



Assembly California Legislature

COMMITTEES:

AGRICULTURE
ENVIRONMENTAL SAFETY &
TOXIC MATERIALS

WAYS & MEANS

SUB 1 - HEALTH & HUMAN SERVICES
SUB 3 - RESOURCES, AGRICULTURE
& THE ENVIRONMENT

BILL JONES

ASSEMBLYMAN, TWENTY-NINTH DISTRICT

March 9, 1993

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Ms. Jananne Sharpless, Chairwoman
California Air Resources Board
P.O. Box 2815
Sacramento, California 95812

Dear Chairwoman Sharpless:

I have recently been made aware of the proposed revisions to the transport mitigation regulation of the California Clean Air Act. As I understand the proposal, these changes are being made to provide a measure of economic relief to those air basins that were not provided a benefit by recent amendments to the Clean Air Act, specifically the San Joaquin Valley, the San Francisco Bay Area, and the Sacramento Area, and the South Central Coast.

I am very much concerned about the economic health of California, and in particular that of the San Joaquin Valley which I represent. I am also concerned about air quality and about equity in the application of the law. Based on the information provided to me, I wish to voice my support for the proposal recommended by your staff to require that only those stationary sources with a potential to emit 10 tons/year or more of ozone precursor emissions be subject to the "no net increase" requirement within the air basins mentioned above.

Any proposal to grant an inequitable relaxation of the transport mitigation regulation to any upwind air basin will result in 1) increased air pollution in downwind area, 2) an economic disadvantage to the downwind basin, and 3) increased difficulty in meeting air quality goals and mandatory emission reductions in downwind areas. Thus, anything short of an equitable relaxation of the transport mitigation regulation will contradict the intent of the Legislature in that it will neither protect the air quality in downwind basins, nor will it provide any form of economic relief to downwind areas.

Again, I urge you to adopt the ARB staff proposal as proposed.

Sincerely,


BILL JONES



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

March 5, 1993

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-9-93
BY BOARD SECRETARY

Chairperson Jananne Sharpless and
Members of the Air Resources Board
State of California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

3/11/93
93-4-1

XC: Bud M...
JS MHS
JD EC
JB Legal

Dear Chairperson Sharpless and
Members of the Air Resources Board:

This letter and transmittal of information is in regard to the Public Hearing to Discuss Potential Amendments to the Existing Air Resources Board (ARB) Transport Mitigation Regulation (CCR Section 70600). The Board of Directors of the Bay Area Air Quality Management District (District) formally supported the 1992 amendments to the California Clean Air Act (Act) throughout the past legislative session. The purpose of this letter is to convey the continued support of the Act, specifically the amended emission offset thresholds. Therefore, we recommend that the Board adopt the emission offset thresholds stated in the amended Act.

The staff of the District appreciates the opportunity to participate in the Public Hearing and to provide information to the Board on the impacts of the proposals recommended by your staff on the Transport Mitigation Regulations. Likewise, we recognize our responsibility to mitigate the emissions originating within the District which impact the surrounding air quality regions.

This District's experience with emission offsets goes back to the first California New Source Review Rule of December 20, 1977. Since that first New Source Review Rule, the District has processed over 18,000 applications for new and modified industrial sources. The District's experience in permitting is available to the Board and is briefly summarized in the attached material.

Based upon an evaluation of the issues and a detailed analysis of the permits issued by the District from July 1, 1991 through June 30, 1992, we wish to share our conclusions with the Board.

CONCLUSIONS

A. Emission and Permit Streamlining Impacts

1. The increase of emissions due to a 15 ton per year emission offset threshold is very small;
2. The increase of emissions due to the differential between a 10 and a 15 ton per year emission offset threshold is very, very small; and
3. The permit streamlining relief due to a 15 versus a 10 ton per year emission offset threshold* is significant.

B. Impact of Emission Offsets as a Transport Mitigation Strategy

1. The existing transport problem is caused by existing sources of emissions;
2. The reduction of existing emissions from upwind areas is very large; and
3. The potential increase of emissions due to a 10 or a 15 ton per year emission offset threshold is very small when compared to the decrease of emissions from existing sources.

*Assuming application size rather than facility size is used in the calculation.

C. Impact of Emission Offset Thresholds Based Upon the Size of a Facility Versus the Size of a Permit Application

1. Emission offset thresholds based upon the size of the facility will not provide regulatory relief to small or medium sized businesses;
2. Legislative intent and the language in the statute does not mandate that emission offsets be determined by the size of the facility;
3. Other than the addition of the phrase "... potential to emit. ..." and the new thresholds, the language in the statute pertaining to offsets, is unchanged;
4. The ARB staff interpretation of "stationary source" has changed because emission offset thresholds, based on application size, were allowed under ARB approved NSR rules adopted under the original Act;
5. The ARB staff interpretation of "stationary source" will not make sense when applied to the Best Available Control Technology (BACT) requirement contained in the amendments to the Act;
6. The use of a "cumulative increase" provision in NSR rules will prevent any increase of emissions greater than the offset threshold and guarantees against misuse or circumvention of the application based emission offset threshold;
and
7. The findings and declarations of AB 2783, past practices, the intent of the legislation and common sense allow for emission offset thresholds to be based on the size of the application rather than the size of the facility.

D. Impact of the Emission Offset Requirement on Small Buisnesses

1. Emission offsets are in very short supply;

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2. The cost of emission offsets provides a hardship on small and medium sized businesses; and
3. Many small and medium size businesses lack both financial and technical resources to locate, negotiate and acquire emission offsets.

E. Major Issues Identified by ARB Staff Pertaining to the Proposals

1. The potential for adverse environmental impact of a higher emission offset threshold is mitigated by the existing source emission control program;
2. Equity should not be judged solely on the NSR emission offset threshold; it should be measured by the:
 - a) stringency of the NSR rule;
 - b) enforcement program;
 - c) breadth and stringency of prohibitory rules;
 - d) existing investment into transportation infrastructure; and
 - e) overall district programs.
3. The general interpretation of legislative intent was to provide permit relief to businesses; transport status was not part of the decisionmaking at the hearings.

In order to assist the Board in this decisionmaking process, we have organized our review and analysis of the issues into five sections, similar to the above conclusions.

The following analysis is based on the computer records of nearly 1600 authorities to construct issued by the District for the twelve months from July 1, 1991 through June 30, 1992. The District has been tracking, by use of a computer, the permitting and emission history of every facility since 1978. Detailed tabulations

Chairperson Jananne Sharpless and
Members of the Air Resources Board
March 5, 1993

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of this permit, categorized by application size and actual emissions of the facility, was provided to your staff in a communication dated December 24, 1992.

