



# South Coast Air Quality Management District

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## LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, JUNE 15, 2007 MEETING MINUTES

### MEMBERS PRESENT:

Jane Carney, AQMD Governing Board Member, LGSBA Chairman  
Greg Adams, L.A. County Sanitation District  
Paul Avila, P.B.A. & Associates  
Geoffrey Blake, DriLube/All Metals  
Todd Campbell, Clean Energy  
Daniel Cunningham, Metal Finishing Association  
Jacob Haik, Councilwoman Janice Hahn  
Dr. Joseph Lyou, California Environmental Rights Alliance  
Kelly Moulton, Paralegal  
Steve Mugg, South Orange County Representative, City of Mission Viejo

### MEMBERS ABSENT:

Ronald Loveridge, AQMD Governing Board Member, LGSBA Vice Chairman  
Eric Busch, Representative, South Bay Cities Council of Governments  
Angelo Logan, East Yard Communities for EJ  
Harold Martinez, Able Industrial Products, Inc.  
Todd Priest, Representative, Orange County Business Council

### OTHERS PRESENT:

Eddie Phillips, BNSF Railway  
Earl Elrod, Board Member Assistant (*Yates*)  
Paul Garza, Board Member Assistant (*Reyes Uranga*)

### AQMD STAFF:

Oscar Abarca, Deputy Executive Officer  
Isabel Aguilar, Secretary  
Joe Cassmassi, Planning & Rules Manager  
Dr. Pom Pom Ganguli, Asst. Deputy Executive Officer/Public Advisor  
Dave Madsen, Acting Community Relations Manager  
Susan Nakamara, Planning & Rules Manager  
John Olvera, Deputy District Counsel  
Gracie Tucker, Staff Specialist  
Patti Whiting, Staff Specialist  
Jill Whynot, Planning & Rules Manager

**Agenda Item #1 - Call to Order/Opening Remarks**

Chair Jane Carney called the meeting to order at 10:10 a.m. Chair Carney stated that three new committee members will attend the next meeting.

**Agenda Item #2 – Approval of May 18, 2007 Meeting Minutes/Review of Follow-Up/Action Items**

May 18, 2007 meeting minutes were approved as presented

Follow-up Action Items

*Action item:* Staff to prepare and e-mail a one-page summary to committee members on AB 32 – Greenhouse Gas Emissions.  
✓ Completed – email sent 6/12/07.

*Action item:* Staff to make the AQMD letter on the early action measures available to committee members.  
✓ Completed – email sent 6/12/07.

**Agenda Item #6 – Report on AB 32 – Greenhouse Gas Emissions (item taken out of order)**

Ms. Jill Whynot gave a presentation on AB 32 (see attached).

Dr. Joe Lyou asked staff if the Environmental Justice (EJ) Committee had submitted any comments or recommendations to the California Air Resources Board (CARB). Ms. Whynot stated that the EJ Committee provided extensive comments to CARB, but they have not addressed any of their comments. Dr. Lyou asked if AQMD Board Members were planning to meet with CARB regarding the early action measures. Ms. Whynot replied that AQMD was not planning on meeting with CARB prior to the June 22 public hearing. Dr. Lyou asked if the Market Advisory Committee identified EJ impacts. Ms. Whynot replied that the Market Advisory Committee identified concerns in their report regarding potential EJ impacts, creating local hot spots or areas where air pollution progress is slowed because of greenhouse gas programs, and where potential backsliding for criteria and toxic air pollutants might occur. Ms. Whynot stated that the report proposed using a portion of monies collected from auctions for projects in EJ areas. Ms. Whynot stated that the program does not have geographical limitations so credits could be allocated in areas where they are most cost efficient and can be credited at the facility's choice. She stated AQMD and CARB will monitor and determine where changes need to occur. Ms. Whynot stated that AQMD is forwarding recommendations to CARB on how projects can receive incentives in the EJ areas.

Mr. Greg Adams asked about the benefits of the low carbon fuel standard. Mr. Adams stated when an engine needs a certain amount of BTUs to develop horsepower, by causing a lower heating value fuel to be sold, it means that more fuel will be used. Ultimately, what is the benefit of the low carbon fuel standard approach unless that is accompanied with the fundamental redesign of the engine or the fact that the engine is going to be derated by 20%. He stated that it doesn't appear that they are going to be

compatible. Ms. Whynot replied that she will discuss the issue with staff to receive clarification, but this is viewed as a complement to increasing gasoline efficiency. She stated that there will come a point when the mileage cannot be increased unless the engines are significantly smaller. Mr. Adams asked what is CAPCOA doing through CEQA to deal with greenhouse gas emissions? Ms. Whynot stated that the Attorney General has received several challenges occurring throughout the state, but no rulings have occurred. She stated that cases were filed and CEQA documents were found to be inadequate because the greenhouse gas issue wasn't adequately addressed or they didn't address mitigation measures. CAPCOA has formed a subcommittee to present recommendations. She stated that she is not on the subcommittee, but AQMD does receive CAPCOA updates at its Climate Protection Committee.

