STATE OF CALIFORNIA

PETE WILSON, Governor

AIR RESOURCES BOARD
2020 L STREET
P.O. BOX 2815
SACRAMENTO, CA 95812

Response to Significant Environmental Issues

Item: Public Hearing to Consider Amendments to the Regulation Identifying the Areas in which Transported Air Pollutants Contribute to Violations of the State Ambient Air Quality Standard for Ozone and the Areas of Origin of the Pollutants.

Agenda Item No.: 92-8-1

Public Hearing Date: May 28, 1992

Issuing Authority: Air Resources Board

Comment: No comments were received identifying any significant environmental issues pertaining to this item. However, the staff report does recognize that the regulatory amendment may result in significant, unavoidable, adverse environmental impacts, and is incorporated by reference herein.

Resolution 92-44 is also incorporated herein and attached hereto. In the Resolution, the Board made various findings pertaining to potential environmental impacts of the proposed regulations. The Board found that no alternative would be more effective in carrying out the purpose for which the amendment is proposed nor would be as effective or less burdensome to affected private persons.

Response: N/A

Certified: Pat Hutchens
Pat Hutchens
Board Secretary

Date: 3/26/93

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RESOURCES AGENCY OF CALIFORNIA

State of California
AIR RESOURCES BOARD

Resolution 92-44

May 28, 1992

Agenda Item No.: 92-8-1

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (the "Board") to adopt standards, rules and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, section 39610(a) of the Health and Safety Code directs the state Board to identify each district in which transported air pollutants from upwind areas outside the district cause or contribute to a violation of the state ambient air quality standard for ozone and to identify the district(s) of origin based upon the preponderance of available evidence;

WHEREAS, on December 14, 1989, the Board adopted section 70500, Title 17, California Code of Regulations ("CCR"), identifying districts impacted by transported air pollutants from upwind areas and identifying the areas of origin of the transported pollutants consistent with the requirements of the Act;

WHEREAS, section 70500(c) of Title 17, CCR, identifies the Broader Sacramento Area as an area of origin of transport and the Upper Sacramento Valley as an area impacted by this transport;

WHEREAS, section 70500(c) of Title 17, CCR, identifies the Broader Sacramento Area as a source of significant transport to the San Joaquin Valley and the San Francisco Bay Area;

WHEREAS, section 70500(c) also identifies the Broader Sacramento Area as the receptor of transport from the San Francisco Bay Area and the San Joaquin Valley;

WHEREAS, section 70500(b)(3) of Title 17, CCR, defines the Broader Sacramento Area as including Nevada County; the Sacramento, Yolo-Solano, Sutter, and Yuba County Air Pollution Control Districts (APCDs); and the El Dorado and Placer County Air Pollution Control Districts (excluding the portions which are located within the Lake Tahoe Air Basin);

WHEREAS, the Sacramento County Air Pollution Control District has been renamed the Sacramento Metropolitan Air Quality Management District and the Yuba and Sutter County APCDs have been unified as the Feather River Air Quality Management District;

WHEREAS, the boundary for the "Broader Sacramento Area" was intended to contain all significant existing and planned development in the Sacramento metropolitan area, including adjacent communities that are or will become the origin of commuter vehicle trips into Sacramento County;

WHEREAS, the boundary of the "Broader Sacramento Area" was also intended to describe the communities having a regional ozone problem in common, and therefore required to coordinate their emission control efforts and to implement uniform control measures under other provisions of the Act;

WHEREAS, section 39610(b) of the Health and Safety Code, directs the Board, in cooperation with the districts, to assess the relative contribution of upwind emissions to downwind ambient pollutant levels to the extent permitted by available data and to establish mitigation requirements commensurate with the level of contribution;

WHEREAS, on August 10, 1990, the Board adopted sections 70600 and 70601, Title 17, CCR, establishing transport mitigation requirements for upwind districts that are the source of overwhelming or significant transport, as determined by the Board in the same proceeding;

WHEREAS, the transport mitigation requirements established by the Board required upwind districts to adopt and implement, by July 1, 1991, a permitting program designed to achieve no net increase in emissions of ozone precursors from all new or modified stationary sources subject to permits, and further required the adoption of best available retrofit control technology for all existing sources of ozone precursor emissions as expeditiously as possible, with a specified percentage of retrofit measures to be adopted by January 1, 1994;

WHEREAS, all districts within the Broader Sacramento Area are subject to the transport mitigation requirements set forth in sections 70600 and 70601, Title 17, CCR;

WHEREAS, sections 39515 and 39516 of the Health and Safety Code provide that the Board may delegate any duty to the Executive Officer which the Board deems appropriate and that any power, duty, purpose, function, or jurisdiction which the Board may lawfully delegate shall be conclusively presumed to have been delegated to the Executive Officer unless the Board has expressly reserved such authority to itself;

WHEREAS, to achieve a more accurate identification of areas impacted by transport in the Broader Sacramento Area and Upper Sacramento Valley, staff has proposed amendments to the definitions of "Broader Sacramento Area" and "Upper Sacramento Valley";

WHEREAS, the California Environmental Quality Act and Board regulations require that no project which may have significant adverse environmental impacts be adopted as originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of Chapter 3.5 (commencing with section 11340), Part 1, Division 3, Title 2 of the Government Code;

WHEREAS, the Board finds that:

1. The Feather River Air Quality Management District (AQMD), Nevada County, and the El Dorado and Placer County Air Pollution Control Districts have an emissions offset shortage which will inhibit and may prevent them from attracting and legally permitting new industrial development;

2. The Yuba County portion of the Feather River AQMD has the highest welfare rate in the state (29%), the second lowest per capita income in the state ($11,800), and an unemployment rate of 16% which is exactly twice the state average;

3. The Sutter County portion of the Feather River AQMD has an unemployment rate of 25%, which is more than three times the state average, and a per capita income of $15,200 (welfare rate information is not available);

4. Sutter County's 1991 General Plan Amendment provides for the intensive development of 25,000 acres in the southeast portion of the County along Highway 99. The 40-year build out projections are: 57,500 new households, an increase in population of 142,000, and 97,000 new jobs;

5. Southern Sutter County, if developed as planned, will be integrally linked to the greater metropolitan area; including all major transportation corridors and major transportation facilities such as the Sacramento Metro Airport;

6. Including the northern two-thirds of the Feather River AQMD in the "Upper Sacramento Valley" would substantially alleviate the District's offset shortage while retaining significant planned development within the Sacramento metropolitan area boundary;

7. Including the northern two-thirds of Feather River AQMD in the "Upper Sacramento Valley" will not significantly lessen the degree of transport mitigation afforded to northern Sacramento Valley

communities, the San Joaquin Valley, or the San Francisco Bay Area;

8. Nevada County, governed by the Northern Sierra Unified Air Pollution Control District, is the most remote mountain county within the current boundary of the Broader Sacramento Area;

9. The frequency of commute trips from Nevada County to Sacramento County is substantially lower than the frequency of trips from other adjacent counties. The 1990 average weekday number of vehicle trips from Nevada County was 1,256 per day, as compared to 4,325 trips from the Feather River AQMD; 28,732 trips from El Dorado County; 37,402 trips from the Yolo-Solano Unified air district; and 38,060 trips from Placer County;

10. The urbanized portions of El Dorado and Placer Counties do not extend to the Lake Tahoe Basin Rim;

11. The remoteness and relatively less developed nature of Nevada County and the mountainous portions of El Dorado and Placer County warrant a lesser degree of emission control stringency;

