

Comment Letter #79



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July 22, 2022

Dr. Sang-Mi Lee, Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Dear Dr. Lee:

The Ontario International Airport Authority (OIAA) is submitting this comment letter on the Draft 2022 Air Quality Management Plan (Draft 2022 AQMP) to request that the draft planning document be revised to include a set-aside account for general conformity purposes.¹ As the owner and operator of Ontario Airport (ONT), and like many other entities subject to federal oversight, our ability to demonstrate general conformity for airport development and operations is an important component to the successful, continued operation of the airport. Therefore, as a matter of overarching policy, we respectfully request that the South Coast Air Quality Management District (AQMD) not eliminate "tools from the toolbox" and instead maintain multiple general conformity demonstration pathways for the environmental, economic and social health of the region.

As background, the use of a set-aside account for general conformity purposes in the South Coast Air Basin was included in prior AQMPs (2012 and 2016). As stated in the Draft 2022 AQMP (Appendix IV-A, page IV-A-198), the set-aside account has been used effectively to "streamline" the general conformity evaluation process by building an available balance for emissions of nitrogen oxides (NO_x) and volatile organic compounds (VOCs) within the State Implementation Plan (SIP). Despite the successful use of the set-aside account over the last decade, and the absence of persuasive evidence showing

¹ This is OIAA's second comment letter on the Draft 2022 AQMP. Our first comment letter is dated July 5, 2022 and primarily addresses issues in the operational assumptions for Ontario Airport used to generate the aviation emissions inventories upon which the Draft 2022 AQMP is based.

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that continued use of a set-aside account would derail the AQMD's ability to attain relevant air quality standards, the Draft 2022 AQMP includes Control Measure EGM-02, which would eliminate the use of the set-aside account and replace it with a not-yet-determined general conformity compliance pathway.² (Draft 2022 AQMP, Appendix IV-A, page IV-A-199.)

We acknowledge that the Draft 2022 AQMP provides the following justification for elimination of the set-aside account: "Considering the rigorous emission reductions required for attainment of the 2015 8-hour ozone standard, no new emissions can be accommodated without appropriate mitigation or offset of the increased emissions." (Draft 2022 AQMP, Appendix IV-A, page IV-A-199.) OIAA does not dispute the significance of the air quality challenges facing the South Coast Air Basin relative to achieving a successful ozone attainment demonstration. However, the referenced justification appears to be an over-simplification of the emissions balance sheet and the issue at hand. OIAA is not asking for a "free pass" for ONT-related emissions; rather, it is OIAA's expectation that such emissions would be studied and mitigated to the extent feasible through various environmental review processes, such as CEQA and NEPA. Of additional concern is that the justification offered in the Draft 2022 AQMP is hinting at an overly stringent policy, whereby any one project requiring a general conformity determination to proceed would be required to fully offset its applicable emissions. This type of standard has serious economic and social effects that are not considered or disclosed in the Draft 2022 AQMP.

It is our belief that the set-aside account is an efficient and effective way to ensure projects that need federal approval can demonstrate general conformity. This tool allows AQMD to balance the ability for important projects that often are critical to the sustained economic success of southern California to proceed while also addressing air quality concerns. Currently, projects subject to the general conformity regulations are already required to assess air pollutant emissions and if a project requires the use of the set-aside account to demonstrate conformity, it offers AQMD an avenue to more rigorously explore and require implementation of all feasible mitigation measures. This process and coordination with AQMD aligns with the efforts of the Draft 2022 AQMP to reach attainment. Importantly, the use of the set-aside account does not preclude AQMD from developing additional rules and mechanisms for offsetting and mitigating emissions. Rather, the set-aside account should be considered just one of the available mechanisms for meeting general conformity.

As possible alternatives to the set-aside account, the Draft 2022 AQMP identifies two other mechanisms: (i) a program for the negotiation and execution of project-specific Voluntary Emission Reduction Agreements (VERAs), similar to the approach used by the San Joaquin Valley Air Pollution Control District; and (ii) a program for the use of Emission Reduction Credits (ERCs), similar to the approach set forth in Sacramento Metro AQMD's Rule 205 – Community Bank and Priority Reserve. We first note that both of these general conformity mechanisms would require the expenditure of funds, which may not be readily available for all projects. Expending additional funds can be challenging for businesses and agencies that may not have the ability to manage these additional costs. Furthermore, given the current uncertainty surrounding what these costs may be, it would be prudent for AQMD to maintain a feasible, established and effective tool (i.e., the set-aside account) for potential use in the future while simultaneously exploring additional mitigation fee-based approaches. Another concern we have relative to VERA and ERC programs is that the development and launch of such general conformity determination tools will take time. That is, both programs will require additional rulemaking, public process and vetting by AQMD and its stakeholders following adoption of the Draft 2022 AQMP. (See Draft 2022 AQMP, page 4-23 [EGM-02 "seeks to undertake a rulemaking process".]) The time needed to develop supported and

² Notably, the Draft 2022 AQMP does reference the use of "Set-Aside Accounts" in 2037 for VOCs and NO_x. (See, e.g., Draft 2022, pages 4-70 and 5-11.) It is not clear as to how the referenced accounts reconcile with the verbiage of Control Measure EGM-02.

viable programs may create a “limbo” period, during which projects will face limited opportunities for demonstrating general conformity.

Additionally, the set-aside account establishes a clear and quantifiable means of achieving general conformity in the applicable year. Emission offsets can be difficult to quantify as they are not associated with the project and its timeline of implementation, which can skew the results. For example, if one wants to offset a *de minimis* exceedance in 2023 by replacing high emitting diesel buses, purchasing electric off-road equipment, or rebates to residents who acquire zero emission vehicles (examples from Draft 2022 AQMP, Appendix IV-A, page IV-A-198) all have unclear timelines that may be difficult to line up with the year of concern. The length of time it takes to acquire new buses, construct infrastructure for electric off-road equipment, and identify the abilities and interest of residents to acquire electric vehicles are all potential variables that make temporally accurate reductions difficult.

In closing, the elimination of the set-aside account will likely hinder the economic growth for businesses and agencies. The inclusion of a set-aside also provides a more straightforward, quantifiable, and temporally accurate mechanism to demonstrate conformity. Further, as stated above, the inclusion of a set-aside account in the Draft 2022 AQMP can be pursued in conjunction with programs that allow for VERAs and ERCs. The general conformity approach for each project also could continue to be determined in coordination with AQMD, and depend on the project size, type, and feasibility of addressing air emissions through an offset-type process. Ultimately, we believe AQMD and the region as a whole is best served by providing as many tools as possible to address general conformity. This would include the continued availability of the set-aside account, in addition to the other proposals identified by AQMD in the Draft 2022 AQMP. This approach both supports economic growth and efforts to reduce emissions.

OIAA looks forward to working with AQMD to pursue further improvements to air quality in the South Coast Air Basin, while also ensuring that ONT and others can continue to operate to provide important services for the benefit of the region.

Sincerely,


Michelle Brantley
Chief Capital Development Officer
Ontario International Airport