REVIEW AND ANALYSIS OF ISSUES

I. Emission and Permit Streamlining Impacts of a 10 and a 15 Tons Per Year Emission Offset Threshold

- An application based and a facility based 10 ton per year emission offset threshold will show an emission increase of 2.3 tons of ozone precursors* per day;
- An application based and a facility based 15 ton per year of emission offset threshold will show an emission increase of 2.5 tons of ozone precursors per day;
- An application based 10 ton per year potential to emit threshold will require between 1 and 10 percent of the applications to obtain emission offsets and about half that amount at a 15 ton per year potential to emit emission offset threshold;
- A facility based 10 ton per year potential to emit emission offset threshold will require between 20 and 60 percent of the applications to obtain emission offsets; and

*Ozone precursors are the combined emissions of Reactive Organic Gases (ROG) and Nitrogen Oxides (NOx).

- A facility based 15 ton per year potential to emit emission offset threshold will require between 15 and 50 percent of the applications to obtain emission offsets.

The first analysis is based on an emission offset threshold that is calculated by the size of the application rather than the size of the facility. As discussed in detail later, neither the California air districts, the ARB nor the California business community currently has accurate data on the potential to emit for existing facilities.

During the review period, July 1, 1991 through June 30, 1992, the District issued 1592 authorities to construct with a potential to emit 2.6 tons ROG per day and 0.1 tons NOx per day.

During the review period, 2.2 tons per day of the ROG emissions and all of the (0.1 tpd) NOx emissions were due to 1582 authorities to construct with a potential to emit less than 10 tons per day.

During the review period, 0.2 tons per day of the ROG emissions and no NOx emissions were due to 6 authorities to construct with a potential to emit between 10 and 15 tons per year.

To put these small increases into perspective, a 10 ton per year potential to emit threshold will amount to 2 percent of the District's 2000 Anthropogenic Ozone Precursor Planning Inventory (819 tpd); and a 15 ton per year potential to emit threshold will amount to 2.2 percent of the District's 2000 Anthropogenic Ozone Precursor Planning Inventory.

*Anthropogenic Ozone Precursor Planning does not include 300 tpd ROG from natural sources. Percentages decrease down to 0.21 and 0.22% when total inventory used as the basis for the analysis.

Another view of the impact is to compare the difference between the 2 percent increase of emissions due to a 10 ton per year emission offset threshold and the 2.2 percent increase of emissions due to a 15 ton per year emission offset threshold to the 19 percent decrease of ozone precursors emissions due to the measures contained in the District's Clean Air Plan from 1987 to the year 2000.

Furthermore, the total emission reductions due to the combination of District (stationary source and TCM) and ARB (mobile source) programs will provide a 38.8 percent reduction of ozone precursors from 1987 to 2000.

The second analysis is based on an emission offset threshold that is calculated by the size of the facility. These estimates are based on the actual rather than the potential to emit from a facility because information pertaining to the potential to emit from a facility is not readily available to the ARB, local districts or the California industrial community..

During the review period, 2.2 tons per day of ROG emissions and nearly all (0.1 tpd) of the NOx emissions were due to 1264 authorities to construct at facilities with actual emissions less than 10 tons per year.

During the review period, 0.2 tons per day of the ROG emissions and an insignificant amount of the NOx emissions were due to 78 authorities to construct at facilities with actual emissions between 10 and 15 tons per year.

The emission impact due to actual emission facility based and an application based emission offset threshold is essentially the same at either the 10 or 15 ton per year cut-off levels. However, as seen below, there is a significant impact on permit relief between the two thresholds.

The third analysis is the impact of offset ratio and the calculation method on permit relief to small and medium sized businesses.

The level of the offset thresholds and whether or not these thresholds are based on the size of the facility or the size of the application will have a significant impact on permit relief. We estimate that a 15 ton per year emission offset threshold based on actual emissions will require 15.7 percent (250) of the applications to obtain offsets. A 10 ton per year emission offset threshold based on actual emissions will require 20.6 percent (328) of the applications to obtain offsets. Based upon our experience, we estimate that these numbers will rise by a factor of two or three when the calculation is based on potential to emit.

An application based emission offset threshold will require significantly fewer applications to be subject to emission offsets. We assume that between 1 and 10 percent of the applications submitted during a year will be required to obtain offsets. The percentage of applications subject to emission offsets is growing as the rule matures and the offset thresholds are exceeded due to the impact of multiple applications.

Therefore, an application based emission offset threshold at a 15 ton per year potential to emit threshold will provide the greatest permit relief.

II. Impact of Emission offsets as a Transport Mitigation Strategy

- The stationary source and TCM control measures in the District Clean Air Plan shows a significant (19%) reduction of emissions from 1987 to the year 2000. The total of the District Clean Air Plan and ARB mobile source reduction of emissions is 38.8 percent from 1987 to 2000;
- The potential increase of emissions due to a 15 ton per year emission offset threshold based on application size (2.2% of the year 2000 inventory) is minor when compared to the anticipated 38.8 percent decrease of emissions due to future control programs.

A 15 ton per year emission offset threshold will result in only a slight reduction in progress toward mitigating the emissions from the District to its downwind neighbors. Both the ARB staff and our analysis show a relatively minor increase of ozone precursor emissions due to a 15 ton per year emission offset threshold. Through an independent analysis, the ARB staff calculates that the increase represents approximately three tenths of one percent (0.3%) of the year 2000 emission inventory. When comparing the above potential increase to the anticipated decrease in the emission inventory of 13.4 percent, we concur with the ARB staff statement that "... the slight reduction in progress is not important."

III. Impact of Emission Offset Thresholds Based Upon the Size of a Facility Versus the Size of a Permit Application

- The percent of applications that will require emission offsets due to a 15 ton per year potential to emit facility threshold ranges from 15.7 to 47.1 percent;
- The percent of applications that will require emission offsets due to a 15 ton per year potential to emit application threshold will range from about one percent to about 10 percent;
- Emission offset thresholds based upon facility size does not provide an applicant the incentive to minimize the new source emissions;
- A facility based potential to emit emission offset threshold will be confusing to businesses and difficult for regulatory agencies to administer because the potential to emit for a facility is information that is not currently available; this way of determining emission offsets is also counter to permit streamlining.
- By basing the offset threshold on the cumulative increase, due to all authorities to construct issued since a specific date, any circumvention of an application based emission offset threshold can be avoided.

- The language of the original Act and AB-2783, pertaining to emission offset thresholds, is unchanged except for the addition of potential to emit.
- Under the original Act, the ARB staff allowed application based emission offset thresholds.

We estimate that between 15.7 and 47.1 percent of all applications will be subject to emission offsets using an emission offset threshold based on the potential to emit from a facility. This number is large because the potential to emit of a facility may be many times greater than the actual emissions of a facility.

The potential emit for a facility assumes that, unless conditioned to be below a specific level with appropriate conditions, every piece of equipment operates at maximum capacity all day (24 hours) every day (365 days per year).