12. Removing Nevada County and parts of the El Dorado and Placer County Air Pollution Control Districts from the Broader Sacramento Area will not significantly reduce the effectiveness of regional air quality planning or regional emission control strategies in the Sacramento metropolitan area;

13. Removing Nevada County and parts of the El Dorado and Placer County Air Pollution Control Districts from the Broader Sacramento Area will not significantly lessen the degree of transport mitigation afforded to northern Sacramento Valley communities, the San Joaquin Valley, or the San Francisco Bay Area;

WHEREAS, the Board further finds that:

14. The proposed amendment to section 70500, Title 17, CCR, may result in significant adverse environmental impacts in Nevada County, parts of the El Dorado and Placer County Air Pollution Control Districts, and portions of the Feather River AQMD;

15. The degree of adverse impacts will depend on the extent of minor stationary source growth in Nevada County, parts of the El Dorado and Placer County Air Pollution Control Districts, and the northern two-thirds of the Feather River AQMD;

16. No feasible alternative or mitigation measure exists which will achieve the objective of the proposed change, without simultaneously causing or allowing to occur the significant adverse environmental effects described above;

17. The need for economic development in the Feather River AQMD overrides any potential significant adverse environmental impacts that may result from changing the boundary between the Broader Sacramento Area and the Upper Sacramento Area;

18. Adoption of the proposed amended boundary will not have a significant adverse economic impact on small businesses because in Nevada County, parts of El Dorado and Placer County Air Pollution Control District, and the northern two thirds of the Feather River AQMD, the cost of certain permitting requirements and of implementing Best Available Retrofit Control Technology would be eliminated;

19. No alternative would be more effective in carrying out the purpose for which the amendment is proposed nor would be as effective or less burdensome to affected private persons.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendments to section 70500, Title 17, California Code of Regulations, removing the northern two-thirds of the Feather River AQMD from the Broader Sacramento Area and including it in the Upper Sacramento Valley and removing Nevada County and parts of the El Dorado and Placer County Air Pollution Control Districts from the Broader Sacramento Area.

BE IT FURTHER RESOLVED, that the Board directs the Executive Officer to adopt section 70500, Title 17, California Code of Regulations, "Amendment to Transport Identification", after making it available to the public for a period of 15 days provided that the Executive Officer shall consider such written comments as may be submitted during this period, shall make modifications as may be appropriate in light of the comments received, and shall present the regulations to the Board for further consideration if he determines that this is warranted.

State of California
AIR RESOURCES BOARD

STAFF REPORT: INITIAL STATEMENT OF REASONS FOR RULEMAKING

PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE REGULATION IDENTIFYING THE AREAS IN WHICH TRANSPORTED AIR POLLUTANTS CONTRIBUTE TO VIOLATIONS OF THE STATE AMBIENT AIR QUALITY STANDARD FOR OZONE AND THE AREAS OF ORIGIN OF THE POLLUTANTS

Date of Release: April 13, 1992
Scheduled for Consideration: May 28, 1992

This report has been reviewed by the staff of the California Air Resources Board and approved for publication. Approval does not signify that the contents necessarily reflect the views and policies of the Air Resources Board, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.

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APPENDIX

Text of Proposed Amendments to Regulation

EXECUTIVE SUMMARY

In 1989, the Air Resources Board (ARB or Board) identified known "transport couples" by regulation (see section 70500(c), Title 17, California Code of Regulations). In this regulation, both the areas receiving transport and the upwind contributing areas were identified.

In most cases, transport receptors and transport contributors were defined at the air basin level. For example, the regulation identified the San Francisco Bay Area as a source of transport into the San Joaquin Valley.

In some cases, special boundaries had to be created. The Sacramento Valley had such stark variations from south to north that a midbasin division was indicated. Also, the easterly expansion of the Sacramento metropolitan area had to be addressed, even though it crossed into the Mountain Counties Air Basin.

After due consideration, the Board arrived at the following transport receptor/contributor boundaries for the Sacramento Valley and Mountain Counties Air Basins. The receptor area, "Upper Sacramento Valley" was defined as Butte, Colusa, Glenn, Tehama and Shasta County air pollution control districts. The contributing area, the "Broader Sacramento Area" was defined as the Sacramento, Sutter, Yuba, Nevada, Yolo-Solano, El Dorado, and Placer County districts--excluding the Lake Tahoe Air Basin portions of Placer and El Dorado counties.

Several of the affected districts disagreed with ARB's boundary decision at the time, and continued to express concerns after the decision had been made. Placer and El Dorado urged ARB to isolate district-to-district transport and to identify them solely as receptors of Sacramento County transport. Those concerns were thoroughly addressed in the Board's 1989 rulemaking. Sutter and Yuba Counties (later unified as the Feather River district) raised similar concerns. However, Feather River also noted that the Board had discretion in setting the mid-Sacramento Valley boundary, that transport mitigation requirements were unduly burdensome in its case, and that a subcounty division for its jurisdiction was manageable (an option that was not considered during the initial rulemaking).

Upon further analysis, staff believes that a modest adjustment to the definitions of the Broader Sacramento Area (BSA) and the Upper Sacramento Valley (USV) is appropriate. Specifically, staff is proposing to shift all of Yuba County and the northern portion of Sutter County from the BSA to the USV. Staff is also proposing to remove Nevada County from the BSA. These adjustments would slightly limit the scope of ARB's transport mitigation requirements in the greater Sacramento metropolitan area.

A thorough discussion of the background, need for the regulatory change, rationale, potential environmental and economic impacts, and alternatives to the staff's proposal are provided in this staff report.

I. BACKGROUND AND INTRODUCTION

The California Clean Air Act (Act) requires the Air Resources Board (ARB or Board) to identify each air district in which transported air pollutants cause or contribute to a violation of the state ozone standard (Health and Safety Code [H&SC] section 39610(a)). This section also requires that the Board identify the origin of the transported pollutants. All identifications are to be based upon the preponderance of available evidence.

Accordingly, in December 1989, the Board adopted a regulation (section 70500, Title 17, [CCR]) which identified areas affected by transport (receptors) and the areas of transport origin (contributors). A total of 10 receptor areas and six contributing areas were identified.

Although H&SC section 39610(a) requires ARB to identify each <u>district</u> affected by transport and the <u>district</u> of origin, there were three major constraints on the Board. The first was technical: existing modeling studies and available data were not, and as of this writing are still not, sophisticated enough to allow for district-to-district analysis. The second was policy-based: ARB did not wish to subdivide ozone nonattainment areas any more than necessary. To do so would have obscured the fact that ozone is a regional pollutant and that counties within the same airshed are generally contributing to a common problem. The last was legal: competing provisions of the Act require ARB to assign attainment and nonattainment designations by air basins (H&SC section 39607(e)), and to ensure uniform controls within those basins for the same emission sources (H&SC section 41503(b)).

The solution endorsed by the Board was to base transport determinations on basin-to-basin impacts, with some adjustment for metropolitan area boundaries and topographical barriers. Thus, the Broader Sacramento Area was treated as a single entity which receives transport from some areas and which exports transport to others.

In defining the Broader Sacramento Area (BSA), ARB's intent was to encompass the developed and developing areas within and adjacent to the Sacramento metropolitan area. This approach ensured that all urbanized and urbanizing areas would be subject to similar treatment as air quality plans and regulations developed. Air districts were fully incorporated or fully excluded wherever possible to avoid confusion, inequities and enforcement problems. The resulting area contains the following: Nevada County, the Sacramento County Air Pollution Control District (APCD) (a misnomer; the correct title is the Sacramento Metropolitan Air Quality Management District [AQMD]); the Yolo-Solano APCD; the Yuba and Sutter County APCDs (later unified as the Feather River AQMD); and the Placer County, and El Dorado County APCDs (excluding the portions which are located within the Lake Tahoe air basin. This approach took into consideration both the growing communities in the foothills and the planned communities in Feather River AQMD.

