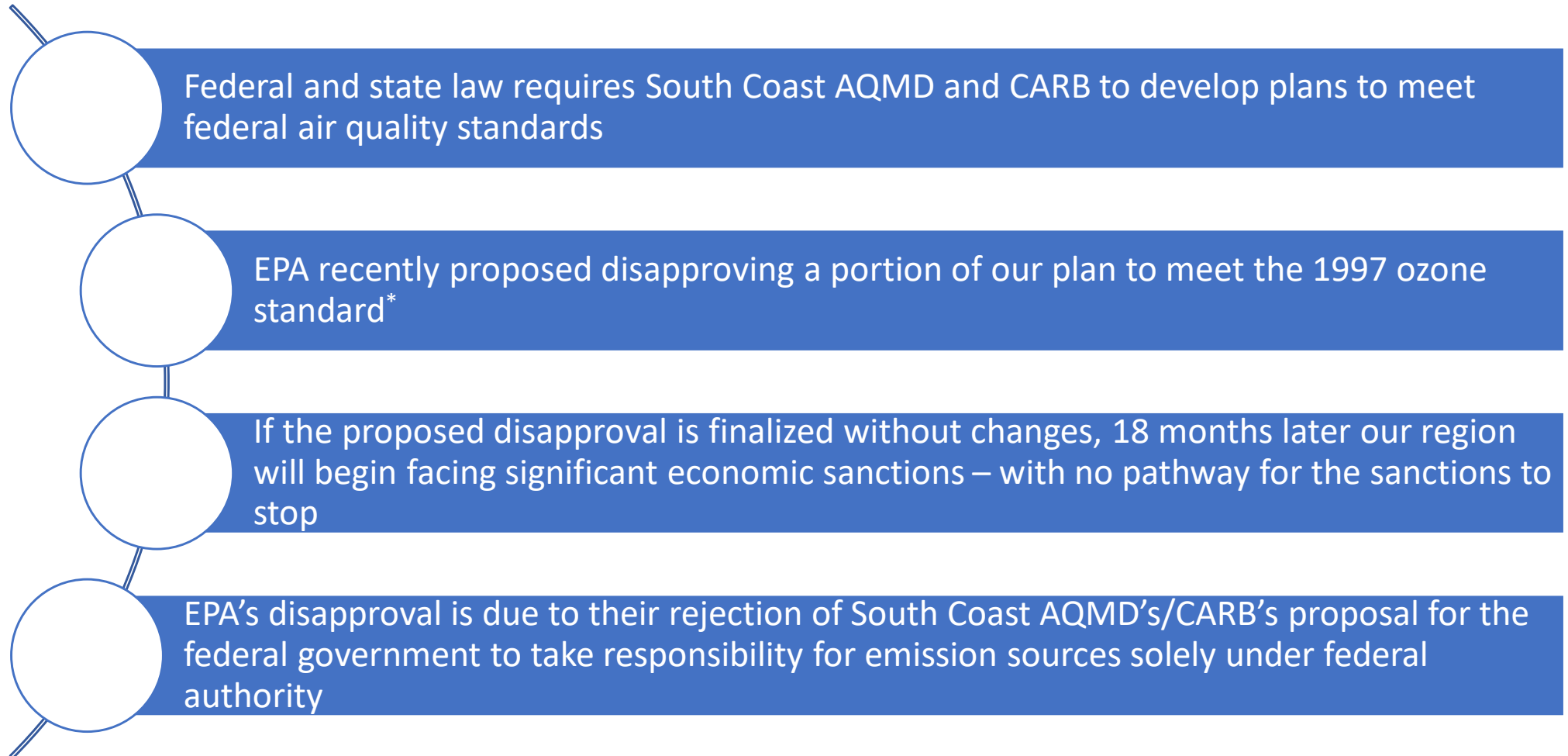


Update on U.S. EPA's Proposed Action on South Coast AQMD's Plan to Meet the 1997 Ozone Standard



Overview



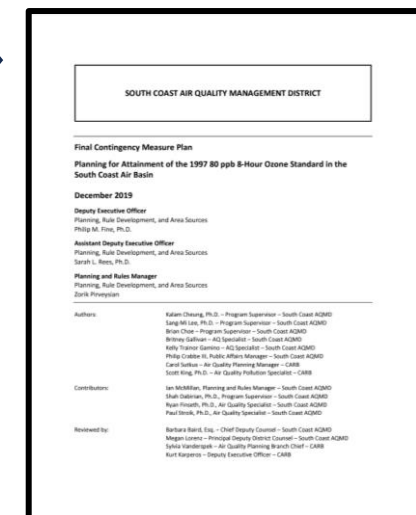
* 89 FR 7320, <https://www.federalregister.gov/documents/2024/02/02/2024-02082/air-plan-disapproval-california-los-angeles-south-coast-air-basin-1997-8-hour-ozone>

