Comment Letter #77



July 22, 2022

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

Re: The Draft 2022 Air Quality Management Plan (Draft 2022 AQMP)

Dear Dr. Lee,

John Wayne Airport, Orange County ("SNA", "JWA", or "Airport") submits this comment letter on the Draft 2022 Air Quality Management Plan (Draft 2022 AQMP) to request that the 2022 AQMP be revised to include a set-aside emissions budget for general conformity purposes, a practice established in prior AQMPs (2012 and 2016). As stated in the Draft 2022 AQMP (Appendix IV-A), the set-aside budget is a useful tool to "streamline a conformity evaluation process" because it builds an available balance for emissions of nitrogen oxides (NO_x) and volatile organic compounds (VOCs) within the State Implementation Plan (SIP) that can be used by projects exceeding the *de minimis* thresholds applicable within the general conformity evaluation process. This approach has been used effectively by AQMD to facilitate the general conformity process. For JWA, the ability to demonstrate general conformity can be a critical component to the continued operation of the airport, which supports the economic health of the region.

The set-aside budget is the most efficient and reliable way to ensure projects that need federal approval can demonstrate general conformity. Currently, projects that seek general conformity are already required to assess air pollutant emissions with AQMD and must also employ all feasible mitigation measures as enforced by AQMD. This analysis process and coordination with AQMD aligns with the efforts of the Draft 2022 AQMP to reach attainment. As with established precedent from the 2012 and 2016 AQMPs, the use of the set-aside budget can be a part of this process, and its use does not need to preclude additional rules and mechanisms for offsetting and mitigating emissions from being implemented by AQMD.

The Draft 2022 AQMP (see Appendix IV-A) states that "all projects that receive a positive conformity determination may be required to undergo a process to demonstrate that the emissions are accounted for in the SIP, therefore the project conforms to the latest approved SIP." The process of identifying if project-related emissions are in the SIP requires detailed review of the SIP emissions for comparison to project emissions. However, it is common that models and methodologies applied in the SIP become outdated as new model versions are released and activity forecasts are updated. Endeavoring to realign the SIP's and project's emissions for purposes of permitting an apples-to-apples comparison, after consideration of post-SIP-adoption model and forecast changes, often requires comprehensive agency coordination. Further, the format of the SIP emissions forecasts does not always permit a plain conclusion regarding whether project-related emissions as "accounted for." The set aside budget approach and tool helps manage these changes over time and complexities by providing a general conformity

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pathway for those scenarios where the SIP's emissions forecasts cannot be plainly reconciled with a project-related emissions estimate.

As alternatives to the set-aside budget, the Draft 2022 AQMP suggests that two other mechanisms may be established to address emission increases from projects exceeding the general conformity *de minimis* thresholds: (1) a Voluntary Emission Reduction Agreement (VERA) and (2) Emission Reduction Credits (ERCs). Both mechanisms rely on a mitigation fee type of concept and, therefore, would require the expenditure of funds, which may not be readily available for all projects. Furthermore, given the current uncertainty on what these costs may be, it would be prudent for AQMD to maintain an effective tool for potential use in the future that does *not* create the potential for significant economic hurdles. As elimination of the set-aside budget will likely hinder the economic growth of businesses and agencies in the South Coast Air Basin, AQMD should maintain multiple tools to address general conformity in order to ensure that key projects important to the economic health of the region can still occur.

Importantly, the set-aside budget provides a clear and quantifiable means of achieving general conformity in the applicable year. Emission offsets are often difficult to quantify as they are not controlled by the project planners, and the timeline of implementation can skew results. For example, if there is a *de minimis* exceedance in 2023, offsets can be sought by replacing high emitting diesel buses, purchasing electric off-road equipment, or providing rebates to residents to acquire zero emission vehicles (examples from Draft 2022 AQMP, Appendix IV-A, page IV-A-198). However, each of these examples has uncertain timelines that may be difficult to align with the year affected. Further, there are many potential variables that make temporally accurate and specific reductions difficult to achieve.

Ultimately, JWA believes the region is best served by providing as many tools as possible to address general conformity. This would include the continued availability of set-aside budgets in addition to other proposals by AQMD. An inclusive approach supports both the region's economic health and growth, and efforts to reduce emissions. Thank you for your consideration of these comments.

Sincerely.

Melinda McCoy, PG

Environmental Resources Manager

cc: Rick Francis, Assistant Airport Director (John Wayne Airport)