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A thorough discussion of the background, need for the regulatory change, rationale, potential environmental and economic impacts, and alternatives to the staff's proposal are provided in this staff report.

The remaining districts in the Sacramento Valley Air Basin were grouped together and defined as the Upper Sacramento Valley (USV). This area consists of Butte, Colusa, Glenn, Tehama, and Shasta County air pollution control districts. The USV was then identified as a receptor of transport from the Broader Sacramento Area.

Following the identification of transport couples, the Board adopted regulations to mitigate the impact of transported pollutants. This action was also required under the Act (see H&SC section 39610(b)). The mitigation regulations imposed specific control requirements and deadlines on each identified contributor area, including the Broader Sacramento Area (sections 70600 and 70601, Title 17, CCR).

As is readily apparent, the boundaries of transport receptor and contributor areas have a direct, regulatory consequence. The areas which transport pollutants downwind must comply with mitigation requirements set by the Board. Those areas which receive, but do not also export, transported pollutants are not subject to mitigation requirements.

The actual consequence of this distinction depends on what the receptor/contributor areas are otherwise required to do under the Act. The mitigation requirements parallel the minimum control measures required for serious and severe nonattainment areas (see H&SC sections 40919 and 40920). Thus, upwind areas (which are all severe) face no additional mandates. Downwind areas, by contrast, may be moderate and thus subject to less stringent minimum controls (H&SC section 40918).

The receptor/contributor boundaries have another subtle, yet extremely important, implication. Each boundary is meant to encompass the district or districts sharing a common air mass, and which, by virtue of local emission sources and regional development patterns, are adding to a common ozone problem. The transport boundaries thus connote the appropriate boundaries for air quality planning and control strategy development.

II. RECOMMENDATION

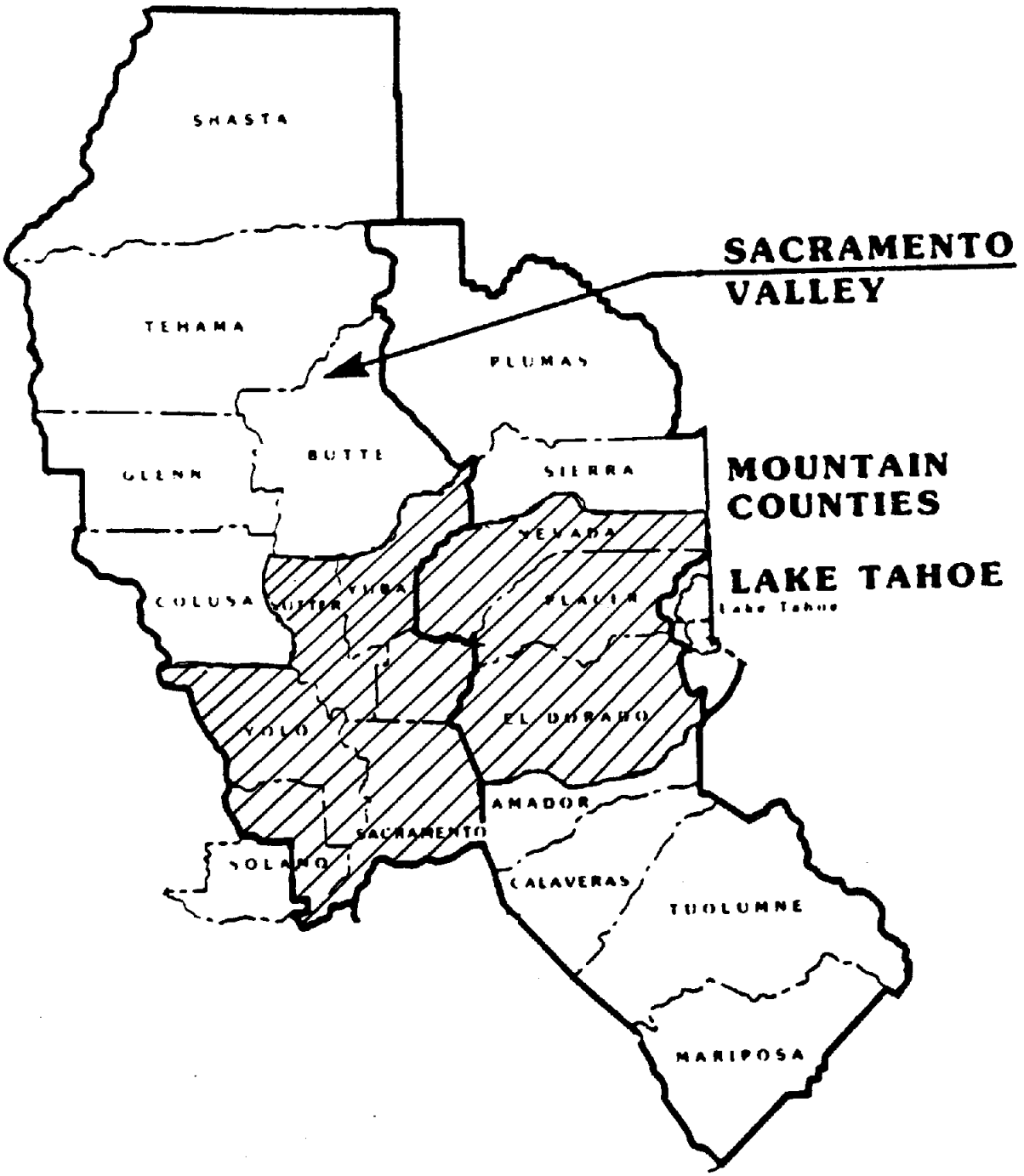
Staff recommends that the Board amend the definitions of the Broader Sacramento Area (BSA) and the Upper Sacramento Valley (USV) to shift all of Yuba County and most of Sutter County (approximately two-thirds) from the BSA to the USV. Staff further recommends that Nevada County be removed from the BSA. The text of the proposed amendments to the transport identification regulation (section 70500, Title 17, CCR) are set forth in the appendix to this staff report. Illustrations of the current and proposed boundaries are presented in Figures 1 and 2, respectively.