Background

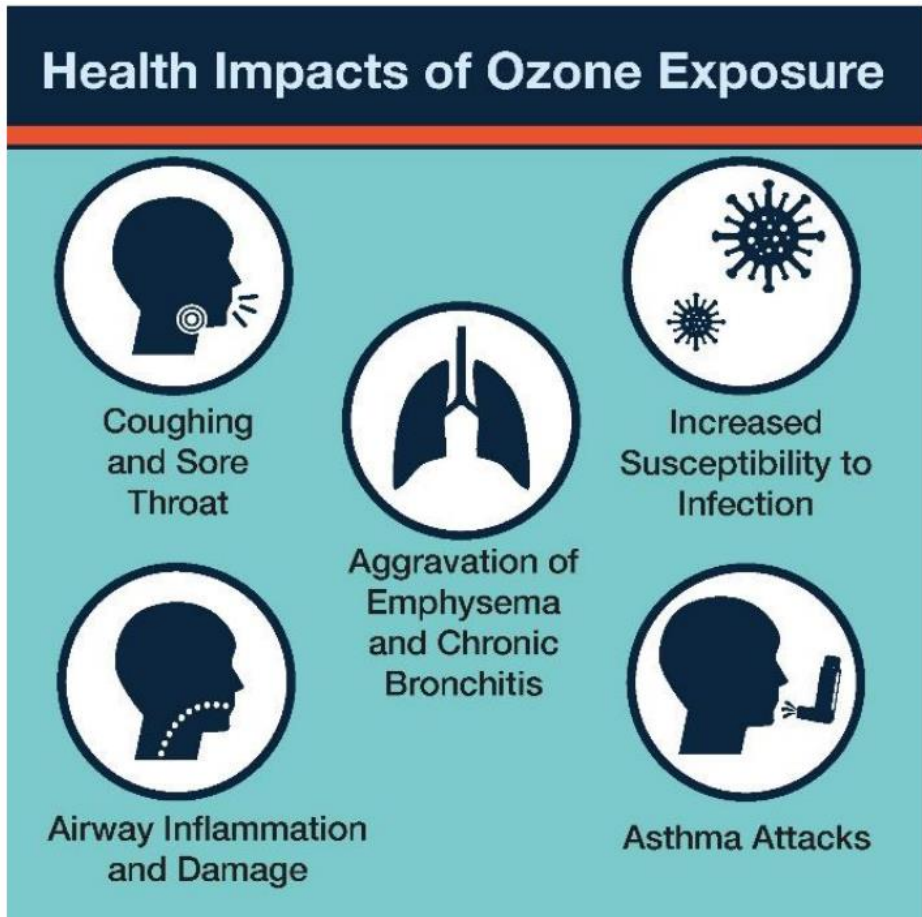
- Under the Clean Air Act, U.S. EPA sets multiple health-based air quality standards that all areas of the country must meet on specified timelines
- In 2017, South Coast AQMD and CARB submitted a plan to meet the federal 1997 ozone standard by the attainment date in 2023
 - Key pollutant = Nitrogen Oxides (NOx)
- The plan relied on flexibility within the Clean Air Act to define specific actions in the future
 - Called 182(e)(5) or ‘black box’ measures
- In 2019, South Coast AQMD and CARB developed a required, supplemental Contingency Measure Plan to address the ‘black box’



