

Proposed Revisions
Transportation Conformity Budgets for South Coast Air Basin

On November 15, 2007, the Air Resources Board (ARB or Board) adopted conformity budgets for the South Coast Air Basin. The conformity budgets the Board approved are consistent with plans for attaining the federal fine particulate matter (PM_{2.5}) and 8-hour ozone standards in the South Coast Air Basin that the Board had approved on September 27, 2007. However, staff at the U.S. Environmental Protection Agency (U.S. EPA) has expressed concerns about these budgets, stemming from U.S. EPA concerns about the State Strategy used in the attainment demonstration plans.

Although ARB staff and staff of the South Coast Air Quality Management District (AQMD) do not believe that U.S. EPA's concerns are properly part of conformity budget review, ARB and AQMD staffs have worked with staff of the Southern California Association of Governments (SCAG) and U.S. EPA staff to identify budgets that reflect California's commitment to meeting the air quality standards, and address U.S. EPA concerns.

Based on this effort, ARB staff is now recommending the adoption of two sets of conformity budgets for the South Coast Air Basin. The first set reflects the 2007 State Implementation Plan (SIP) submittal for the South Coast Air Basin, including the locally adopted 2007 Air Quality Management Plan (AQMP) and the 2007 State Strategy adopted by ARB. The second set of budgets reflects control measures adopted as of October, 2006 – the rules that formed the baseline emission inventory used in the development of the 2007 SIP. Both the SIP and baseline-based budgets provides sufficient reductions to meet the Clean Air Act's reasonable further progress test.

Staff recommends that ARB direct staff to forward the two sets of budgets to U.S. EPA with the request that both sets of budgets be considered simultaneously. Further, staff recommends that the Board request that EPA approve the all budgets based on the 2007 SIP, and that U.S. EPA should approve all the baseline budgets only if it cannot approve or find adequate in their entirety the budgets based on the 2007 SIP. The baseline budgets are less protective and constraining than SIP-based budgets since they do not reflect new measures committed to in the 2007 SIP. Therefore, the baseline budgets would be forwarded to U.S. EPA with a commitment that if U.S. EPA selects this approach, then staff of the AQMD, SCAG, ARB, U.S. EPA and the Federal Highway Administration (FHWA) would work together to resolve issues affecting budget adequacy, and submit updated transportation conformity budgets within the next 12 months to reflect such resolution.

Finally, staff's proposal does make two revisions to the 2007 SIP budgets approved in November 2007. The first revision would restore the budgets

proposed for 2008 and 2009 to the baseline levels; this was done at the request of U.S. EPA. The second is minor, and recalibrates the 2007 SIP budgets using the EMFAC2007 motor vehicle emissions model. EMFAC2007 is the basis for motor vehicle emission inventories used in the attainment demonstration and reasonable further progress plans, and will be used to compare the impacts of proposed transportation projects against the conformity budgets.

The Need for the Dual Path Approach

U.S. EPA's concerns and hesitancy to act on the already submitted budgets create a conformity timing problem. SCAG must to adopt its new Regional Transportation Plan (RTP) in May, 2008 to avoid a lapse in conformity. The adopted RTP must include a demonstration that the plan conforms to the SIP. If approved by the Board, the dual path approach allows SCAG staff to do conformity analyses comparing the impacts of the proposed RTP to both the SIP-based budgets and the baseline budgets, which will then allow SCAG to adopt the RTP. Finally, once U.S. EPA acts on one of the sets of budgets, that set will become the conformity budgets and the need to carry two sets of budgets will stop.

Proposed Budgets

SIP-Based Budgets

The preferred budgets reflect emission reduction commitments made in the ARB's adopted 2007 State Strategy for attaining the national PM2.5 and 8-hour ozone standards, and local controls identified in the South Coast's 2007 Air Quality Management Plan. The SIP-based budgets differ from the budgets ARB adopted in November, 2007, as described below.

1. The budgets for 2008 (PM2.5) and 2009 (ozone) reflect the baseline program: they do not include any reductions from new measures adopted as part of the 2007 SIP.
2. The budgets have been recalibrated using ARB's EMFAC2007 motor vehicle emissions model, which has been approved for the SIP and which is the tool that will be used to compare the impacts of new projects to the conformity budgets. The budgets approved in November were calculated using the South Coast's Controlled Emission Projection Algorithm (CEPA) program.

SIP-based transportation conformity budgets, shown in Attachment 1, are provided for the South Coast Air Basin for the following years:

- Annual PM2.5 Standard: 2009, 2012, 2014, 2023, and 2030
- 8-Hour Ozone Standard: 2008, 2011, 2014, 2017, 2020, and 2023

Baseline Budgets

The proposed baseline budgets reflect rules that were adopted as of October, 2006 – the baseline program prior to the development of the 2007 SIP. Because these budgets would not reflect the PM2.5 or 8-hour ozone attainment demonstrations, these budgets would be forwarded to U.S. EPA with a commitment that AQMD, SCAG, ARB, EPA, and FHWA will work together to resolve AQMP issues affecting budget adequacy, and submit an updated transportation conformity budgets within the next 12 months to reflect such resolution. These budgets were also calculated using the EMFAC2007 motor vehicle emissions model.

Baseline transportation conformity budgets, shown in Attachment 2, are provided for the South Coast Air Basin for all milestone years up to the attainment year as follows:

- Annual PM2.5 standard: 2009 and 2012.
- 8-hour Ozone standard: 2008, 2011, 2014, 2017, and 2020.

Transportation conformity budgets identified for 2012 and 2020 will be used as the PM 2.5 and ozone transportation conformity budgets for PM2.5 and ozone, respectively, for all subsequent milestone years. Under U.S. EPA's conformity regulations, the agency has the option of approving only some of the budgets submitted. Should U.S. EPA approve conformity budgets for select years, e.g. for 2008 and 2009 only, emission budgets for all future milestone years will remain the same as the last milestone year approved.

Coachella Valley

Based on U.S. EPA's anticipated approval of the 2012 Coachella Valley conformity budgets in the Early Progress Plan approved ARB approved on February 28, 2008, no further action is needed on the Coachella Valley budgets.

Staff Recommendation

ARB staff recommends that the Board approve the dual path approach at its April 24, 2008 hearing, and direct staff to forward the revised budgets to U.S. EPA with a request that 1) U.S. EPA give primary consideration to the SIP-based budgets, and 2) U.S. EPA approve the baseline budgets only if U.S. EPA staff determines that it would recommend disapproval of the SIP-based budgets in their entirety.

Revised on March 28, 2008 to correct typographical errors.