III. NEED FOR MODIFICATIONS TO EXISTING REGULATION

Identifying an area as the source of transport ultimately leads to mitigation requirements. All districts within the contributing area must comply with these requirements. The transport mitigation requirements

Figure 1

Boundary of the Current
Broader Sacramento Area



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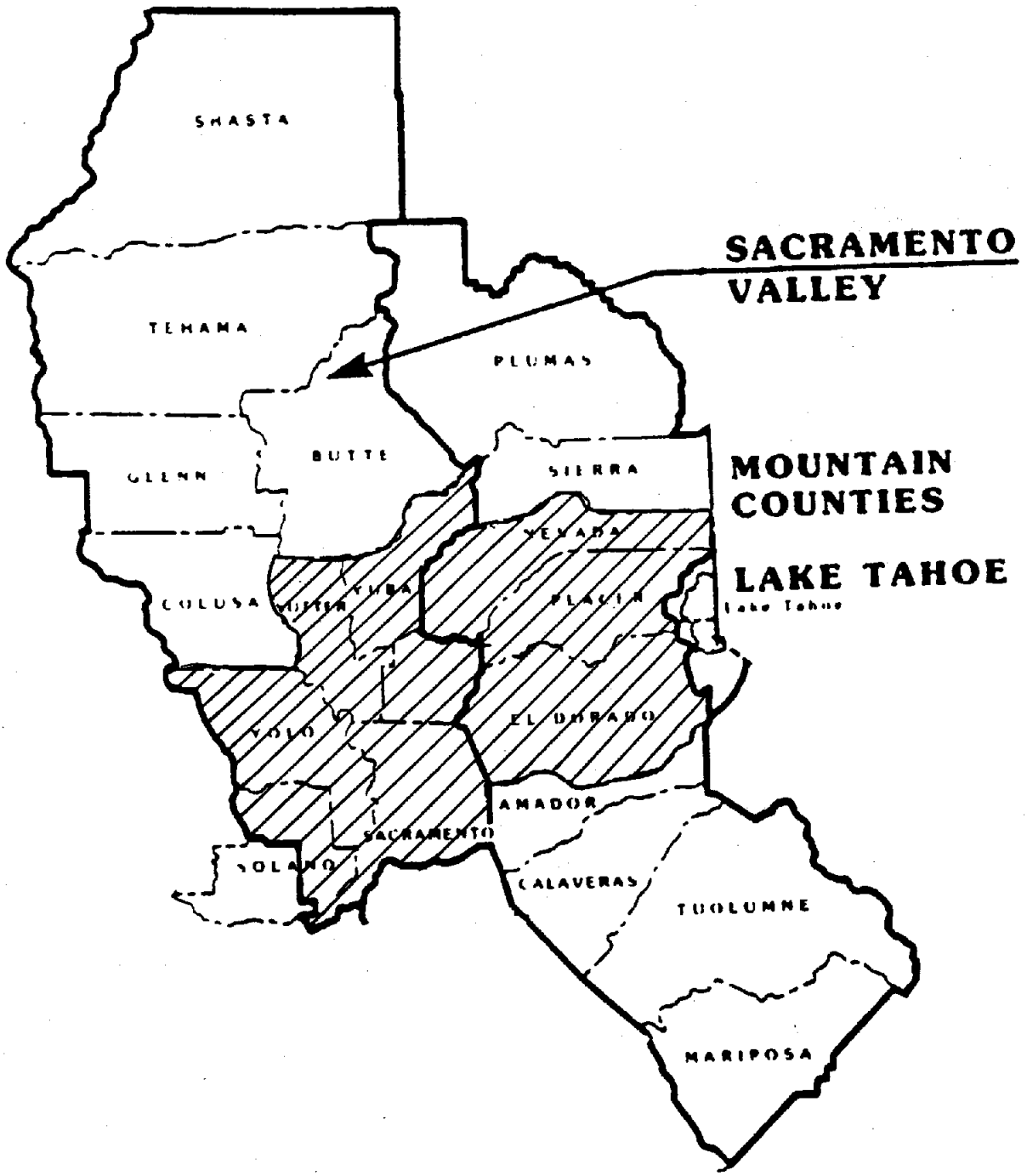

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Figure 2

Proposed Boundary for the
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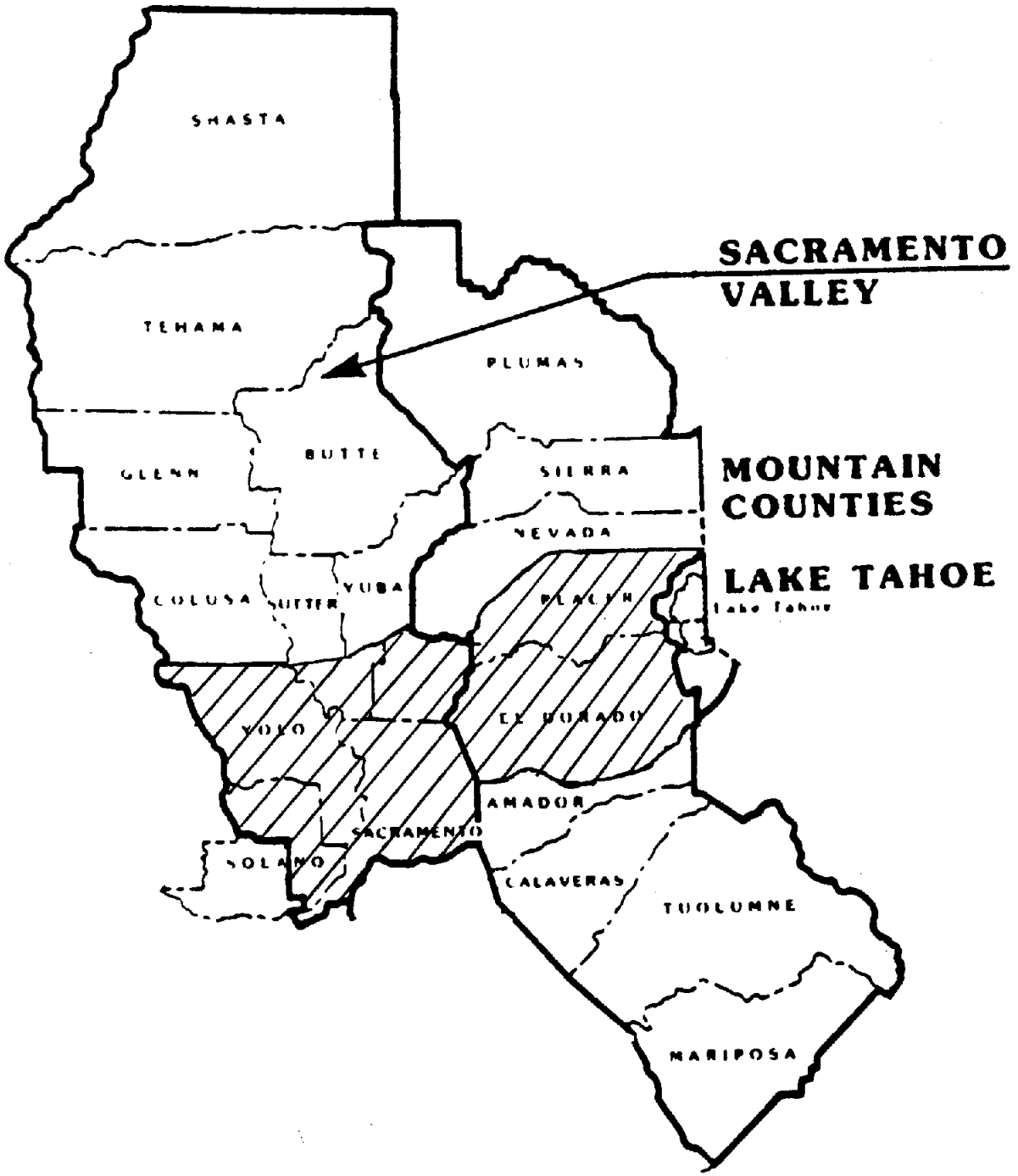

adopted by the Board include: 1) application of best available retrofit control technology to all existing sources; and 2) implementation of a permitting program which achieves no net increase in emissions from all new or modified sources (sections 70600 and 70601, Title 17, CCR).

As noted in the background section above, the mitigation requirements may impose little, if any, additional burden. Generally, the same controls must be applied in order to reduce the contributing area's own ozone problem (as opposed to imported or exported). This is not the case, however, in districts at the outer fringe of the Sacramento metropolitan area. But for the contributor area boundary, these areas would be subject to less stringent requirements.