For example, a facility which has equipment that has a maximum capacity to emit greater than 2.29 pounds per hour, regardless how many hours or days it is used per year, will be assumed to be exceeding the 10 ton per year emission offset threshold. A facility based potential to emit emission offset threshold will require emission offsets from some very small businesses such as small automobile repair shops, dry cleaners and neighborhood coffee roasters. There are the types of businesses that new legislation was to offer relief.

An application based, potential to emit, emission offset threshold provides the applicant a real incentive to limit the new source emissions due to the requirement to provide offsets; whereas the facility based potential to emit emission offset threshold will lead the applicant to accepting a condition to limit its potential to emit from the facility. Because all facilities emit greatly below their potential to emit, a condition to limit a facility's emissions below the emission offset threshold will not provide any real air quality improvement.

An application based, potential to emit, emission offset threshold cannot be circumvented as suggested by the ARB staff report because of the cumulative

increase trigger. This practice is now being used in most districts; it was part of the pre-Act NSR model rule and is part of the federal EPA NSR and PSD permit rules. The ARB staff's example of a facility with 20 permit applications located in an area with a 10 ton per year no net increase rule avoiding offsets as long as each application has a potential to emit no more than 9.9 tons per year of each ozone precursor, is an erroneous interpretation and cannot happen under a rule with a cumulative increase provision. Under a cumulative increase provision, once the sum of all applications submitted by an applicant is greater than the offset threshold, the facility must provide emission offsets for entire amount permitted from that date, using the appropriate offset ratio. Assume that in an area with a 10 ton per year no net cumulative increase since the January 1, 1992 rule, a facility submits one 3 ton per year potential to emit permit application every six months from the inception date of the rule. The first three applications, which amount to 9 tons per year, do not trigger emission offsets. However, the fourth application will bring the facility cumulative increase over the emission offset threshold and the facility will need to provide offsets for entire "cumulative increase" of 12 tons per year at the appropriate emission offset ratio. This process has worked successfully in all of the California air districts for many years.

The term stationary source used in the Act and the recent amendments to the Act refers to a source or an aggregation of sources. The Findings and Declarations in paragraph 6 of AB-2783 states, "... This bill would exempt sources with potential to emit less than 15 tons of pollutants... ." Later in paragraph (7), the phrase "stationary source," which means a source or aggregation of sources, is put into context by referring to the permitting program.

If the Act wanted stationary source to mean facility, the word facility would be used; even the ARB staff in their Board report refers to sources and facilities rather than stationary sources.

If the Act or the amendments to the Act interpret stationary source to be facility, then the new language in Section 40919 (b) will require BACT at any new or

modified stationary source (facility) which has the potential to emit more than the 10 pound per day new or modified source BACT threshold. The logical and generally accepted interpretation for the 10 pound per day potential to emit BACT threshold is the size of the piece of equipment, not the size of the facility.

Also, the interpretation of stationary source as a facility is stretched when a review the phrase "modified stationary source" is conducted in the context of offsets or BACT for the modified stationary. If modified stationary source actually refers to the facility, then the whole facility must provide offsets for itself and retroactively apply BACT for the unchanged parts upon any modification facility. The Act certainly did not anticipate this interpretation.

Some districts, under the zero threshold no-net increase rule, were allowed by the ARB staff to have application based, minimal and reasonable emission offset thresholds. Since the phrase "stationary source" appeared in the original Act and the amendments to the Act, and the ARB staff approved application based thresholds under the original Act, the policy of application based, rather than facility based thresholds should continue.

IV. Impact of the Emission Offset Requirement on Small Business

- Emission offsets are limited and very costly.
- Small and medium sized businesses lack the means to negotiate the steps to attain emission offsets.

We agree with the ARB staff that emission offsets are in short supply and they are very costly. Because of the limited quantity of emission offsets, their cost may sometimes exceed the cost of control technology, reaching upwards to \$24,000 per ton.

Also, because Section 40914(b)(2) of the Act requires all feasible measures to be in nonattainment plans if the 5 percent per year reduction of emission requirement is not met (and it is not met in virtually all districts), then any reduction which is deemed a feasible measure cannot be considered excess to those required to attain the State air quality standard and therefore cannot be used for offsets or banking. This Catch-22 has seriously dried up the flow of emission reductions into emission banks.

It has become clear to us at the local level that small business owners, such as auto paint and repair shops, do not have the resources both in time and money to negotiate for offsets.

Using only one-half of the ARB staff maximum estimated cost for emission offsets, the additional cost of doing business in California due to the emission offset program can be calculated. The additional cost of over \$100,000 for a small business, such as an auto body shop, needing barely over 10 tons per year of emission offsets is a considerable expense.

V. Major Issues Identified by ARB Staff Pertaining to the Proposals

On page 9 of the ARB Staff Report, three issues are raised by the staff. The following provides our comments to ARB major issues.

1. Potential for Adverse Environmental Impacts

Yes, a 15 ton per year emission offset threshold will allow a slightly larger emission increase than a 10 ton per year emission offset threshold. However, as the ARB staff points out and our analysis confirms, the increase is extremely small when viewed in the proper perspective.

As demonstrated earlier, an increase in emissions due to a liberated emission offset threshold is overshadowed by the decrease of emissions from existing sources due to new and improved rules that are being promulgated. We concur with the ARB staff that these reductions of emissions are sufficient mitigation for any potential increases of transport emissions.

Also, if necessary, the Board can amend this policy upon further review of the issues at a later date.

2. Equity

We concur with the ARB staff that the Board's decision should be based primarily on air quality considerations. The political argument of unfair economic advantages between an upwind or a downwind area should not be viewed in only the emission offset threshold context. We agree that a review of the equivalence of the overall district program, including permitting, enforcement and the type and stringency of the rules on the books be considered when equity plays a part in the decisionmaking.

3. Legislative Intent

It is our opinion that the intent of AB-2783 was to grant permitting flexibility and relief to all districts, irrespective of transport status. As demonstrated by the above discussion, the emission offset thresholds play a minor, if not insignificant part in mitigation of transport emissions. part of transport mitigation program. Also, it is the District's position, consistent with prior rule making interpretations that the term 'stationary source' refers to a source or an aggregation of sources.

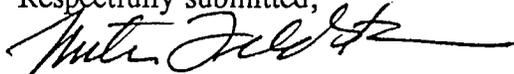
Chairperson Jananne Sharpless and
Members of the Air Resources Board
March 5, 1993

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In summary, we recommend that the Board adopt the emission offset thresholds contained in State law.

We will be represented at your Hearing by Mr. Peter Hess, Deputy Air Pollution Control Officer. If you have any questions pertaining to our position, Mr. Hess will provide the answers at the Hearing. All of these issues have been discussed with the ARB staff prior to the hearing.