Contingency Measure Plan

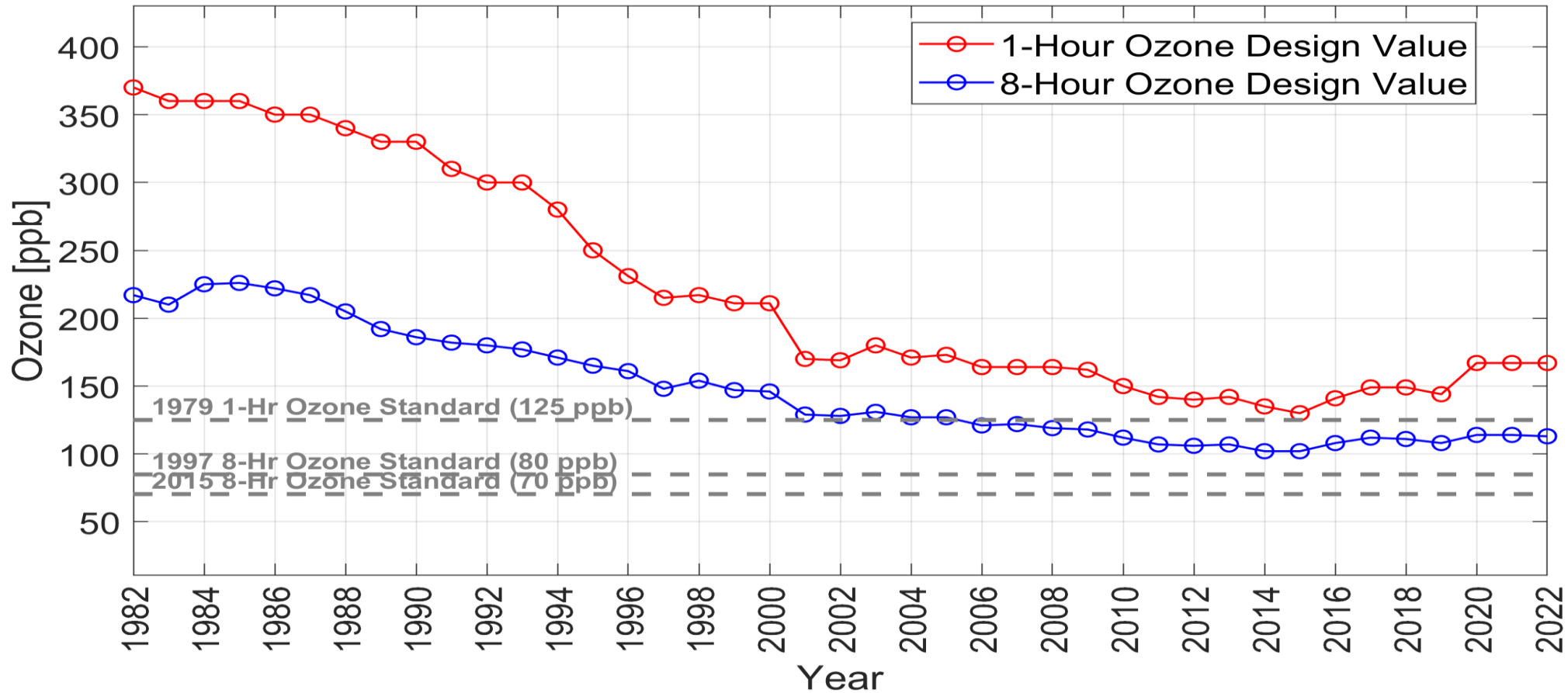


Health Effects of Ozone

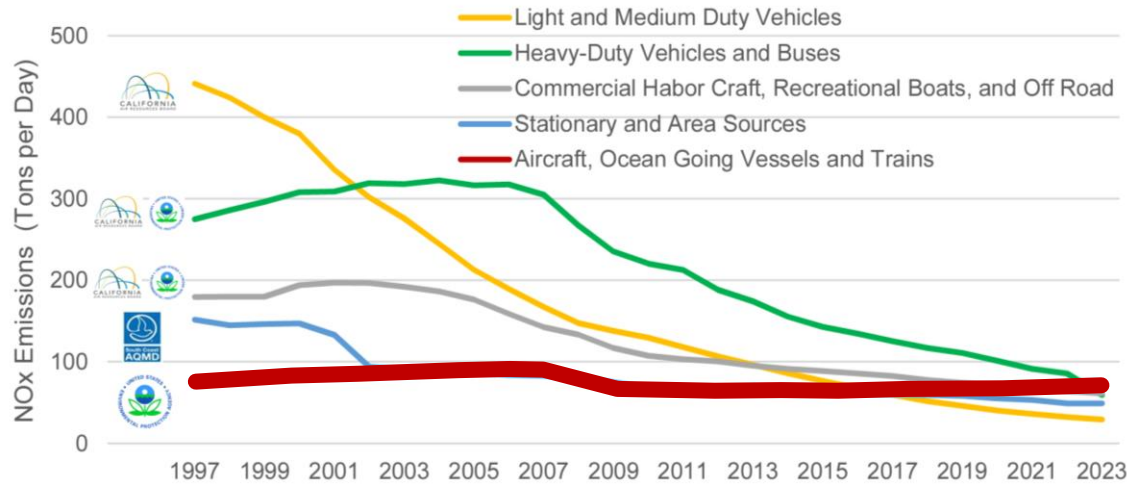


- Clean Air Act requires air quality standards to be solely based on protection of public health
- Attaining air quality standards in our region would avoid:
 - 1,600 premature deaths per year
 - More than \$19 billion per year in monetized public health impacts

