule. Staff commented that this document was presented at the last AQMP Advisory Group meeting and would provide the link.

ACTION ITEM – Dr. Fine indicated that we would send out the website link to HRAG members.

Larry Smith inquired about the potential change of administration and the emphasis of the agency at this time. Ms. Zimpfer commented that identified in-process actions are being completed, next year's budget is being approved, and after the election, a transition team will be briefed on on-going issues. Staff indicated that the Ultra-Low NOx Petition will be part of the new administration briefing and hope that U.S. EPA will be sensitive to SCAQMD's request.

CARB REGULATORY ACTIVITIES

Chris Gallenstein reported that the following items will be discussed at the CARB Board meeting on September 22, 2016.

- Consider Ozone Designation Recommendations for the Revised National Ozone Standard of 70 Parts Per Billion
- Consider the 2016 State Strategy for the State Implementation Plan
- Consider Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions
- Consider Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation
- Consider California's Proposed Compliance Plan for the Federal Clean Power Plan

CONSENSUS BUILDING

There was no report.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Noel Muyco)

- The California Freight Sustainability Plan was released in July 2016, to comply with the Governor's Executive Order.
- Later this summer state agencies will host meetings on both the competitiveness and efficiency stakeholder workgroups.
- Today the state agencies are meeting to discuss Action Plan Implementation with stakeholders at a meeting of the California Freight Advisory Committee and provide additional periodic updates at future committee meetings.
- By January 2017, the state agencies will work to enact a freight transport funding package and distribute federal Fixing America's Surface Transportation Act funds.

Discussion

Dr. Lyou reported that the Port of Los Angeles has established an advisory group for direction on how to move clean freight forward, and they will host a series of public workshops beginning in October 2016.

Dr. Lyou reported that the Ports of Los Angeles and Long Beach are looking to amend their current Clean Air Action Plan.

B. Small Business Considerations (Bill LaMarr)

There was no report.

C. Environmental Justice (Curt Coleman)

- OEHHA released the draft CalEnviroScreen 3.0

D. New Source Review (Bill Quinn)

There was no report.

E. Climate Change (Frank Caponi)

- Provided an update on AB 197 – State Air Resources Board: Greenhouse gases: regulations

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

The following item was discussed at the Stationary Source Committee meeting on September 16, 2016.

- Reappointment of HRAG community representative Jaclyn Ferlita.

APPROVAL OF THE 2017 HRAG MEETING SCHEDULE

Item deferred to November 9, 2016 meeting.

ACTION ITEM – Dr. Lyou asked for the members to be polled for a consensus on whether to meet next month on November 9th or 16th.

ACTION ITEM – Dr. Lyou asked for the members to be surveyed for which Wednesday of the month, in the months that Home Rule will meet in 2017, will work best for member’s schedules.

2016 ACCOMPLISHMENTS, 2017 GOALS & OBJECTIVES

Item deferred to November 9, 2016 meeting.

OTHER BUSINESS

There was no report.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 1:30 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on November 9, 2016, and will be held at SCAQMD in Conference Room CC-8.

Air Resources Board
Tentative Calendar for Control Measures and Selected Items
(November 2016)

(Hearing dates and agendas are subject to change; please see
<http://www.arb.ca.gov/board/board.htm> for the current Board meeting agenda.)

November 17, 2016 – Sacramento

- **Proposed Amendments to the Small Off-Road Engine (SORE) Regulation**
<http://www.arb.ca.gov/msprog/offroad/sore/sore.htm>

The Board will consider proposed amendments to the Small Off-Road Engine (SORE) regulation. The proposed amendments include improvements to the certification procedures, revisions to the compliance testing procedure, an update of the certification test fuel to represent commercially available gasoline, and alignment of aspects of ARB's SORE requirements with those of the United States Environmental Protection Agency (U.S. EPA). The proposed amendments will 1) increase compliance with the existing diurnal emission standards, ensuring that ROG emissions reductions needed for the State Implementation Plan (SIP) are achieved, while reducing near-source exposure to TACs and the associated health risk; 2) update the certification test fuel to be consistent with gasoline sold in California; and 3) enable manufacturers to perform one set of fuel tank tests to satisfy United States Environmental Protection Agency (U.S. EPA) and ARB requirements.

Board Meetings December 2016 Through April 2017

- **Consider Approval of the 2016 PM2.5 SIP for Imperial County (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the 2016 PM2.5 SIP for Imperial County.

- **Consider Approval of the 2016 Ozone SIP for Ventura County (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the Local Attainment Plan to meet the federal 75 ppb 8 hour ozone standard set in 2008 for Ventura County.

- **Consider Approval of the 2016 Ozone SIP for San Diego County (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the 2016 Ozone SIP for San Diego County.

- **Consider Approval of the PM10 Maintenance Plan for the San Joaquin Valley (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the PM10 Maintenance Plan for the San Joaquin Valley.

- **Consider Approval of the 2016 PM2.5 SIP for Portola (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the 2016 PM2.5 SIP for Portola.