One of the mitigation requirements -- the "no net increase" permitting rule -- imposes significant burdens on less industrialized areas. This rule requires that emissions from every new and modified stationary source, regardless of size, be fully mitigated. The "no net increase" requirement raises the demand for emission offsets. ("Offsets" are surplus emission reductions used to balance, or *offset*, the emission increases resulting from industrial development or expansion.) Where few older, higher polluting sources exist, the opportunities to create offsets for new sources are limited.

Most rural areas face an acute offset shortage. This is decidedly true in the Feather River AQMD and Nevada County APCD. Feather River, in addition, is suffering from high unemployment and is trying to attract industrial development in order to spur economic growth. The offset shortage makes this difficult.

The offset problems in Feather River and Nevada could be partially alleviated by merging with the Sacramento Metropolitan AQMD. Alternatively, the districts in the southern Sacramento Valley could make agreements to transfer and enforce offset transactions across district boundaries (H&SC section 40709.6). However, none of the affected districts is interested in these remedies at the current time. Thus some other solution must be found.

The proposed amendments to the transport identification regulation would minimize the impact of the "no net increase" permitting requirement in Feather River AQMD. Nevada County would be exempted entirely. If the proposed amendments are approved, industrial sources in Nevada County, Yuba County and northern Sutter County would be subject to less stringent permitting requirements.

IV. DISCUSSION OF PROPOSED AMENDMENTS

A. Staff Analysis

The current boundaries of the BSA and USV were established after careful analysis and consideration of public testimony. The Board's original decision remains valid, but other boundaries are also possible and

adopted by the Board include: 1) application of best available retrofit control technology to all existing sources; and 2) implementation of a permitting program which achieves no net increase in emissions from all new or modified sources (sections 70600 and 70601, Title 17, CCR).

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Figure 2

Proposed Boundary for the
Broader Sacramento Area

can be reasonably justified within the parameters of the statute. The question before the Board, therefore, is whether a modest adjustment should be made. In staff's view it should, and it can be accomplished without compromising the Board's mandate to ensure effective mitigation of transported pollution.

The transport receptor/contributor boundary within the Sacramento Valley Air Basin is subject to Board discretion and judgment. No topographical barrier divides the Valley in two. Instead, there is a meteorological pattern of northeasterly flows, with recirculation in the southern Valley.

From a purely meteorological standpoint, the entire Valley is a single air shed. The greatest concentration of emission sources is in the southern Valley, but there are emission sources scattered throughout. Thus, the ARB could have used the basin as its boundary for transport identifications with some justification.

However, the differences between the highly urbanized south versus the predominantly rural north indicated that a mid-basin division was appropriate. There is no question that pollution sources in the greater Sacramento metropolitan area dwarf those of the northern Valley. Therefore, the Board decided to draw a line between the southern and northern regions of the Sacramento Valley.

The Board took the opposite tack with districts to the east of Sacramento County. In this case, the official air basin boundary created an artificial division between closely integrated portions of the Sacramento metropolitan area. Placer County is in fact partly contained within the Sacramento Valley floor, and foothill communities in Nevada and El Dorado are within the same airshed. ARB remedied this situation by erasing part of the line between the Sacramento Valley and Mountain Counties air basins.

The final boundary for the Broader Sacramento Area contained: Sacramento Metropolitan AQMD, Yolo-Solano APCD, Feather River AQMD (previously Sutter and Yuba County APCDs), Nevada APCD, and the El Dorado and Placer County APCD's (excepting the Lake Tahoe portion of both areas). These areas comprised all the developed and developing areas adjacent to Sacramento proper.

There was significant precedent for this approach. The 1990 U.S. Census categorizes four of these districts (Sacramento, Yolo-Solano, Placer and El Dorado) as a "consolidated statistical metropolitan area" (CSMA). In addition, the U.S. Environmental Protection Agency (EPA) has grouped three of the districts together since 1978 for air quality planning purposes (see "Other Considerations" below).

In addition to these designations, the Board considered the pattern and pace of development. The Feather River AQMD was incorporated in the BSA for two reasons. First, Yuba City and Marysville are home to a small portion of the Sacramento Area workforce. These workers commute back and forth each

day. Second, and more importantly, intensive development has been planned for South Sutter County over the next 10-20 years. Four new cities, of approximately 40,000 persons each, are envisioned. These cities would be located immediately north of the Sacramento Metro Airport on highway 99, and would be closely linked to the central Sacramento area. Nevada County was incorporated in the BSA because of the similarity between its foothill communities and those of Placer and El Dorado Counties. All three are current or potential bedroom communities, are tied to the broader Sacramento area economy, and are a significant factor in regional transportation patterns (the heart of the ozone problem).

Thus, the resulting BSA boundary included all areas that are, or will soon be, integrally linked to Sacramento. It is a reasonable template for air quality planning, regional coordination, and parallel emission control strategies. It has been somewhat less successful, however, as a basis for the specific transport mitigation requirements adopted by the Board in 1990.

The transport mitigation regulations were designed to address sources under district control, specifically new and existing stationary sources. In more industrialized areas, these sources comprise approximately 40% of upwind areas' emissions inventories. In the Broader Sacramento Area's case, however, these sources amount to just 25% of ozone precursors. Motor vehicles are a larger source of emissions in the BSA, on a percentage basis, than in all other nonattainment areas in California.

Paradoxically, the low percentage of industrial sources in the Broader Sacramento Area makes the stationary source permitting requirement harder to meet. This is because the "no net increase" standard for new industrial sources is usually achieved through accelerated control of existing industrial sources. Satisfying the permitting requirement is difficult for Sacramento and Yolo-Solano. The remaining BSA districts have even greater difficulties. As a result, these districts face the prospect of a rule that could severely limit their ability to attract even relatively clean industries.

None of the BSA districts have complied with the "no net increase" permitting requirement to date, though Sacramento County's rule is pending. The no net increase rule was to have been adopted by July 1, 1991.

The proposed adjustment to the BSA and USV boundaries would significantly lessen the burden of the no net increase requirement in Feather River AQMD, and would eliminate it entirely in Nevada County.

Staff believes this adjustment is scientifically and legally supportable. Sacramento Valley transport is a macroscale phenomenon. Generally speaking, pollutants are generated in the southern part of the valley and transported to the east and north. However, the entire Valley is one air shed, pollutants are emitted throughout, and there is no obvious demarcation zone. Therefore, the Board must apply judgment and discretion when identifying transport relationships.

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The Feather River AQMD would prefer that the entire District be shifted to the USV. However, this request has to be balanced against a reasonable assessment of what the contours of the Sacramento metropolitan area are, and what they are likely to become within the foreseeable future. Staff's proposal would leave the targeted development area in Sutter County within the BSA.

B. Other Considerations

1. Federal Air Quality Maintenance Area Boundary

The federal Air Quality Maintenance Area (AQMA) is the area within which specified federal air pollution controls are mandatory. The AQMA is primarily based on the U.S. Census Bureau's definition of a "consolidated metropolitan statistical area" (CMSA). As population growth and sprawl occur, the CMSA for a given area expands. This, in turn, causes the AQMA to expand.

Since 1978, the AQMA for the Sacramento area has included Sacramento County, Yolo County, the portion of Solano County contained in the Yolo-Solano APCD, and the Sacramento Valley Air Basin portion of Placer County.