Respectfully submitted,



Milton Feldstein
Air Pollution Control Officer

MH:PH:ca
Attachments

cc: James Boyd, Executive Officer



JUSTIFICATION FOR A 15 TON/YEAR
"APPLICATION SIZE" THRESHOLD FOR OFFSETS

- ALL PREVIOUS OFFSET REQUIREMENTS BASED ON APPLICATION SIZE STARTING WITH FIRST NEW SOURCE REVIEW RULE IN 1977.
- A 15 TON/YEAR APPLICATION SIZE THRESHOLD WILL STREAMLINE NSR PERMITTING
- EMISSION INCREASES FROM NEW PERMITS ARE SMALL WHEN COMPARED TO EMISSION FROM EXISTING SOURCES.
- EMISSION INCREASES FROM NEW PERMITS ARE SMALL WHEN COMPARED TO REDUCTIONS MANDATED BY THE DISTRICTS CLEAN AIR PLAN (CAP)
- MITIGATION OF TRANSPORT EMISSIONS WILL RESULT FROM NEW OR IMPROVED RULES ON EXISTING SOURCES.



DEFINITION OF STATIONARY SOURCE

- STATIONARY SOURCE FOR PURPOSE OF NSR HAS ALWAYS BEEN INTERPRETED TO MEAN:
A NEW OR MODIFIED SOURCE OR GROUP OF NEW OR MODIFIED SOURCES SUBJECT TO THE RULE

- THE NEW SOURCE REVIEW RULE ONLY APPLIES, TO NEW OR MODIFIED SOURCES NOT TO EXISTING SOURCES.



"STATIONARY SOURCE" ORIGINAL CCAA VS. AB 2783

OLD

40919(2)

A permitting program designed to achieve no net increase in emissions of non-attainment pollutants or their precursors from all permitted new or modified stationary sources.

NEW

40919(b)

A permitting program designed to achieve no net increase in emissions of non-attainment pollutants or their precursors from all permitted new or modified stationary sources which emit, or have the potential to emit, 15 tons or more per year.

ANALYSIS THE FOLLOWING COMMON PHRASE:

- **"PERMITTED NEW OR MODIFIED STATIONARY SOURCES"**

IF IT MEANS A SINGLE FACILITY, WHY DOES

IT REFER TO "STATIONARY SOURCES" IN THE PLURAL?



**USE OF STATIONARY SOURCE IN BACT
SECTIONS OF AB 2783 AMENDMENT**

- 40919(b) ". . . The program shall require use of best available control technology for any new or modified stationary source which has the potential to emit 10 pounds per day or more of any non-attainment pollutant or its precursors."

- IN THIS CONTEXT, THE DISTRICT AND THE ARB STAFF AGREES THAT, "STATIONARY SOURCE" REFERS TO A SINGLE PIECE OF EQUIPMENT AND NOT TO THE ENTIRE FACILITY.



AB 2783
REVIEW OF "LEGISLATIVE COUNSEL'S DIGEST"

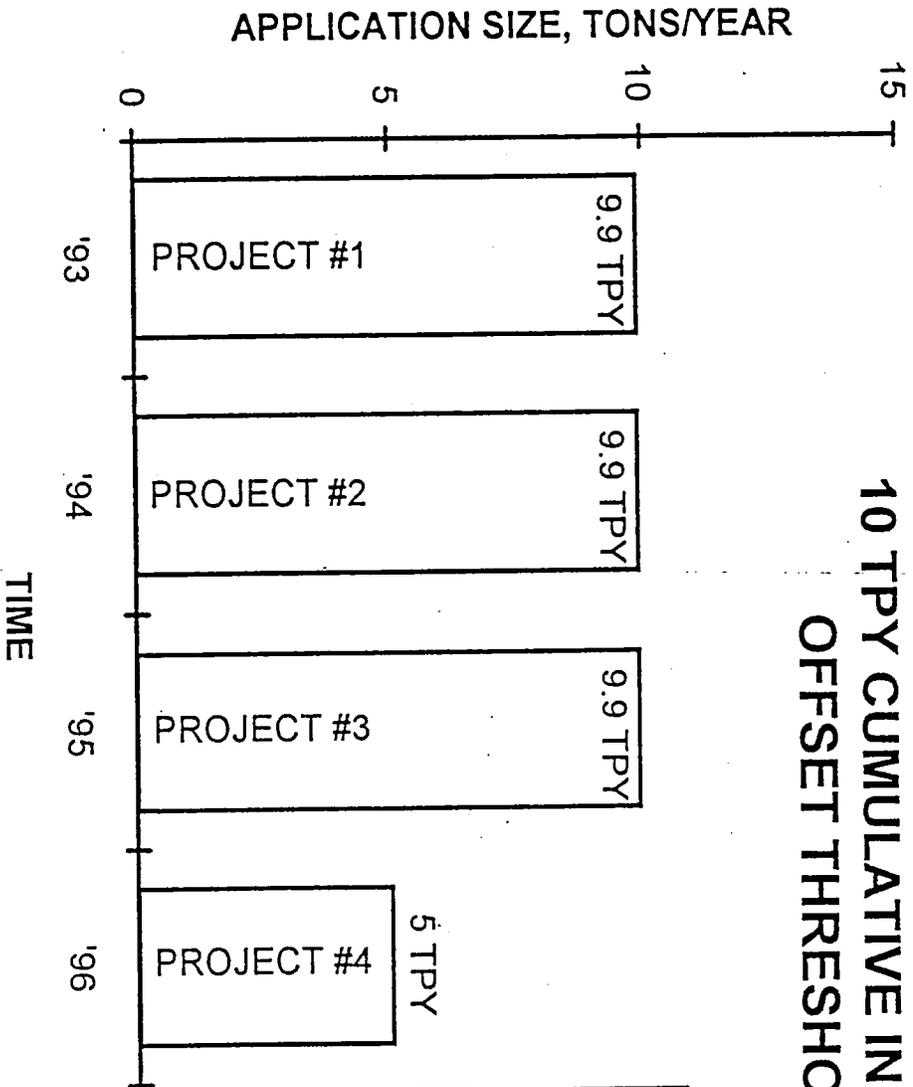
- From page -3-
- Paragraph (6) "This bill would exempt Sources with the potential to emit less than 15 tons of pollutants from that requirement (i.e. OFFSETS) in districts with serious air pollution, and would require the program to require the use of prescribed technology (i.e. BACT), there by imposing a state-mandated local program.
- IN THIS CONTEXT SOURCE CAN ONLY MEAN A PIECE OF EMITTING EQUIPMENT SINCE IT REFERS TO BOTH THE OFFSET AND BACT REQUIREMENTS. ARB STAFF AGREES THAT "BACT" APPLIES ONLY TO THE NEW OR MODIFIED (STATIONARY) SOURCE.
- "STATIONARY SOURCES" CAN'T REFER TO MORE THAN ONE FACILITY IT MUST REFER TO A GROUP OF SOURCES OR PIECES OF EQUIPMENT.