- **Consider Approval of the 2016 Ozone SIP for the Western Mojave Nonattainment Area (Consent)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the 2016 Ozone SIP for the Western Mojave Nonattainment Area.

- **Proposed Updates to SB 375 Greenhouse Gas Emission Reduction Targets (First Hearing of Two)**
<https://www.arb.ca.gov/cc/sb375/sb375.htm>

ARB staff will provide the Board with an informational update on the development of regional greenhouse gas (GHG) reduction targets (targets) for passenger vehicles, pursuant to Senate Bill (SB) 375. SB 375 requires the Board to establish targets for California's Metropolitan Planning Organizations (MPOs), and the MPOs must demonstrate achievement of those targets through a Sustainable Communities Strategy (SCS) or an Alternative Planning Strategy (APS), as part of the region's Regional Transportation Plan (RTP). Originally established in 2010 for all 18 MPOs, the targets are due to be updated no later than 2018, according to statute. ARB staff will present staff's proposal for updated targets and seek input from the Board, before proceeding to develop a final proposal which will be considered at a later date.

- **Proposed Regulation of Greenhouse Gas Emission Standards for Crude Oil and Natural Gas Facilities (Second Hearing of Two)**
<https://www.arb.ca.gov/cc/oil-gas/oil-gas.htm>

The Board will consider proposed final greenhouse gas emission standards for crude oil and natural gas production facilities, natural gas processing plants, natural gas gathering, boosting, and transmission compressor stations, and underground natural gas storage facilities. This is the second of two hearings on the item, and the Board will consider adoption of the proposed regulation at this hearing. Staff anticipates presenting a proposed final regulation, along with finalized environmental documents. The first hearing occurred on July 21, 2016.

- **Proposed Short-Lived Climate Pollutant Reduction Strategy (Second Hearing of Two)**
<https://www.arb.ca.gov/cc/shortlived/shortlived.htm>

The Board will consider for approval the Final Short-Lived Climate Pollutant (SLCP) Reduction Strategy. The Final Strategy describes ongoing and new measures for California to reduce emissions of SLCPs (methane, black carbon, and fluorinated gases, specifically hydrofluorocarbons) through 2030. It also describes current research efforts to improve the SLCP emission inventory, evaluate potential mitigation measures, and areas where further research is needed. A final environmental analysis prepared under the California Environmental Quality Act is included in the Final Strategy.

- **Consider Approval of the 2016 State Strategy for the State Implementation Plan (SIP) (Second Hearing of Two)**
<http://www.arb.ca.gov/planning/sip/sip.htm>

The Board will consider the 2016 State Strategy for the State Implementation Plan.

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Calendar for Control Measures – November.docx

STATUS REPORT ON LITIGATION
OFFICE OF THE GENERAL COUNSEL

DATE: October 25, 2016
TO: Home Rule Advisory Group
FROM: William B. Wong, Principal Deputy District Counsel
SUBJECT: Status Report Regarding Litigation

1. NEW CASES: *Roobena Esmaelbolandi, et al. v. Southern California Gas Company, SCAQMD, et al., Los Angeles Superior Court Case No. BC633689; Daniel Lalezari dba "Mike's Plaza Cleaners" v. Southern California Gas Company, SCAQMD, et al., Los Angeles Superior Court Case No. BC633690; Shinda, Inc. dba "Fantastic Sams" v. Southern California Gas Company, SCAQMD, et al., Los Angeles Superior Court Case No. BC633691; Masoud Nouri, et al. v. Southern California Gas Company, SCAQMD, et al., Los Angeles Superior Court Case No. BC633692*

NATURE OF CASE: *On September 22, 2016, the District was served with four lawsuits related to the Southern California Gas Company's gas leak at the Aliso Canyon Underground Storage Facility. The four lawsuits were filed by: 1) Roobena Esmaelbolandi, Anahid Haghazarian, Reno Nerserian, and Parisa Dahesh, all individuals; 2) Daniel Lalezari, an individual doing business as "Mike's Plaza Cleaners" (a dry cleaner); 3) Shinda, Inc., a California Corporation doing business as "Fantastic Sams"; and (4) Masoud Nouri, Tali Farahmand aka Tali Farahmand Nouri, and Sara Nouri, all individuals. The lawsuits are against Southern California Gas Company; Sempra Energy; the State of California's Department of Conservation, Division of Oil, Gas, and Geothermal Resources; the Public Utilities Commission; and the SCAQMD. The suits allege up to six causes of action, including 1) Negligence; 2) Private Nuisance; 3) Public Nuisance; 4) Trespass; 5) Inverse Condemnation; and 6) Negligent Interference with Prospective Economic Relations. The suits allege that the Aliso Canyon facility was not properly operated, maintained, inspected, or regulated, and that the*

response was inadequate, causing harm to the residents and businesses nearby.