*Action item: Staff to receive clarification on the benefits of Low Carbon Fuel Standards.*

Mr. Todd Campbell asked when CARB would discuss the early action items. Ms. Whynot stated that the early action items are scheduled to be heard on Thursday, June 21. Mr. Campbell reported that the CEC and CARB released a final report on the analysis of fleet rules and reported that natural gas was rated at a 30% reduction for passenger cars and 23% for heavy duty vehicles so AQMD is ahead with regards to its fleet rules. If these vehicles are paired with hybrid electric platform and plug-in hybrid electric platform, higher percentage reductions can be achieved. Chair Carney stated that she assumed that carbon dioxide did not have adverse health affects. She asked if there were other greenhouse gases that result in the same EJ issue. Ms. Whynot stated that Carbon Dioxide (CO<sub>2</sub>) does not necessarily have an impact, but the concern is that if someone purchases CO<sub>2</sub> credits instead of reducing emissions at their facility, they are likely to not get co-benefits in other pollutants, which is a lost opportunity.

### **Agenda Item #3 – Report on AQMD's Federal and State Legislative Agenda for 2007**

Dr. Pom Pom Ganguli gave a presentation on AQMD's Federal and State Legislative agenda. He stated that AQMD's state and federal legislative agenda is largely driven by the Chairman's Fair Share Initiatives (see attached).

Mr. Adams asked if CARB was in opposition of SB 1028 (Padilla) - Necessary Measures to Attain Clean Air Standards. Dr. Ganguli stated that CARB was in opposition, even though they cannot officially take a position. He stated that railroads were also in opposition.

*Action item: Staff to identify those who are in opposition of SB 1028.*

Mr. Campbell asked why AQMD changed its position on SB 886 (Negrete-McCloud) – Air Quality Board. Chair Carney stated that the issue remains highly controversial on the Board. There is a legitimate concern due to population numbers. Mr. Campbell stated that the appointment of Board Member Tonia Reyes Uranga was a good choice because the ports and South Bay area would be well-represented. Dr. Lyou commented that it

would take a majority of Board Members to pass any item and by adding additional Board Members, it would become an issue.

Geoffrey Blake asked if the federal legislation regarding marine vessels and locomotives (S. 1499 & HR 1425) had a chance of passing. Dr. Ganguli replied that if U.S. EPA does not act on its own, the bills will apply pressure to move forward on the measures. Dr. Lyou asked staff if the Clean Air Act already requires EPA to implement such measures. Dr. Ganguli stated that it doesn't require them to be as stringent or implement in a timely manner. U.S. EPA does not have the requirements like California has, so they have avoided addressing them. He stated that U.S. EPA is also aware that without these measures, California's SIP is meaningless.

#### **Agenda Item #4 – Update on Air Quality Management Plan**

Mr. Joe Cassmassi gave a presentation (see attached) on the Air Quality Management Plan (AQMP). Dr. Ganguli stated that AQMD has prepared a summary on policy issues.

*Action item: Staff to prepare and e-mail AQMP summary and flyer to committee members.*

Mr. Jacob Haik asked if CARB adopted the state SIP first, then would South Coast's AQMP be more restrictive on mobile sources? Mr. Campbell commented that CARB does not base their regulations solely on South Coast; they are based on the entire state. If the proposed measures cannot be strengthened before they are adopted, CARB will adopt the weaker measures and AQMD cannot go back and change them. Mr. Adams asked what weight of evidence is there in the modeling analysis. Mr. Cassmassi stated that there is uncertainty with PM<sub>2.5</sub> simulation and monitoring. In recognizing that this is a new standard, U.S. EPA compiled a range of simulation results and based upon how close they came to the standard, they require selective levels of additional information to substantiate that the problem is being looked at correctly and the corresponding analysis validates the results. Mr. Adams commented that he is disappointed that the \$5,000 per ton measure that was reinstated as a result of the December lawsuit in favor of AQMD, which reinstated the one-hour standard, was not discussed at adoption hearing. Mr. Cassmassi stated that by 2011, if the emission standards are not achieved, which include NO<sub>x</sub> and VOC, companies that are above the emissions target will be subject to the fee. Mr. Adams stated that the fee would apply to all stationary sources that are at Best Available Control Technology (BACT) levels. For example, power plants that are at BACT levels and are the cleanest power plants will have to further reduce or cut capacity by 20% each year or pay \$5,000 per ton. He stated that this is a fundamental flaw in the Federal Clean Air Act and Congress never realized that sources at BACT levels will have to pay this fee.