CUMULATIVE INCREASE PROVISION OF OUR RULE PREVENTS
CIRCUMVENTION OF OFFSET REQUIREMENT

- HOW DOES A "CUMULATIVE INCREASE" OFFSET THRESHOLD WORK?
- CONTRARY TO ARB STAFF REPORT, A 10 TPY CUMULATIVE INCREASE WOULD NOT ALLOW A SERIES OF 9.9 TPY PROJECTS TO AVOID THE OFFSET REQUIREMENT.

**PERMIT ACTIVITY SUBJECT TO A
10 TPY CUMULATIVE INCREASE
OFFSET THRESHOLD**



PROJECT	OFFSETS REQUIRED	OFFSETS REQUIRED TPY
1	NO	0
2	YES	19.8
3	NO	0
4	YES	14.9





MAJOR ISSUES IDENTIFIED BY ARB STAFF

- EXISTING SOURCE CONTROL MEASURES WILL MITIGATE INCREASED EMISSION DUE TO EITHER A 15 TPY OR 10 TPY THRESHOLD. WE AGREE.
- THE OVERALL DISTRICT PROGRAM, NOT THE OFFSET THRESHOLD OR NSR RULE, SHOULD BE BASIS OF COMPARING ADEQUACY OF ONE DISTRICTS PROGRAM TO ANOTHER.
- INTENT OF AB2783 WAS TO GRANT PERMIT RELIEF TO SMALL BUSINESS.



**IMPACTS OF EMISSION OFFSET REQUIREMENT
ON SMALL BUSINESS**

- OFFSETS IN VERY SHORT SUPPLY.
- OFFSETS FOR ROG AND NOx ARE VERY EXPENSIVE.
- TECHNICAL EXPERTISE IN ADDITION TO FINANCIAL RESOURCES REQUIRED TO OBTAIN OFFSETS.
- PROCURING OFFSETS CAN SIGNIFICANTLY INCREASE PERMITTING TIME.



APPLICATION SIZE VS. FACILITY SIZE THRESHOLD

APPLICATION

INCREASED EMISSIONS

10 TPY - 2.3 TONS/DAY OZONE PRECURSORS (ROG & NOX)
15 TPY - 2.5 TONS/DAY OZONE PRECURSORS (ROG & NOX)

- o APPLICATION BASED THRESHOLD WILL REQUIRE BETWEEN 1-10% OF THE APPLICATIONS TO PROVIDE OFFSETS.
- o 10 TPY FACILITY BASED THRESHOLD WILL REQUIRE 20.6% OF APPLICATIONS TO PROVIDE OFFSETS.
- o 15 TPY FACILITY BASED THRESHOLD WILL REQUIRE 15.7% OF APPLICATIONS TO PROVIDE OFFSETS.

o CONCLUSION

APPLICATION BASED THRESHOLD WILL PROVIDE BOTH FINANCIAL RELIEF AND WILL EXPEDITE PERMITTING PROGRAM.



INCREASES DUE TO OFFSET THRESHOLDS COMPARED WITH
REDUCTIONS DUE TO CLEAN AIR PLAN (CAP)

BASIS - COMBINED ROG AND NO_x EMISSIONS (TONS/DAY)

<u>EMISSIONS</u>	<u>TONS/DAY</u>	
BASILINE 1987	1,339	
PROJECTED 2000 (WITH MOBILE SOURCE REDUCTION)	1,013	24 % REDUCTION
PROJECTED 2000 (WITH '91 CAP MEASURES + MOBILE SOURCE REDUCTIONS)	819	38.8% REDUCTION
<u>INCREASE DUE TO</u>		
10 TPY THRESHOLD	+16.1	(37.6% REDUCTION)
15 TPY THRESHOLD	+17.5	(37.5% REDUCTION)



SUMMARY AND CONCLUSIONS

- IS TYPY "APPLICATION SIZE" OFFSET THRESHOLD WILL PROVIDE PERMIT RELIEF AS INTENDED BY AB2783.
- THIS APPROACH WILL BE CONSISTENT WITH ALL PREVIOUS DISTRICT OFFSET REQUIREMENTS.
- INCREASE IN DISTRICT WIDE EMISSIONS VERY SMALL COMPARED TO REDUCTIONS DUE TO CAP.
- TRANSPORT EMISSIONS WILL BE MITIGATED BY OVERALL CAP MEASURES.

BAY AREA COUNCIL

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BY BOARD SECRETARY

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3/11/93
93-4-1

XC: Bud Mbin
JS MHS
JD EO
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March 8, 1993

Hon. Jananne Sharpless, Chairwoman
and Members
California Air Resources Board
2020 L Street
Sacramento, CA 95814

Proposed revisions to transport mitigation regulation

Dear Chairwoman Sharpless and Members:

The Bay Area Council submits the following comments on the captioned item which the Air Resources Board will consider at its meeting on March 11, 1993.

In brief, we urge you to adopt the no net increase thresholds for stationary sources mandated by the 1992 amendments (AB 2783) to the California Clean Air Act, i.e. 15 tons per year for "serious" areas and 10 tons per year for "severe" areas. The Bay Area Council agrees with the comments submitted to you on this subject by the Bay Area Air Quality Management District, the Bay Area League of Industrial Associations, and the California Council for Environmental and Economic Balance.

In our view, one of the causes of AB 2783 was a pattern of discrepancies between the intent of the Legislature in adopting the California Clean Air Act and the actions of ARB in interpreting and enforcing the Act. AB 2783 remedied many of these discrepancies, and we hope that ARB will implement the changes made by AB 2783 in a manner consistent with legislative intent.

Thank you very much for your time and attention to our concerns.

Sincerely,


Steve Heminger
Vice President

cc: Hon. Byron Sher

The Bay Area Council, established in 1945, is a business-sponsored organization dedicated to analysis and action on regional issues. Its program currently focuses on regional growth management, housing, transportation, and education and training. The Council co-sponsors the Bay Area Economic Forum.

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-9-93
BY BOARD SECRETARY

3

3/11/93
93-4-1

BALIA

RECEIVED
MAR 12 1993

Bay Area League of Industrial Associations

Office of the Chairwoman
Air Resources Board

Via Facsimile (916) 322-6003

Xc: Brd mbr
JS mHS
JP EO
JB Legal

March 8, 1993

The Honorable Jananne Sharpless
Chairwoman
Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Proposed Revisions to ARB's Transport Mitigation Regulation

Dear Ms. Sharpless:

We appreciate the opportunity to comment on the proposed revisions to ARB's transport mitigation regulation which you are considering on March 11, 1993.

We recommend you adopt the No Net Increase Thresholds mandated by the 1992 amendments to the California Clean Air Act. i.e. 15 tons per year for serious areas and 10 tons per year for severe areas.

We were active members of the working group that negotiated the issues included in AB2783. To the best of my knowledge ARB did not propose or mention a proposal to differentiate offset thresholds based on transport considerations. We do not believe any linkage was intended by the Legislature. If ARB had proposed a linkage, our position on other important issues would have changed. The classifications, the design values, the progressive limits for permit thresholds and the AVR standards were, in our opinion, one package.