STATUS:

Plaintiffs have voluntarily dismissed the SCAQMD without prejudice, meaning they retain the right to refile a lawsuit against the SCAQMD.

* * *

2. NEW CASE:

Fast Lane Transportation, Inc. et al. v. City of Los Angeles, et al., Court of Appeals, First Appellate District, Case No. A148993 (formerly Contra Costa County Superior Court Case No. MSN14-0300)

NATURE OF CASE:

The City of Los Angeles and BNSF Railway Company appealed the decision of the trial court to grant a petition for writ of mandate in favor of petitioners (SCAQMD, City of Long Beach, Long Beach Unified School District, a coalition of environmental and community groups) and intervenor, the State Attorney General's Office. The petition set aside the City of Los Angeles' approval of an Environmental Impact Report, prepared under the California Environmental Quality Act ("CEQA"), for the Southern California International Gateway ("SCIG") project. The Project would allow BNSF to construct a near-dock intermodal railyard located approximately four miles from the ports. The Project site is located close to environmental justice communities and numerous sensitive receptors, including residences, a homeless veteran's shelter, parks and schools that are already highly impacted by air pollution from the ports and other activities. The trial court determined that in approving the Project, the Respondent's improperly evaluated the relationship of BNSF's existing Hobart railyard with SCIG, and did not adequately analyze air quality and other impacts.

STATUS:

(No change since last month.) The City of Los Angeles and BNSF filed notices of appeal on August 2, 2016.

3. **CASE:** **Communities for a Better Environment, et al. v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. BS161399**

NATURE OF CASE: On March 10, 2016, the District was served with a lawsuit filed by CBE, NRDC, the Center for Biological Diversity, and the Sierra Club, which challenges the Board's December 4, 2015 adoption of the amendments to RECLAIM. The lawsuit alleges two causes of action. The first cause essentially alleges that the RECLAIM amendments do not achieve BARCT equivalence because it artificially inflates the program cap by establishing buffers to account for growth, compliance margins, and uncertainties while also failing to take into account shut-down equipment. It also alleges that the adopted time schedule for the shave fails to align with several attainment deadlines. The second cause of action alleges the adopted amendments were arbitrary and capricious in that the record does not provide any connection between the 12 tpd shave and the BARCT assessment, and the shave is inconsistent with various attainment deadlines. It also alleges that the adopted amendments were procedurally unfair because the public only became aware of the changed proposal at the hearing.

STATUS: Brad Hogin of Woodruff, Spradlin, & Smart has been retained to handle this lawsuit. We are currently preparing the administrative record for this case. We have reached a stipulation to file a responsive pleading 30 days after the record is certified. The court held a case management conference on June 24, 2016, where WSPA was granted intervenor status. At the trial setting conference held on July 29, 2016, the court established a briefing schedule for the case. *The parties are considering further modifying that schedule.*

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4. **NEW CASE:** **South Coast Air Quality Management District v. Hermon Equiptrans, et al., Los Angeles Superior Court Case No. BC613063**

NATURE OF CASE: On March 8, 2016, the SCAQMD filed a complaint against Hermon Equiptrans and its shareholders to try to recoup some of the funds provided to Hermon after Hermon failed to comply with the requirements of its Prop.1B-funded contract. Hermon received \$400,000 for purchasing four new trucks, and in return, Hermon was required to operate the trucks for 5 years or 300,000 miles, whichever comes first, and submit annual reports. One of the trucks was totaled after two years of operation, and Hermon

did not provide the required annual reports showing that the other three trucks were operating as required for the last two years of the contract. SCAQMD is seeking reimbursement from Hermon, now a dissolved corporation, its shareholders, and/or directors, in the total amount of \$180,000. The complaint alleges four causes of action: breach of contract, actually fraudulent transfer, constructively fraudulent transfer, recovery of distributions of a dissolved corporation, and shareholder liability for corporate distribution.

STATUS:

SCAQMD filed the complaint on March 8, 2016 and the Complaint has been served on defendants. Hermon filed an answer and a cross-complaint against another company, Pacific Coast Cartage, for indemnity and breach of contract. *A final status conference is scheduled for July 14, 2017 and trial is scheduled for July 24, 2017.*

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5. NEW CASE:

South Coast Air Quality Management District v. City of Moreno Valley, et al., Riverside Superior Court Case No. RIC 1601988

NATURE OF CASE:

On February 18, 2016, the SCAQMD filed a petition for writ of mandate to challenge the City of Moreno Valley's adoption of two developer-sponsored initiatives for the World Logistics Center (WLC), alleging that they violate the California Constitution and other state laws. The World Logistics Center is a proposed 40.6 million square feet warehouse development that would attract over 14,000 diesel trucks per day. On September 18, 2015, the SCAQMD challenged the City's August 2015 approval of the WLC project as violating the California Environmental Quality Act (CEQA). Eight other parties also filed suit. During the pendency of these CEQA actions, the WLC developer qualified three initiatives that would (1) repeal most of the City's August 2015 approvals, and (2) re-adopt those approvals by initiative. The purpose of the initiatives was to insulate the WLC approvals from CEQA challenge. On November 24, 2015, the City Council of Moreno Valley adopted the initiatives outright, without subjecting them to popular vote.