On December 6, 1991, the U.S. EPA expanded the Sacramento AQMA boundary to include the southern portion of Sutter County, and all but the Lake Tahoe portion of Placer and El Dorado. This action was based on amendments to the federal Clean Air Act, changes to the CMSA made in 1990, recommendations from the State, and EPA's own policy analysis.

Under federal law, the entire Sacramento AQMA is designated "serious" for ozone. Districts within the AQMA must work together to satisfy numerous mandates, including attainment of the federal ozone standard by 1999. Federal conformity provisions also apply throughout. This makes regionally coordinated air quality and transportation planning essential.

Staff's proposal would align the Broader Sacramento Area with the federal AQMA.

2. Proposed Changes to the Act's Permitting Requirements

The California Clean Air Act requires all serious and severe nonattainment areas to include a no net increase permitting rule in their air quality plans (H&SC sections 40919 and 40920). The Act does not specify a date for implementation, but implies that the rule was to have been in place by the time the initial air quality plans were due to ARB for review (July 1, 1991).

The availability of offsets is limited in all nonattainment areas. The stricter permitting rules required by the Act, paired with the mandate that all existing sources be retrofitted, is constraining offset availability even further. Small sources and newcomer industries bear the greatest brunt of this situation. Neither have existing sources of their own to control for credit.

The author of the original Act, Assemblyman Byron Sher, has been apprised of these pressures and has introduced legislation in response (Assembly Bill 2783). As currently proposed, the bill would relax the net increase permitting requirement in all but "extreme" nonattainment areas (a new category that would be added by the same bill). Support for this amendment is high, but the fate of the bill depends on several other provisions as well. The likelihood of passage is thus hard to predict.

V. OPTIONS

Staff is attempting to minimize the burden created by the transport mitigation regulations in particular portions of the Broader Sacramento Area. There are two basic methods to accomplish this objective. The first is to amend the transport receptor/contributor boundaries within which the regulations are applied. The other is to amend the mitigation requirements themselves. Three possible variations of the first approach, starting with staff's recommendation, are discussed below. The second approach is also discussed. The final option is to leave the current definitions of the BSA and USV unchanged.

Option #1(a): Align BSA Boundary with Federal AQMA.

Aligning the BSA boundary with the federal AQMA would remove Yuba County, the northern two thirds of Sutter County, and all of Nevada County from the BSA (see Figure 2). The affected portions of the Feather River District would be added to the Upper Sacramento Valley. Nevada County would be outside of both areas and, thus, neither a transport receptor nor a transport contributor.

The chief arguments in favor of this option are: it grants significant relief to Feather River AQMD and Nevada County; it retains all truly significant developed and developing areas within the BSA; and it creates consistency between state and federal planning areas.

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Staff's proposal would align the Broader Sacramento Area with the federal AQMA.

The primary opposing argument, which affects Feather River AQMD only, is that districts should not be split in two. Subcounty divisions create equity and enforceability problems. Feather River believes these concerns are surmountable. Staff notes that the federal AQMA has already made the division, and that other districts have successfully managed bifurcated regulations in the past.

Staff recommends this approach.

Option #1(b): Remove Mountain Counties Air Districts from the BSA.

Removing the Mountain Counties air districts from the BSA would take Nevada and El Dorado, and a portion of Placer County out of the BSA (see Figure 3). It would do nothing for Feather River AQMD.

The sole argument in favor of this option is that Mountain Counties is a separate air basin, and, on that basis alone, should be treated differently. As discussed at length above, there are no significant meteorological or topographical barriers between the Sacramento Valley and the foothill communities of the Mountain Counties Air Basin. Therefore, one must look instead at the extent of the common airshed, the pattern of development on the ground, and the degree to which uniform emission control strategies are indicated.

Staff believes this option would substantially diminish the effectiveness of air quality programs in the larger Metropolitan area. It would reverse the trend toward larger planning areas (particularly as defined under federal law), and sends the wrong message to the foothill communities. These areas are integrally linked to the Sacramento region and economy, and the airshed is clearly shared. It is inappropriate and inadvisable to separate these counties out as "receptors." The emission sources of these counties, particularly the vehicles driven throughout the region, are part of the broader Sacramento area's ozone problem and should be part of a closely coordinated solution.

Staff recommends that the Board reject this option.

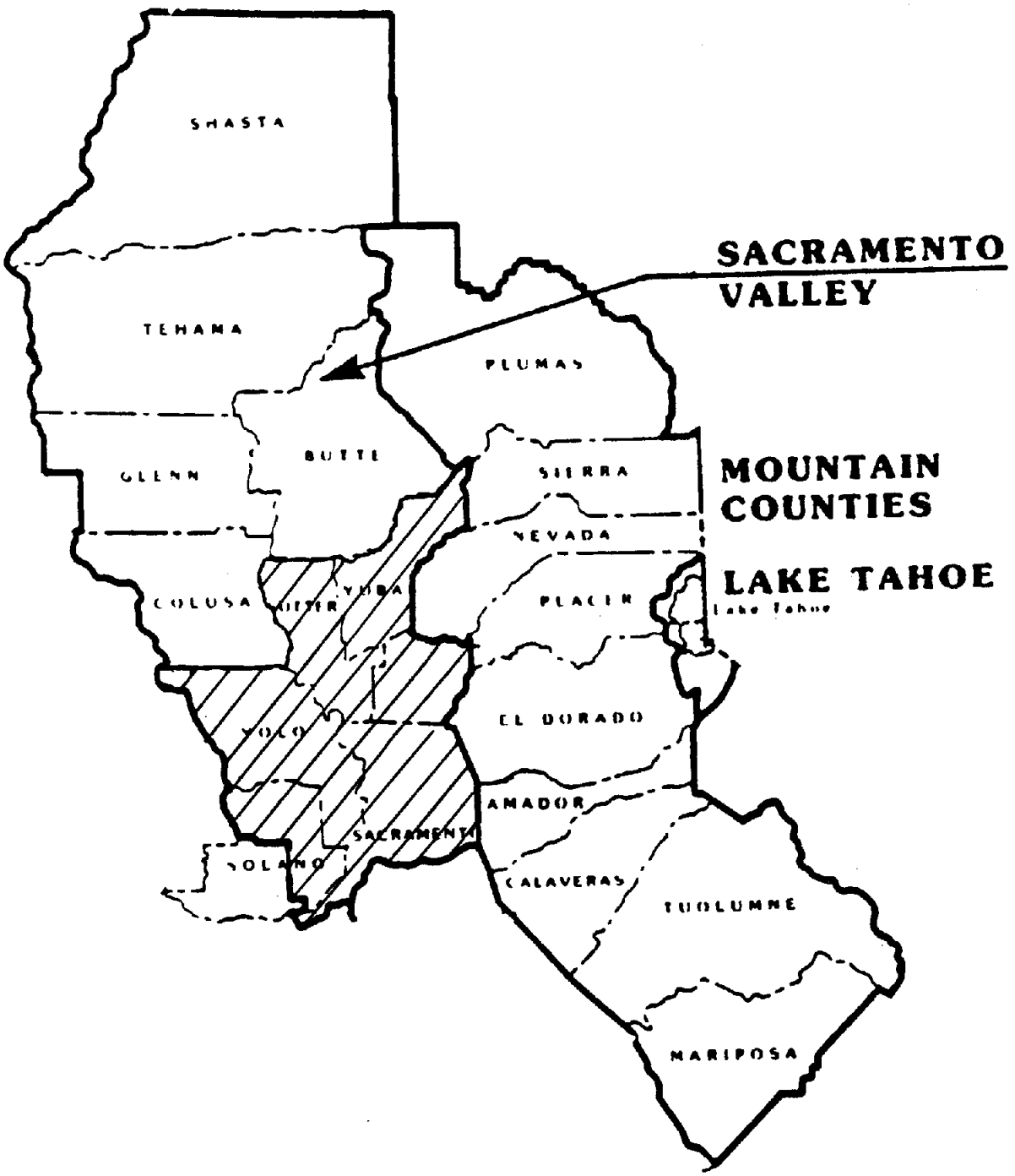
Option #1(c): Construct New BSA Boundary Based on Development and Transportation Patterns, Emissions Density, or, (for the eastern boundary only) elevation.