Mr. Blake commented that we may be also looking at a similar situation when AB 32 is implemented. Dr. Lyou commented that he was disappointed that staff told the Board that the Flex O<sub>2</sub> measure was included in the 2003 AQMP. It was included in the 2003 AQMP in the form that what was desired in the 2007 AQMP as an option to be explored

and not as a committed measure with tons assigned to it. In that same AQMP presentation, staff stated that they obtained the numbers from that measure by looking at other refinery measures that would have taken place. Dr. Lyou commented that he does not know what the other refinery measures would have been, and where they came from, and where the tons of emission reductions were otherwise to be attributed.

*Action item: Staff to inform committee where Flex O<sub>2</sub> numbers on refinery measures came from and associated emission reductions.*

Dr. Lyou commented that the CARB process is set up in a way that there is going to be more bad than good. Dr. Lyou asked if in the analysis, will the health impacts be able to be quantified based upon the emission reductions that are going to be foregone if they adopt their mobile source strategies. The health benefits will affect lives due to CARB's failure to take more proactive and stronger measures to reduce mobile source measures. Dr. Lyou suggested that AQMD look at the differences in health impacts. Mr. Cassmassi stated that the differences could be accomplished through modeling, but completing this task may be completed by next Friday, June 22. Mr. Cassmassi stated that there is an absolute concentration differential between what CARB is proposing and what is in the South Coast SIP. Mr. Adams asked what AQMD's strategic plan was for the hearing on June 22. Dr. Ganguli replied that the goal is to ask that mobile source strategies be made more stringent and obtain more emission reductions which are consistent with AQMP. Mr. Campbell asked staff if they were seeking local leadership to express their dismay with CARB's proposal. These elected officials should be very concerned about such a burden that would be placed on stationary sources because mobile sources are receiving a pass. He stated that Mayor Villaraigosa's office has been very focused on trying to create economic stimulus by bringing in manufacturing. Mr. Oscar Abarca provided a summary of AQMD's outreach efforts. Mr. Abarca stated that it is important for the Governor to know how serious this issue is to Southern California residents. Mr. Haik stated that he will assist Dr. Lyou in discussing the issues with local elected officials.

#### **Agenda Item #5– Update on CARB Railroad MOU**

Ms. Susan Nakamura gave a presentation on the CARB Railroad MOU (see attached).

Mr. Blake commented that risks from the railyards are significant, particularly in comparison to Rule 1401.1 which establishes a one in a million cancer risk for new facilities that are located near schools. In regards to calculating the cancer risk, Mr. Haik asked how CARB determines how many people are affected by the cancer risk. Ms. Nakamura responded that CARB inputs emissions data through a computer model that can graphically show how the cancer risk is dispersed around the railyard. CARB then overlays cancer risk estimates over census data on a map to calculate the amount of people that are impacted at various cancer risk levels. In response to questions from Mr. Adams, Ms. Nakamura stated that CARB used the newest U.S. EPA air dispersion model AERMOD and had used emissions inventory and health risk assessment guidelines that were similar to those developed by AQMD staff for the Rule 3503.

Dr. Lyou stated that he heard that CARB had violated the commitment to share with stakeholders and AQMD the study results prior to conducting public meetings. Ms. Nakamura confirmed that although CARB staff had indicated that the AQMD staff would receive the health risk assessments prior to public release, CARB released the HRAs to the public and air agencies at the same time. In response to a question from Dr. Lyou regarding mitigation measures, Ms. Nakamura stated that CARB provided the list of technologies, but there was no timetable of commitments or what technologies would be approved. Dr. Lyou asked if AQMD's legal counsel has considered if a lawsuit could be filed which would force CARB to adopt air toxic control measures as required by the California Clean Air Act to address these air toxic issues. Mr. John Olvera, AQMD District Counsel, stated that he will discuss this with his colleagues.

Dr. Lyou asked when railyards looked at their sources, did they assess the on-road trucks that were off-site or the trucks that were on-site. Ms. Nakamura replied that they evaluated the on-site trucks. She said that CARB did perform an analysis that looked at emissions that were one mile beyond the facility, but they attributed it to the background levels as opposed to the risk associated with the railyard. Dr. Lyou commented that trucks going to the facility should not be considered as part of the background risk and recommends that AQMD staff submit comments stating that this assumption is incorrect. Dr. Lyou had also commented that there are cumulative impact issues beyond the railyards, especially in the Commerce and Port areas that are not being addressed. Dr. Lyou stated that the issue of maximum impacted individual versus maximum average risk is an important one, but AQMD performs another calculation, which is cancer burden. He asked if CARB performed a cancer burden. Mr. Nakamura replied that they did not, but it could be done. Dr. Lyou commented that there are very dense populations surrounding those facilities. He recommended that either CARB or AQMD perform such an analysis. In addition, Dr. Lyou stated that the census data should be used to determine the impacts to minorities and low income residents who are being forced to assume these burdens.

**Agenda Item #7- Monthly Report on Small Business Assistance Activities**

No comment.

**Agenda Item #8- Other Business**

None.

**Agenda Item #9 - Public Comment**

None.

**Agenda Item #10 - Adjournment**

The meeting adjourned at 12:10 p.m.