STATUS:

The SCAQMD filed a petition for writ of mandate on February 18, 2016. The petition alleges four separate causes of action for violations of Article II, section 12 of the California Constitution and other state laws, including the Government Code and Civil Code. In addition, similar lawsuits have been filed by the Riverside County Transportation Commission and Earth

Justice representing the Coalition for Clean Air, Center for Biological Diversity, the Sierra Club, the Center for Community Action and Environmental Justice and the San Bernardino Valley Audubon Society. The County of Riverside has entered into a tolling agreement with the City of Moreno Valley and the developer to extend the time to file a lawsuit to March 11, 2016. A status hearing was held on February 26, 2016. The Parties agreed to file cross-briefs for judgment on the writ with opening briefs due May 2, 2016 and reply briefs due May 27, 2016. The hearing was held on August 3, 2016. On August 17, 2016, the Court entered a ruling denying the petition for writ of mandate. The proposed judgment must be filed by September 6, 2016. SCAQMD Staff has met with the developer to discuss settlement. The County of Riverside and RCTC settled with the City and developer on July 29, 2016. *Pursuant to Board authorization, staff is conducting settlement discussions with the developer.*

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6. CASE: People ex rel. South Coast Air Quality Management District v. Southern California Gas Company, Los Angeles Superior Court Case No. BC608322

NATURE OF CASE: On January 26, 2016, SCAQMD filed a civil penalties lawsuit in Los Angeles Superior Court against Southern California Gas Company for causing a public nuisance from its leaking well at Porter Ranch.

STATUS: The SCAQMD filed a complaint for civil penalties on January 26, 2016. The Complaint alleges six separate causes of action for nuisance, including counts for strict liability as well as both negligent and knowing violations causing great bodily injury. A Case Management Conference has been set for May 13, 2016, in Department 68 at the Stanley Mosk Courthouse. A Case Management Conference Statement must be filed 15 calendar days ahead of the conference, on April 28, 2016. On February 9, 2016, we received a Notice of Related cases, with a proof of service dated February 4, 2016, identifying 54 separate actions, including the District's lawsuit. Included in these actions is a complaint filed by the City of Los Angeles, which has been amended to include the County of Los Angeles and the California Attorney General's Office. Several actions have been consolidated and moved to the Los Angeles Superior Court Complex Civil Litigation Program. On February 25, we filed a complex civil case questionnaire to address the reasons the case should be transferred to the complex program. On March 4, 2016, we appeared at a coordination proceeding in the Complex

Department of the Los Angeles Superior Court. During this proceeding, the SCAQMD's case was consolidated with the multiple actions against SoCalGas. On March 18, 2016, we appeared at a hearing in Superior Court on the Order to Show Cause regarding the Preliminary Injunction. On March 22, 2016, the Honorable Judge John Shepard Wiley, Jr. of the Los Angeles Superior Court was assigned to sit as coordination trial judge to hear and determine the coordinated actions. A Coordinated Case Management Conference was held on April 27, 2016. A consolidated Joint Statement was filed and served on April 18, 2016. On May 11, 2016, the public agencies filed a Statement Regarding Government Plaintiffs' Leadership Structure in which the SCAQMD requested that the Court order that no leadership structure is necessary for the Government Plaintiffs and that each Government agency shall speak for itself in all aspects of the coordinated proceeding. The Court has now indicated that it does not currently see a need for a leadership structure for the public agencies. Los Angeles County has filed an amended complaint that includes the other gas storage fields in the county. *Recently, SoCalGas filed a demurrer to our complaint, arguing that the Attorney General and City Attorney are the only proper representatives of the "People of the State of California" in this case. SoCal Gas has also served the SCAQMD and other public agency plaintiffs with the first round of document requests.*

* * *

7. CASE:

Albert Thomas Paulek; Friends of the Northern San Jacinto Valley, et al v. City of Moreno Valley, et al., Riverside County Superior Court Case No. RIC 1510967 (consolidated with South Coast Air Quality Management District v. City of Moreno Valley, et al., Riverside County Superior Court Case No. RIC 1511213)

NATURE OF CASE:

On September 18, 2015, the SCAQMD filed a petition for writ of mandate under the California Environmental Quality Act ("CEQA"), challenging the decision of the Respondent to certify an Environmental Impact Report in connection with the approval of the World Logistics Center ("WLC") project. The Project involves 40.6 million square feet of development that would attract more than 14,000 truck trips per day. The SCAQMD is concerned that, in approving the Project, the Respondent failed to adequately analyze air quality impacts and failed to require adequate air quality mitigation or project alternatives to address those impacts, in violation of CEQA.