The California Council for Environmental and Economic Balance (CCEEB) has summarized the legislative history for AB2783 in their comments. We agree completely with the CCEEB's review and their position on this issue.

The Honorable Jananne Sharpless
Chairwoman
Air Resources Board
March 8, 1993
page two....

BALIA has participated in the development of an effective and innovative new source review rule at the BAAQMD for many years. In proposing to change¹ this rule the BAAQMD presents data that shows that the air quality affects of changing from 10 to 15 tons per year are insignificant. In comments² to your staff the BAAQMD stated that numerous small businesses fall in the 10-15 ton per year category, and that emission offsets are difficult for them to obtain. We agree with these comments by the BAAQMD.

In summary, we ask you to modify your regulations to provide for a 15 ton per year threshold for the Bay Area. As stated above, we believe this was the intent of the Legislature in AB2783. A 15-ton per year threshold will also allow progress towards air quality goals without unnecessary hardship to small businesses in the Bay Area.

BALIA appreciates your consideration of these comments. We will be present at the hearing to answer your questions.

Sincerely,



Daniel V. Phelan
Executive Director

cc: Mr. Victor Weisser
Mr. Milton Feldstein
The Honorable Byron Sher
The Honorable James Strock
Mr. James Boyd
Ms. Catherine Witherspoon
Ms. Sylvia Oey
Ms. Pat Hutchens, Secretary, Air Resources Board
(20 copies by Federal Express)

¹ BAAQMD Workshop Notice Regulation 2. Permits Emission offsets and PSD Thresholds.

² BAAQMD: Letter to Ms. Sylvia Oey (December 24, 1992).



CITY of MODESTO

Office of City Manager:

(209) 577-5223 FAX (209) 571-5128

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93-4-1

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9

XC: Bud Mbr
JS mHS
JD Eo
JB Legal

801 11th Street, P. O. Box 642, Modesto, CA 95353

[TDD (209) 526-9211 Hearing and Speech Impaired only]

March 5, 1993

Board Secretary
Air Resources Board
PO Box 2815
Sacramento, CA 95812

RE: Proposed Change in Transport Mitigation Regulation

Members of the California Air Resources Board:

We are writing to express our support for the changes proposed by the Air Resources Board staff relaxing the mitigation regulation to permit facilities that emit up to 10 tons/year of ozone precursors in the San Joaquin Valley. This change will help Modesto achieve its economic development goals of employment for our citizens and a jobs/housing balance.

However, we are strongly opposed to the proposal by the Bay Area Air Quality Management District and Broader Sacramento Area to allow facilities emitting up to 15 tons/year in those areas. We have two objections to this proposal:

1. Allowing the Bay Area and Broader Sacramento Area 15 tons/year versus 10 tons/year for the San Joaquin Valley puts us at a competitive disadvantage in attracting new industry, since new industries would be allowed to "pollute" more in the Bay Area or Broader Sacramento Area.
2. Because the Bay Area and Broader Sacramento Area are identified originators of transported pollutants to the San Joaquin Valley, any increase in emissions allowed in those areas will impact air quality in the San Joaquin Valley. Not only will this affect our air quality, but it will make it more difficult for us to meet the ambient air quality standards. This could result in more restrictions, placing us at a further competitive disadvantage in attracting new industries.

The City of Modesto is willing to support allowing the Bay Area and Broader Sacramento Area the same 10 ton/year standard proposed for the San Joaquin Valley, despite the resulting increase in transport emissions this will create. We recognize the need for some relief from the "no net increase" rule, and feel that this change would create a "level playing field" between the Bay Area, Broader Sacramento Area, and the San Joaquin Valley in attracting new industry.

If the Air Resources Board is inclined to grant the request of the Bay Area Air Quality Management District and Broader Sacramento Area, then we urge the Board to allow the 10 ton/year standard for the San Joaquin Valley, Bay Area, and Broader Sacramento Area at the current time. Consideration of the request to increase the standard to 15 tons/year for the Bay Area and Broader Sacramento Area should be delayed until completion of the San Joaquin Valley Air Quality Study, so that the effects of this change on the air quality of the San Joaquin Valley can be thoroughly analyzed.

In summary, we support the recommendations of the Air Resources Board staff and the position of the San Joaquin Valley Unified Air Pollution Control District. Thank you for allowing us to comment on this matter.

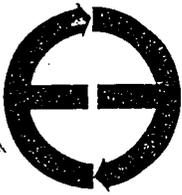
Sincerely,



J. Edward Tewes
City Manager

JET/SM

cc: Nick Blom, Stanislaus County Board of Supervisors and Boardmember, San Joaquin Valley Unified Air Pollution Control District
Blair Bradley, Ceres City Council and Boardmember, San Joaquin Valley Unified Air Pollution Control District
David Crow, San Joaquin Valley Unified Air Pollution Control District



3/11/93
93-47

California Council for Environmental and Economic Balance

RECEIVED
MAR 8 1993

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-8-93
BY BOARD SECRETARY

Office of the Chairwoman
Air Resources Board
100 Spear Street, Suite 805, San Francisco, CA 94105 • (415) 512-7890 • FAX (415) 512-7897

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Katherine Dunlap
L. F. O'Donnell
FORMER CHAIRPERSONS

March 8, 1993

KC: Brad Miller
JS MHS
JD EO
JB Legal

The Honorable Jananne Sharpless
Chairwoman
Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Proposed Revisions to ARB's Transport Mitigation Regulation

Dear Ms. Sharpless:

Following are the comments of the California Council for Environmental and Economic Balance ("CCEEB") regarding the proposed revisions to the transport mitigation regulation of the Air Resources Board ("ARB").

Comment 1: CCEEB appreciates the fact that ARB is taking timely action to amend the transport mitigation regulation to provide greater flexibility to the districts and small businesses.

Comment 2: ARB should review the legislative history for AB 2783 (Sher, Statutes of 1992) (summarized below) and adopt the no net increase thresholds established by the 1992 amendments to the California Clean Air Act.

ARB staff is proposing a 10 ton per year no net increase threshold for the San Francisco Bay Area, the Broader Sacramento Area, the San Joaquin Valley, Santa Barbara and Ventura. This proposal is inconsistent with the action that the Legislature took in 1992. As amended by AB 2783 (Sher), the California Clean Air Act establishes the following no net increase thresholds:

<u>Area Classification</u>	<u>Statutory No Net Increase Thresholds</u>
Moderate	25 tons per year ("TPY")
Serious	15 TPY
Severe	10 TPY
Extreme	0 TPY

CCEEB urges ARB: 1) to consider the legislative history of AB 2783 which is summarized below; and 2) to adopt the statutory thresholds for all upwind areas.