Ozone Trends in the South Coast Air Basin



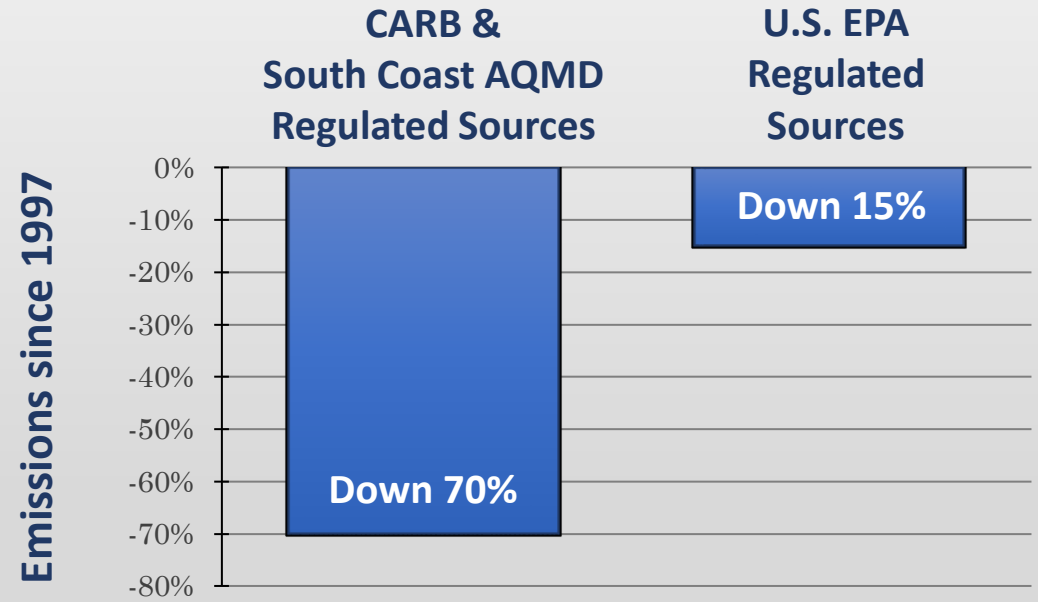
NOx Emissions and the Importance of Federal Sources



Nitrogen oxides (NOx) are most important contributor to ozone

Over 80% of NOx in our region is from mobile sources

NOx Emission Reductions



Contingency Measure Plan (CMP)

- Proposed approach in CMP required all three agencies (U.S. EPA, CARB, South Coast AQMD) to reduce emissions from sources within each agency's authority
- Almost 2/3rd of needed emission reductions are under federal authority
 - U.S. EPA was asked to address these emission sources in the CMP
 - Specific potential approaches were included in CMP
 - Precedent exists for U.S. EPA to accept this responsibility

U.S. EPA Proposed Action

EPA was required to approve or disapprove the CMP by July 2021 per timelines in the Clean Air Act

They did not timely act so South Coast AQMD sued U.S. EPA in April 2023

On Feb. 2, 2024, EPA proposed disapproving the CMP

Two key reasons provided by U.S. EPA:

- Administrative issue: Measures in CMP do not meet requirements for 'contingency measures' (e.g., automatic triggering mechanisms)
- Substantive issue: U.S. EPA sees 'no basis' to accept responsibility for reducing emissions from sources under their authority


Two Types of Consequences Mandated by Federal Clean Air Act

1. Planning deficiencies (e.g., disapproval of a plan, failure to submit a plan, etc.)

- **Sanction 1: Permit emission reduction offsets increase from 1.2:1 to 2:1**
[18 months after EPA finding]
- **Sanction 2: Prohibition on federal highway funding (except safety and transit)**
[24 months after EPA finding]
- **Federal Implementation Plan**
[24 months after EPA finding]

2. Failure to attain a standard by due date

- Increased fees for major permitted sources (about \$25 million/year total from all sources)
- A new plan is required that must include measures required by U.S. EPA
- Consequences continue until deficiency is resolved
 - U.S. EPA has not proposed any resolution to address federal emission sources



Public health continues to be impacted

South Coast AQMD Response to Proposed U.S. EPA Disapproval of CMP

- Requested 30-day extension of comment period; comment period closed April 3rd, 2024
- Detailed comment letter and background materials available at <https://www.aqmd.gov/home/air-quality/air-quality-management-plans/contingency-measure-plan-for-1997-ozone-standard>
- Key points:
 - Federal government must take responsibility for emission sources under its authority
 - This is consistent with Congressional intent of Clean Air Act amendments of 1990
 - U.S. EPA has previously accepted federal responsibility (approval of our 1994 Plan)
 - It's impossible to meet 1997 ozone standard, or other ozone standards, without federal action
 - South Coast AQMD and CARB have strictest rules in the country, yet we will have no way to avoid or turn off sanctions absent federal action

Next Steps

- We believe there can be paths forward that avoid or minimize federal sanctions, but EPA must work with South Coast AQMD and CARB to achieve this
 - EPA has to address federal sources, either by voluntarily agreeing to do so in a plan with CARB and AQMD, or through a FIP
 - The only difference is sanctions
- South Coast AQMD will continue to engage with stakeholders and EPA about this issue
- U.S. EPA currently expected to take final action on CMP by July 31, 2024