STATUS:

The SCAQMD filed a petition for writ of mandate under CEQA on September 18, 2015. In addition, lawsuits have been filed by the County of Riverside, the Riverside County Transportation Commission, Earth Justice, Coalition for Clean Air, Center for Biological Diversity, the Sierra Club, the Center for Community Action and Environmental Justice, and other community and environmental, and labor groups. On October 29, 2015, the SCAQMD hosted a meeting with all the petitioner groups to coordinate the logistics of the litigation. A status hearing before Riverside Superior Court Judge Sharon Waters was held on November 20, 2015. A further status hearing was held on January 8, 2016. The parties developed a tentative agreement on briefing and other procedural matters. A further status hearing was held on February 26, 2016. The Court consolidated a majority of the CEQA cases and related the remaining two lawsuits. The Court stayed the CEQA case pending a decision in the Initiatives challenge in South Coast Air Quality Management District v. City of Moreno Valley, et al., (RIC 1601988). On August 17, 2016, the Court reached a decision in RIC 1601988. *A further status hearing is scheduled for October 3, 2016, which was continued to November 8, 2016, to discuss a briefing schedule for this case.*

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8. CASE:

SCAQMD v. EPA, U.S. Court of Appeals, D.C. Circuit, Case No. 15-1115 (consolidated with 15-1123, Sierra Club, et al. v. EPA)

NATURE OF CASE:

The Board authorized staff to file a challenge to EPA's recently-approved ozone implementation guidance, to the extent it requires a nonattainment area to demonstrate "reasonable further progress" (RFP) solely from sources within the nonattainment area. Staff is concerned that the Coachella Valley ozone area may not be able to meet this test because their nonattainment problem is largely dominated by sources outside the area (upwind in South Coast Air Basin) or outside local control (motor vehicles).

STATUS:

Staff filed the challenge on April 24, 2015, and the case has been consolidated with a challenge filed by Sierra Club, et al. Certain intervenors have filed a motion to intervene on behalf of EPA in the Sierra Club challenge case. Sierra Club filed a motion to intervene in our challenge to EPA's "reasonable further progress" rule. We opposed the motion, and the court has not yet ruled on it. Our opening brief was filed March 16, 2016. At the Closed Session the Board *authorized us* to file an amicus brief in the consolidated case, Sierra Club v. EPA. The Sierra Club and

others have challenged, among other things, a part of EPA's ozone implementation rule that allows a region to comply with the requirement for "reasonably available control technology" i.e. RACT, through emissions trading. Prior to adopting RECLAIM, we received an opinion from EPA stating that we could do so, but the environmental groups are now arguing that RACT can only be satisfied by applying specific technology to individual pieces of equipment, not through emissions trading to achieve equivalent emissions reductions. If successful, this argument could significantly hinder our ability to continue to implement RECLAIM. *Our proposed amicus brief has been filed, arguing, among other things, that the challenge comes too late.*

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9. CASE: The People of the State of California v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528

NATURE OF CASE: The SCAQMD filed a Complaint against Exide that focuses primarily on violations of SCAQMD rules relating to the emission of arsenic and lead into the atmosphere over several years. More specifically, the Complaint alleges that Exide operated its furnaces and its related air pollution control systems without using good operating practices to maintain air movement and emission control efficiency consistent with the design criteria for the system, and that these failures resulted in excessive arsenic emissions. The Complaint also alleges violations relating to excessive lead emissions and failure to properly contain lead-containing dust. In addition, the Complaint alleges failures to properly operate equipment, and failure to submit required reports. The Complaint seeks civil penalties up to \$40,000,000.

STATUS: On January 16, 2014, the SCAQMD filed a Complaint on behalf of the People of the State of California against Exide Technologies in the Superior Court of the State of California for the County of Los Angeles. On February 14, 2014, Exide filed a notice of removal to federal court; Exide alleged that the federal court has jurisdiction because diversity jurisdiction exists. On March 14, 2014, the SCAQMD moved the court for an order remanding the action back to state court pursuant to 28 U.S.C. § 1447(c). On April 8, 2014, the court granted our motion to remand and the matter is now back before the state Superior Court for handling. On March 19, 2015, we met with parties who have a financial interest in Exide, including the bondholders who now own the company, to discuss settlement. Pursuant to the Board's direction, Exide has been notified that their settlement offer has been rejected. On July 7, 2015, the U.S. Bankruptcy Court in

Delaware held a hearing on Exide's Motion that argued our Third Amended Complaint violated the Bankruptcy Court's Confirmation Order. The parties resolved Exide's Motion by agreeing to brief three issues regarding each of the District's potential claims. Initial briefs were filed September 30, 2015, and opposition briefs were filed on November 20, 2015, and reply briefs were filed on December 18, 2015. The Bankruptcy Judge has ordered the case to mediation, and the parties have agreed that the mediator will be the Honorable Scott Clarkson, United States Bankruptcy Judge for the Central District of California. *The mediation began on August 8, 2016, resumed on September 6, 2016, and the parties are continuing to work with the mediator to find a possible resolution.*

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10. CASE: **Communities for a Better Environment v. South Coast Air Quality Management District, Court of Appeals, Second Appellate District, Case No. B269258 (formerly Los Angeles Superior Court Case No. BS153472)**

NATURE OF CASE: The Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief filed under the California Environmental Quality Act (CEQA) challenged the decision of the SCAQMD to approve a Final Negative Declaration for the Phillips 66 Los Angeles Refinery Carson Plant Crude Oil Storage Capacity Project. The project permitted the construction of a new crude oil storage tank and the modification of two existing crude oil storage tanks to allow marine vessels delivering crude oil to the refinery to offload their cargo in a single trip.