Legislative History

In 1991, CCEEB requested that the Assembly Natural Resources Committee conduct a legislative oversight hearing regarding California Clean Air Act ("CCAA") implementation. The Committee conducted the hearing on November 25, 1991, and numerous groups from around the state testified regarding various aspects of implementation. Several organizations, including ARB and CCEEB, testified that the CCAA no net increase provision which applied to serious and severe areas was making it difficult for businesses to obtain required air quality permits. You summarized the problem and solution well in your testimony:

"The no net increase requirement is placing enormous pressure on the permitting system, thereby making it difficult to accommodate the business growth California so clearly needs to sustain. In a well administered program, adequate mitigation can still occur if some small sources are excluded from the "no net increase" requirement. This approach can also reduce part of the regulatory burden on small businesses. We would characterize these changes as "fine tuning", and would be happy to work with the Committee in the future to craft them."

To address the issues raised at the hearing, Assemblyman Byron Sher (D, Palo Alto) introduced AB 2783 on February 14, 1992. The introduced (2/14/92) version proposed no net increase thresholds of 10 tons per year for "serious" areas and 5 tons per year for "severe" areas. A week later, Assemblyman Charles Quackenbush (R., Cupertino) introduced AB 3785 which included ARB's proposed numbers to address the no net increase thresholds. In AB 3785, ARB staff was proposing thresholds of 10 tons per year for serious areas and 5 tons per year for severe areas.

On March 24, 1992, CCEEB submitted extensive recommended amendments to AB 2783 to Assemblyman Sher. The amendments addressed many issues such as criteria for attainment, air quality indicators and no net increase thresholds. CCEEB recommended that the proposed no net increase thresholds be amended to propose a 15 ton per year threshold for serious areas and a 10 ton per year threshold for severe areas.

After negotiations on many issues, Assemblyman Sher amended AB 2783 on June 25, 1992 to incorporate the thresholds that CCEEB and the organizations listed above had supported. The amendments read as follows (deletions shown by strikeout, additions shown underlining):

SEC. 6. Section 40919 of the Health and Safety Code is amended to read:

40919 (a) Each district with serious air pollution shall, to the extent necessary to meet the requirements of the plan adopted pursuant to Section 40913, include the following measures in its attainment plan:

(...) (2) a permitting program designed to achieve no net increase in emissions of nonattainment pollutants or their precursors from all permitted new or modified stationary sources which emit, or have the potential to emit, ~~10~~ 15 tons per year or more. (...)

SEC. 7. Section 40920 of the Health and Safety Code is amended to read:

40920. Each district with severe air pollution shall, to the extent necessary to meet the requirements of Section 40913, include the following measures in its attainment plan: (...)

(b) A permitting program designed to achieve no net increase in emissions of nonattainment pollutants or their precursors from all permitted new or modified stationary sources which emit, or have the potential to emit, ~~5~~ 10 tons per year or more. (emphasis added)

The no net increase thresholds proposed in AB 2783 were not amended again during the Legislative Session. Although there was much debate on other issues, and the bill was amended several times after June 25 (i.e., July 7, August 12, August 13, August 25 and August 28), the 15 ton per year threshold for serious areas and the 10 ton per year threshold for severe areas remained in the bill and were signed into law by Governor Wilson in September of 1992.

Ultimately, AB 3785 (Quackenbush) was also signed into law. However, the final version of AB 3785 did not address no net increase thresholds. ARB staff had agreed to work on the net increase issue within the AB 2783 negotiations.

Thus, the Legislature affirmatively rejected a 10 ton per year threshold for serious areas. The Legislature instead mandated a 15

ton per year threshold for serious areas and a 10 ton per year threshold for severe areas. (The Legislature did not amend the existing 25 ton per year threshold for moderate areas.)

ARB staff and many of the affected air districts participated in the negotiations on this issue. Based on our recollection of the numerous meetings regarding AB 2783, ARB staff did not propose or mention a proposal to differentiate no net increase thresholds based on transport considerations. The Legislature did not adopt such a proposal. (See the bolded language in the language quoted above.) The Legislature adopted the thresholds listed above in order to allow for the business growth that is the key to California's economic future.

Accordingly, CCEEB urges ARB to incorporate the statutory thresholds into the transport mitigation regulation.

The Council appreciates your consideration of these comments. If you have any questions, please call Ms. Cindy Tuck at (916) 446-3970.

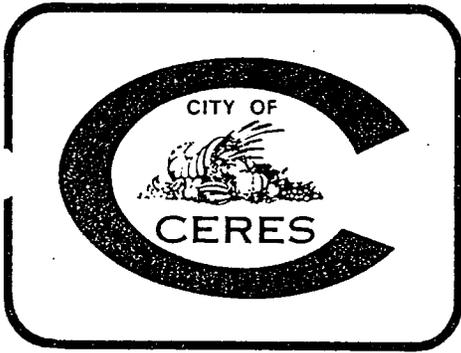
Sincerely,

Victor Weisser / by CKT

VICTOR WEISSER,
President

VW/CKT;ss

cc: The Honorable Byron Sher
The Honorable James Strock
Members, Air Resources Board
Mr. James Boyd
Mr. Jackson R. Gualco
Mr. Michael Kahoe
Ms. Pat Hutchens
Mr. Kip Lipper
Ms. Sylvia Oey
Ms. Cindy K. Tuck
Ms. Catherine Witherspoon



STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-9-93
BY BOARD SECRETARY

CITY MANAGER
P.O. BOX 217
2720 SECOND STREET
CERES, CA 95307-0217
(209) 538-5755
FAX (209) 538-5780

CITY COUNCIL
Richard G. McBride, Mayor
Blair R. Bradley Jeffrey D. McKay
Barbara Hinton Stan Risen

March 9, 1993

3/11/93
93-4-1

XC: Brad mbr
JS mHS
JD EO
JB Legal

Honorable Chairperson and Boardmembers
Air Resources Board
California Environmental Protection Agency
P.O. Box 2815
Sacramento, CA 95812

Attn: Board Secretary

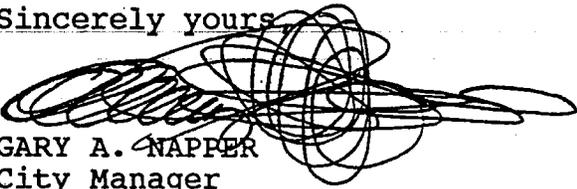
RE: 11 March 1993 ARB Hearing
Air Pollution Transport Mitigation Offsets

Ladies and Gentlemen:

The City of Ceres wishes to be placed on the record opposing a proposal by the San Francisco Bay Area and the Broader Sacramento Area to allow a 15 tons-per-year increase in their respective air basins before air pollution offsets are required for permitted stationary sources. These two (2) upwind air basins already contribute significantly to the air pollution in Ceres; granting them a higher offset threshold can only negatively impact air quality levels in our area, will make our achievement of air standards more difficult, and will place our community at a disadvantage in efforts to competitively attract businesses to attain a jobs/housing balance.