Constructing a new BSA boundary based on development and transportation patterns, emissions density, or (for the eastern boundary only) elevation could take several forms. One possibility would be to follow significant highways (e.g., highway 49 to the east), making some provision to encompass towns and roadside development. This is effectively equivalent to an emissions density approach. Another possibility would be to use townships or a fixed elevation (e.g., 1,500 feet) to define outer boundaries.

However constructed, this boundary would undoubtedly meander. It would probably subdivide every district except Sacramento Metropolitan AQMD into

Figure 3

Option #1(b)



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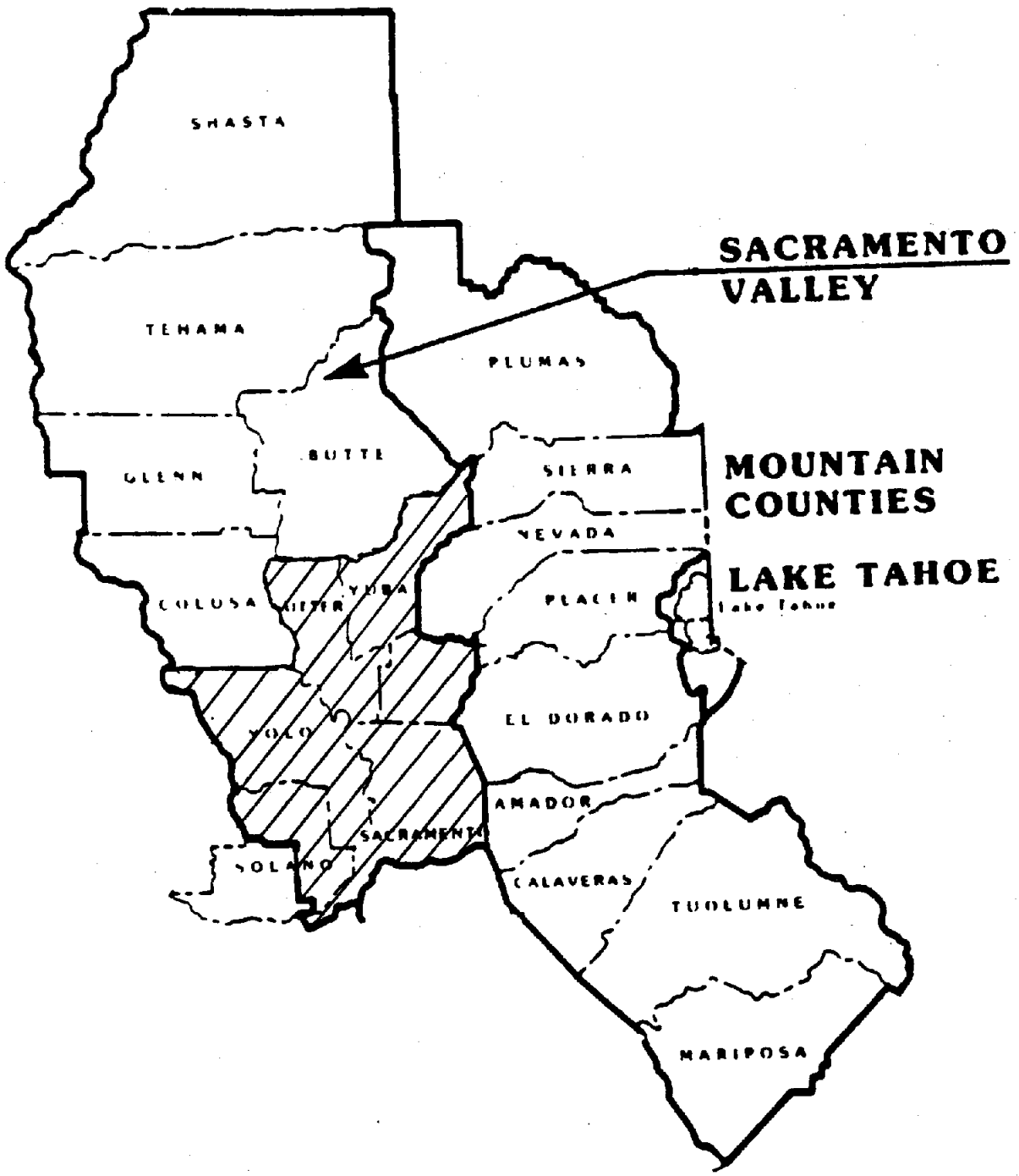

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There is a limited amount of precedent for such an approach. Agricultural burning regulations are applied in this fashion to the Mountain Counties Air Basin. In addition, individual counties have previously adopted rules with special exemptions for the remote areas of their jurisdictions. However, neither of these examples is as broad in scope, or import, as the boundary of a common planning area.

Staff recommends that the Board reject this alternative unless a compelling case is made at the public hearing, or through written comments, that a new BSA boundary can be adequately defined and successfully applied based on development and transportation patterns, emissions density, or (for the eastern boundary only) elevation.

Option #2: Amend Transport Mitigation Regulations to Reduce Burden of the No Net Increase Permitting Requirement

This option would require the ARB to re-open its transport mitigation rulemaking and to relax the "no net increase" requirement.

The permitting requirements have already been fully satisfied by four upwind areas (Bay Area, South Coast, San Joaquin Valley, and Ventura), and rules are pending in several more. In addition, amending the mitigation requirements to address the BSA's problem is more difficult, and potentially less justifiable, than simply modifying the BSA boundary.

By law, the ARB must revisit its transport mitigation regulations at least once every three years. The first triennial review is scheduled for August 1993. Staff suggests that any necessary amendments to the mitigation regulation be considered at that time. In the meantime staff recommends a more limited solution, working from the transport identification regulation.

Staff recommends that the Board reject this option for the time being.

Option #3: No Change

This option would not amend the definitions of the Broader Sacramento Area and Upper Sacramento Valley. The transport receptor/contributor boundaries would remain unchanged, and all of Nevada County APCD and Feather River AQMD would be required to comply with the ARB's transport mitigation regulations.

This option is undesirable because it fails to address the problems resulting from the original boundaries; namely, the imposition of transport mitigation requirements that are disproportionately burdensome on the less industrialized portions of the BSA.

Staff recommends that this option be rejected by the Board.

VI. IMPACT OF PROPOSED AMENDMENTS

A. Environmental Impacts

Adoption of the proposed amendments to ARB's transport identification regulation (section 70500, Title 17, CCR) may result in significant, adverse environmental impacts.

The redefinition of the Broader Sacramento Area and Upper Sacramento Valley transfers counties or portions of counties from one planning area to another. This will in turn affect the applicability of transport mitigation requirements in Nevada County, Yuba County, and the northern two-thirds of Sutter County. It could also affect which control measures these areas need to adopt and implement in accordance with Division 26, Part 3, Chapter 10 of the Health & Safety Code.