STATUS: The Court entered a tentative decision in favor of the SCAQMD and the decision was made final on October 5, 2015. Petitioners and Appellants CBE filed a notice of appeal on December 23, 2015. The appellate transcript was completed on April 12, 2016. CBE's opening brief was filed June 15, 2016. *The SCAQMD and Phillips 66 filed opposition briefs on September 26 and September 23, 2016, respectively.*

**HOME RULE ADVISORY GROUP
PROPOSED 2017 MEETING SCHEDULE**

November 8, 2016

(MEETINGS ARE THE SECOND WEDNESDAY OF EVERY OTHER MONTH)

All meetings are at 10:00 a.m. and are held in Conference Room CC-8

January 11

March 8

May 10

July 12

September 13

November 8

-SAMPLE-

HOME RULE ADVISORY GROUP 2015 ACCOMPLISHMENTS

Climate Change (CC)

The Climate Change Subcommittee convened to discuss reviewed greenhouse gas (GHG) reporting programs and the potential to minimize duplicative regulatory efforts. Although overlapping regulations were identified, methods to protect confidential operating information would need to be developed before reporting requirements could be harmonized. The subcommittee tracked regulatory efforts by the California Air Resources Board's and the Environmental Protection Agency's update of the Scoping Plan and other efforts to reduce greenhouse gas emissions. These programs efforts are of particular interest for residents of the South Coast Air Basin, where parallel emission reductions are needed to attain the 1997 and 2008 National Ambient Air Quality Standards for ozone. The subcommittee monitored the sale of GHG allowances through the auction market to assess whether these funds would be utilized in a beneficial manner (e.g., projects that would provide meaningful emission reductions). The subcommittee also monitored international climate change developments, reviewed EPA's Clean Power Plan, and encouraged the development of unified GHG reporting systems amongst various regulatory agencies. These developments were monitored to ensure that duplicative requirements would not be imposed on stationary sources.

Consensus Building (CB)

Since the Ad Hoc Consensus Building Working Group was initiated, the group determined that the impact on air quality from goods movement in the Southern California Air Basin was an area of common interest. Representatives from the US Hybrid Corporation, Total Transportation Services, Inc., and the California Air Resources Board educated the working group on their efforts related to Emission Control Technologies and the Sustainable Freight Initiative. In addition, the working group was notified of the ability for the public to review and comment on the California Air Resources Board's funding opportunities that were being made available under the Greenhouse Gas Reduction Fund for Zero and Near-Zero Emission technologies. The direct links were also provided to help with the participation in the development of this funding source.

Environmental Justice (EJ)

The Environmental Justice Subcommittee monitored and reported on environmental justice activities at CARB and OEHHA, including the development of Cal EnviroScreen 2.0. The subcommittee also monitored EPA's development of the EJ Screen tool and requested that a presentation be made by EPA staff to the Home Rule Advisory Group on the EJ Screen tool. That presentation was made on July 22, 2015. The subcommittee also continued to follow the Boyle Heights and San Bernardino pilot projects under the SCAQMD's Clean Communities Plan.

Freight Sustainability (FS)

In 2015, the Freight Sustainability Subcommittee (FSS) monitored and reported on various freight/goods movement activities, including the California 2040 State Transportation Plan; CARB's Vision 2.0 model and its use in various freight/goods movement activities and the state SIP; the USEPA/NHTSA proposed Phase II HD-engine and vehicles GHG regulation; the Governor's Sustainable Freight Action Plan; CARB's sustainable freight strategy and technology

studies; and the SCAQMD's goods movement white paper. The subcommittee also met during 2015 where various agencies including Caltrans, CARB, and the SCAQMD provided presentations on various freight-related activities including those noted above.

New Source Review (NSR)

The NSR Subcommittee did not formally meet in 2015. However, the subcommittee chair provided monthly reports to the HRAG to help keep members aware of various issues associated with the District's NSR Program.

Small Business (SB)

Clean Up, Green Up (CUGU)

For a fourth year, representatives of the SB Subcommittee continued to work in a leadership role with an ad hoc coalition of stakeholders who coalesced for the purpose of airing their differing perspectives and offering a number of creative ideas and recommendations with a shared goal of developing a program for the communities of Boyle Heights, Pacoima, and Wilmington which would benefit the residents, local businesses, and the environment.

In 2015, the SB Subcommittee reported on the third and final stakeholder meetings, which were conducted by the L.A. Department of City Planning for the purpose of obtaining input from concerned parties in order to help them develop a comprehensive work plan for implementing the CUGU Program and proposed ordinance.

The draft plan that was produced has divided stakeholders with those representing a broad range of business interests in the three pilot communities believing that the proposed plan fails to offer any real solutions to the problems raised by the CUGU proponents. Specifically, concerns raised about the draft plan, as proposed, are that it fails to:

- Protect public health by using planning tools to mitigate pollution in these heavily impacted communities;
- Invest in economic development with financial and planning incentives to retain jobs and create new, green enterprises;
- Reduce existing environmental hazards through streamlined inspection and enforcement; and
- Expand public-private partnerships to leverage outside resources.

In its place, industry representatives believe that the proposed CUGU plan will only add to the regulatory burdens already borne by businesses legally operating in these communities. They argue that the plan does nothing to impose regulating those businesses operating illegally in these communities, and alternatively, that the plan would impose myriad of additional costs and restrictions on businesses wanting to expand their operations and new businesses that might otherwise contemplate siting in these communities.

The SB Subcommittee members expect to continue monitoring the CUGU program with a focus on resolving current differences and producing a workable, balanced plan that will benefit all stakeholders and the environment.

2016 AQMP

Throughout 2015, SB Subcommittee members have been taking an active role in the development of the 2016 AQMP. Specifically, subcommittee members have contributed in all working group meetings throughout the year, as well as all meetings of three of the 10 white paper working groups. Additionally, the SB Subcommittee Chair was appointed to represent the Home Rule Advisory Group on the 2016 AQMP Advisory Council.

NO_x RECLAIM Shave

SB Subcommittee representatives have participated in and contributed to the discussions between district staff and industry stakeholders on the subject of the proposed NO_x shave for RECLAIM sources. While those on both sides of the many complex issues surrounding size of the shave, and the best and most equitable methodology for achieving the shave, there are still some areas of disagreement. SB Subcommittee representatives will continue their involvement in the discussions.

Consensus Building

Representatives of the SB Subcommittee actively participated in the forums and contributed to the discussions presented by this subcommittee in 2015.

-SAMPLE-

HOME RULE ADVISORY GROUP 2016 GOALS AND OBJECTIVES

The Home Rule Advisory Group (HRAG) was established April 14, 1995, by the SCAQMD Governing Board as one element of the Business Clean Air Partnership. The HRAG is a coalition of local business leaders, environmental representatives, regulated agency officials, and air quality regulators dedicated to seeking realistic approaches to attaining clean air goals.

The mission of the HRAG is: “To seek consolidation of overlapping federal, state, and local regulations to streamline regulatory compliance. The Group will focus on proposals that impose duplicative, conflicting, and/or burdensome requirements that provide little or no environmental benefit and thus warrant review, comment, or response. These goals will be accomplished by making recommendations to the Stationary Source Committee on those issues that the group identifies, as well as pending legislation and regulatory proposals that have the potential to adversely affect the regional economy. The anticipated result is the development of strategies that seek reasonable and realistic approaches to attaining clean air goals.”

The term “Home Rule” refers to the process and mechanism of self-governance by local government jurisdictions.

The Home Rule Advisory Group hereby adopts the following 2016 goals and objectives. These goals and objectives may be amended and/or re-prioritized at any time to reflect emerging or changing issues.

The Home Rule Advisory Group will actively examine potential conflicting, duplicative, and/or overly burdensome regulatory activities at local, state, and federal levels, including issues concerning credits and offsets for new sources, relieving air emission burdens on local communities, release of air toxic emissions, best practices to achieve air quality goals, interactions between local air quality and greenhouse gas objectives, etc. The anticipated result is the development of improved strategies to attain clean air goals. The consensus building issue will continue to be a major focus area of the Home Rule Advisory Group.

Climate Change

The Home Rule Advisory Group Climate Change Subcommittee will monitor selected local, state, regional federal, and international climate change regulatory, legislative, and non-governmental organizations’ developments. The Climate Change Subcommittee will review selected rulemaking and actions resulting from the CARB 2030 Target Scoping Plan, U.S. EPA GHG proposals, Congressional proposals, and related federal and state legislation. This review can include, but not be limited to, cap and trade programs, CARB’s adaptive management strategy for implementing California’s cap and trade program, offsets and offset protocols, energy efficiency, low carbon fuel standards, CEQA GHG issues, mandatory reporting, CHP provisions and regulations, renewable electricity standards and fuels, climate-related funding investments, etc., with an eye toward harmonization of the regulatory process and to ensure that duplicative, overlapping, and overly burdensome requirements are not imposed on stationary sources located in the South Coast Air Basin, while maximizing co-benefits of emission reductions in criteria pollutants and air toxics.