The most immediate change will be the suspension of any effort to adopt a no net increase permitting rule for Nevada County, and for most of Feather River AQMD. Instead, both districts are expected to adopt a permitting rule that requires offsets for sources over 25 tons per year, applicable to the portions of their jurisdictions that are removed from the BSA. That level of control is required by the California Clean Air Act, at a minimum, in all nonattainment areas.

The actual impact of this change will depend on the extent of minor, stationary source growth in the affected districts. Sources that have to be offset under the current ARB transport mitigation regulation (i.e., those emitting between zero and 25 tons per year) would no longer face that requirement in Nevada County, Yuba County, and the northern portion of Sutter County. This could result in local, adverse environmental impacts.

Staff does not expect the proposed amendments to significantly affect the degree of transport mitigation currently afforded to the USV. As noted above, transport in the Sacramento Valley is a macroscale phenomenon. The bulk (75%) of contributing emission sources in the southern Valley are vehicular. Stationary and nonpoint sources comprise the rest of the contributing emission sources. Minor stationary sources are only a fraction of that remainder, and minor stationary sources in Nevada County, Yuba County, and the northern two-thirds of Sutter County are an even smaller fraction still.

There are overriding considerations which outweigh and make acceptable the unavoidable significant adverse impacts associated with the proposed amendments. As described above, these are primarily social and economic. Feather River AQMD and Nevada County APCD have been unduly burdened by the original construction of the BSA and USV boundaries, and the consequent imposition of transport mitigation requirements within the BSA. Adjusting these boundaries is technically and legally defensible, and would substantially lessen or eliminate that burden.

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This option is undesirable because it fails to address the problems resulting from the original boundaries; namely, the imposition of transport mitigation requirements that are disproportionately burdensome on the less industrialized portions of the BSA.

Staff recommends that this option be rejected by the Board.

Staff recommends that the Board recognize that the proposed amendments may result in significant, unavoidable, adverse environmental impacts and make a finding of overriding considerations.

B. Economic Impacts

The Board's Executive Officer has determined that the proposed amendments will not create costs or savings, as defined in Government Code section 11346.5(a)(6), to any state agency or in federal funding to the state, costs or mandate to any local agency or school district whether or not reimbursable by the state pursuant to Part 7 (commencing with section 17500), Division 4, Title 2 of the Government Code, or result in other nondiscretionary costs or savings to local agencies.

The air pollution control and air quality management districts responsible for areas designated nonattainment for ozone, carbon monoxide, sulfur dioxide, and nitrogen dioxide are required to develop and prepare plans pursuant to H&SC section 40910 et seq. The costs incurred by the districts in connection with the planning process are not reimbursable by the state pursuant to Part 7 (commencing with section 17500), Division 4, Title 2 of the Government Code because the statute does not mandate a new program or higher level of service of an existing program within the meaning of section 6 of Article XIIIB of the California Constitution. In addition, districts have the authority to levy fees sufficient to cover their costs for planning, enforcement, and other district programs. See H&SC sections 42311 and 41512.5.

The adoption of amendments to this regulation is not expected in itself to result in any adverse economic effects. On the contrary, the amendments are expected to be economically beneficial to small businesses since they will ultimately reduce the permitting requirements for small stationary sources of pollution in some portions of the BSA. The proposed action would also eliminate the cost of implementing the best available retrofit control technologies on existing stationary sources in the same areas.

For these reasons, the Executive Officer has determined that the proposed amendments will not have a significant adverse economic impact on small businesses. The Executive Officer has also determined that there will be no, or an insignificant, potential cost impact on private persons or businesses (other than small businesses) directly affected resulting from the proposed action.

No alternative considered by the agency would be more effective in carrying out the purpose for which the regulation is proposed, nor would be as effective or less burdensome to affected private persons than the proposed action.

VII. REFERENCES

Air Resources Board, October 1989. Identification of Districts Affected by Transported Air Pollutants Which Contribute to Violations of the State Ambient Air Quality Standards for Ozone.

Air Resources Board, March 1990. Interbasin Transport in California: An Annotated Bibliography.

Air Resources Board, June 1990. Assessment and Mitigation of the Impacts of Transported Pollutants on Ozone Concentrations in California.

U.S. Environmental Protection Agency, November 6, 1991. *"Air Quality Designations and Classifications; Final Rule"* 40 CFR, Part 81.

U.S. Office of Management and Budget. Metropolitan Statistical Areas, 1990.

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Staff recommends that the Board recognize that the proposed amendments may result in significant, unavoidable, adverse environmental impacts and make a finding of overriding considerations.

B. Economic Impacts

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Amend Subchapter 1.5, Air Basins and Air Quality Standards, Title 17, California Code of Regulations, as follows:

Article 5. Transported Air Pollutants

70500. Transport Identification

(a) Purpose.

This regulation identifies the areas in which transported air pollutants from upwind areas cause or contribute to a violation of the state ambient air quality standard for ozone and the areas of origin of the transported pollutants. All areas identified in the table are air basins except as otherwise specifically described and defined.

(b) Definitions.

(1) "California Coastal Waters" includes the area between the California coastline and a line starting at the California-Oregon border at the Pacific Ocean; thence to 42.0 degrees North, 125.5 degrees West; thence to 41.0 degrees North, 125.5 degrees West; thence to 40.0 degrees North, 125.5 degrees West; thence to 39.0 degrees North, 125.0 degrees West; thence to 38.0 degrees North, 124.5 degrees West; thence to 37.0 degrees North, 123.5 degrees West; thence to 36.0 degrees North, 122.5 degrees West; thence to 35.0 degrees North, 121.5 degrees West; thence to 34.0 degrees North, 120.5 degrees West; thence to 33.0 degrees North, 119.5 degrees West; thence to 32.5 degrees North, 118.5 degrees West; and ending at the California-Mexican border at the Pacific Ocean.

(2) "Upper Sacramento Valley" includes the Colusa, Butte, Glenn, Tehama, and Shasta County Air Pollution Control Districts/, and that area of the Feather River Air Quality Management District, which is north of a line connecting the northern border of Yolo County to the southwestern tip of Yuba County, and continuing along the southern Yuba County border to Placer County.

(3) "Broader Sacramento Area" includes ~~Nevada County~~ the Sacramento Metropolitan Air Quality Management District/; the Yolo-Solano/ ~~Sutter/ and Yuba County~~ Air Pollution Control Districts; ~~and~~ the El Dorado and Placer County Air Pollution Control Districts (excluding the portions which are located within the Lake Tahoe Air Basin)/; and that area of the Feather River Air Quality Management District which is south of a line connecting the northern border of Yolo County to the southwestern tip of Yuba County, and continuing along the southern Yuba County border to Placer County.

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(c) Transport Identification Table

OZONE IMPACTED BY TRANSPORT:	AREAS OF ORIGIN OF TRANSPORT:
1. North Central Coast	San Francisco Bay Area
2. South Central Coast	South Coast California Coastal Waters
3. South Coast	South Central Coast
4. San Diego	South Coast
5. Upper Sacramento Valley	Broader Sacramento Area
6. Broader Sacramento Area	San Francisco Bay Area San Joaquin Valley
7. San Joaquin Valley	San Francisco Bay Area Broader Sacramento Area
8. Great Basin Valleys	Undetermined
9. Southeast Desert	South Coast San Joaquin Valley
10. San Francisco Bay Area	Broader Sacramento Area

NOTE:

Authority cited: Sections 39600, 39601, and 39610(a) of the Health and Safety Code.

Reference: Section 39610(a) of the Health and Safety Code.