Consensus Building

The goal of Ad Hoc Consensus Building Working Group is to create a dialog forum for stakeholders to gain knowledge of each other's views and concerns of air quality issues in the SCAQMD region. The underlying goal is that learning and sharing knowledge among stakeholders may allow stakeholders to find common ground, possibly resolve issues, and avoid future litigation. A common area of concern is the impact of goods movement on the communities, and this will be the initial area discussed by the Ad Hoc Consensus Building Working Group.

Environmental Justice

The Home Rule Advisory Group Environmental Justice Subcommittee will continue to monitor and report on the development and implementation of environmental justice programs and cumulative impact assessments by federal, state, and local agencies for purposes of evaluating the consistency of those programs and assessments with federal law, state law, and SCAQMD policies. The subcommittee will also monitor the SCAQMD's Clean Community Plan implementation and seek effective ways to address cumulative and disproportionate impacts while providing regulatory certainty and avoiding duplicative and overlapping requirements. The subcommittee will continue to monitor developments related to OEHHA's AB2588 Risk Assessment Guidelines, CalEnviroScreen Tool, EPA's EJ Screen Tool for assessing environmental justice communities, and will provide quarterly updates on SB535 implementation.

Freight Sustainability

The largest source of NOx emissions in the SCAQMD is associated with the movement of freight through our region. In 2016 California will develop and begin implementation of an integrated freight action plan as required by the Governor's Executive Order B-32-15. CARB, in consultation with local air districts and the public, will adopt a Mobile Source Control Strategy that will support local air district Air Quality Management Plans, the State Implementation Plan, AB 32 as well as the development of a Sustainable Freight Strategy that will mitigate the mobile source air quality and health impacts of the freight and goods movement sector. The California State Transportation Agency (CalSTA) is expected to adopt the 2040 California Transportation Plan (the state's long range planning document) in late 2015. The Southern California Association of Governments will complete its updated Regional Transportation Plan and Sustainable Communities Strategy in 2016. The SCAQMD will also complete the development of the 2016 Air Quality Management Plan for ozone attainment, which will similarly need to address emissions from the goods movement sector. The objective of this subcommittee is to examine these multiple planning activities by the state and local governments, in order to examine potential conflicting, duplicative, and/or overly burdensome regulatory activities at local, state, and federal levels. The subcommittee is interested in assuring that goods movement in our state and, in particular, in the SCAQMD will not only result in the necessary emission reductions to achieve attainment goals under the Clean Air Act, but will achieve healthy air quality while also maintaining a competitive goods movement sector with other regions so that this important part of our economy will continue to provide good jobs for our region. The Freight Sustainability Subcommittee will be primarily focused on the introduction of clean technologies and emissions reductions, while the Consensus Working Group will discuss community impacts and the potential for consensus among stakeholders to

address these associated impacts. The full Home Rule Advisory Group may decide to make recommendations to the SCAQMD Stationary Source Committee, consistent with the Home Rule Advisory Group charter.

New Source Review (NSR)

The Home Rule Advisory Group New Source Review Subcommittee will provide recommendations on ways to improve the NSR Program, including looking at ways to abate the ongoing emission credit problems in the South Coast and enhance the viability, availability, and use of real, quantifiable, permanent, surplus, and enforceable emission credits or other devices as a means to further air quality objectives, meet permitting requirements, advance new technologies, and provide compliance flexibility while assuring equitable or superior air quality benefits.

Small Business Considerations

The Small Business Considerations Subcommittee will continue to provide small business input in the review and undertaking of air quality-related programs and will assure that recommendations to the Stationary Source Committee by the HRAG reflect a balanced view from small businesses and other HRAG members.

Other HRAG Goals and Objectives

The HRAG will monitor implementation of SCAQMD staff action plan developed to address the findings of the Abt socioeconomic survey and study.

HOME RULE ADVISORY GROUP MISSION STATEMENT

Current

(May 19, 2000)

To seek consolidation of overlapping federal, state, and local regulations to streamline regulatory compliance. The group will focus on proposals that impose duplicative conflicting and/or burdensome requirements that provided little or no environmental benefit and thus warrant review, comment or response. These goals will be accomplished by making recommendations to the Stationary Source Committee on those issues that the group identifies, as well as pending legislation and regulatory proposals that have the potential to adversely affect the regional economy. The anticipated result is the development of strategies that seek reasonable and realistic approaches to attaining clean air goals.

Proposed

(November 9, 2016)

The mission of the Home Rule Advisory Group is to seek consolidation and consistency of federal, state, and local regulations to streamline regulatory compliance while achieving and fulfilling air quality goals and requirements. The group will focus on regulatory proposals and compliance issues that impose duplicative, conflicting or unduly burdensome requirements that provide little or no environmental benefit. These goals will be accomplished by making recommendations to the Stationary Source Committee on those issues that the group identifies, as well as pending legislation, litigation and regulatory proposals that have the potential to impose an unreasonable compliance burden on local businesses. The anticipated result is the development of recommendations that support reasonable and efficient approaches to attaining clean air goals.