In the interests of equity in the application of air quality standards and mitigations, we urge you not to support this proposal and to defer any consideration of the notion until the results of the San Joaquin Valley Air Quality Study are available to the Air Resources Board.

Sincerely yours


GARY A. NAPPER
City Manager

GAN:kh/OFFSETS

City of

CORCORAN

A MUNICIPAL CORPORATION

FOUNDED 1914

March 2, 1993

3/11/93

93-4-1

XC: Bud Moore

JS m HS

JD EO

JB Legal

California Air Resources Board
c/o Board Secretary
P.O. Box 2815
Sacramento, CA 95812

Re: Proposed Revision of Offset Requirements to Air
Pollution Transport Mitigation Regulations

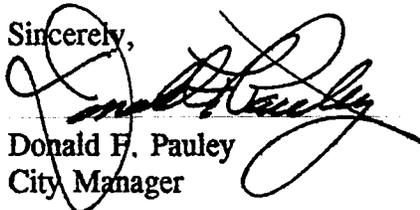
Dear Board Members:

On behalf of the City of Corcoran and the Corcoran City Council, I wish to voice our opposition to any relaxation of the offset threshold requirements of the Air Pollution Transport Mitigation Regulations unless the revisions apply equally to all Air Quality and Air Pollution Control Districts.

Our opposition to a District selective relaxation of the offset requirements is based on the fact that such action would give the benefitting Districts an economic advantage in securing and retaining business. In view of the current economic climate throughout the State of California, it would be inappropriate for the Board to take any action that would give any Districts an advantage over others.

We urge you to continue your efforts toward improving air quality in California, however, we also urge you to do so with an evenhanded approach and full consideration of the effect your decisions may have on our ability to compete and survive.

Sincerely,

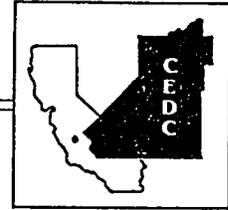

Donald F. Pauley
City Manager

c:air.1

CROWN

ECONOMIC DEVELOPMENT CORPORATION

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-8-93
BY BOARD SECRETARY



March 1, 1993

OF KINGS COUNTY

Board Secretary
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

3/11/93
93-4-1

XC: *Brad Moran*
JS mHS
JD EO
JB Legal

Dear Board Secretary:

It was brought to our attention today, March 1, that ARB staff is proposing a relaxation of the mitigation regulations to exempt facilities that emit up to 10 tons/year of ozone precursors. This proposal revision should apply equally to the San Joaquin Valley, the Broader Sacramento Area, and the San Francisco Bay Area.

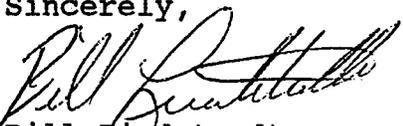
On behalf of the Board of Directors of Crown Economic Development Corporation of Kings County, we wholeheartedly oppose any action which would allow a higher offset threshold for air quality districts upwind of the San Joaquin Valley. This would afford them an unfair economic advantage and should therefore be the same for all.

A relaxation of the "offset" requirements could result in some impacts relative to socio-economic benefits to small businesses, local jurisdictions, and Valley residents especially in view of the current economic climate throughout California. Therefore, Crown EDC does not oppose the revisions proposed by ARB staff, as long as the San Joaquin Valley Air Basin is included. The San Francisco Bay Area and Broader Sacramento Area contribute heavily to pollution in the SJVAPCD. Increases over what is minimally necessary to provide an equitable economic benefit to all areas should be considered.

The six-year long San Joaquin Valley Air Quality Study, which has been designed to provide quantitative data, will be completed later this year. The model being developed in this study will produce the data needed to determine the role played by upwind areas on the Valley Ozone levels. Disproportionate increases in upwind emissions should not be allowed until this long-term study is completed. Air basins in the north half of California should be given a level playing field on which to play. What is good for one should be good for the other.

We appreciate your consideration of this request.

Sincerely,


Bill Lindsteadt
Executive Director



14

March 10, 1993

Board Secretary
California Air Resources Board
P.O. Box 2815
Sacramento, California 95812

BY FAX AND MAIL
916 323-0764

RE: Proposed Adoption of Amended Regulations Regarding Transported Pollutants

Honorable Members of the California Air Resources Board:

The Environmental Defense Center (EDC) is a public interest environmental law firm active in California air quality issues. The EDC's service area includes Santa Barbara, Ventura and San Luis Obispo Counties. These comments are submitted on behalf of EDC as well as the Citizens to Preserve the Ojai (CPO), an Ojai citizens group that is plaintiff in Citizens to Preserve the Ojai v. Environmental Protection Agency, a federal action which resulted in an order requiring preparation of a federal implementation plan in Ventura County.

EDC has grave reservations over this proposal. We feel that it will substantially impede efforts to improve air quality. Since most regions in the state have been unable to meet the 5 % annual emissions reductions required under the California Clean Air Act, even with the employment of "all feasible control measures", any further relaxation of the state air quality program requirements will cause decreased regulation of ozone precursors and thus increase ambient ozone concentrations. Since all non-attainment air quality planning focuses on the worst case situation, i.e., those few occasions when the ambient air quality standards is exceeded, this action exempting a large proportion of such occasions will wreak havoc on a major component of each region's ozone Air Quality Management Plan. These comments highlight some of our areas of concern; we will present additional testimony at the CARB hearing on March 11, 1993.

1. Policy Issues: The Proposed Regulatory Changes Are Unwise

We have had an opportunity to briefly review the proposed text and staff report regarding Proposed Adoption of Amendments to Regulations For Mitigating the Impact of Upwind Emissions on Downwind Ozone Concentrations, title 17 California Code of Regulations §§ 70600-70601. The proposed changes, which essentially change the New Source Review (NSR) program by eliminating offset requirements for many "smaller" sources in upwind areas, will significantly extend the period of time that California residents will be exposed to air quality exceeding the California and national ambient air quality standards. EDC considers the proposal as completely inappropriate under state and federal law. These proposed changes defy common sense in causing a significant relaxation of the regulatory framework in many portions of California which are having difficulty meeting air quality goals.

EDC believes that CARB staff have seriously understated the effects of the proposed regulatory revision upon ambient air quality, upon the state-wide program of air pollution regulation, and upon economic vitality. This misrepresentation taints the CEQA review and the policy decision that has led to the proposed action. We request that CARB direct staff to reconsider the proposal after completing CEQA review and considering alternatives and mitigation measures and circulating the proposal for additional public input.

EDC is disappointed that CARB has capitulated to those that opportunistically assert economic interests as a guise for the simple rollback of environmental standards in such an important public health issue. EDC contends that this proposal is inconsistent with state goals of attaining the health-based ambient air quality standards, and notes that any beneficial impacts from relaxing this rule may be overcome when the state fails to submit a legally adequate State Implementation Plan under the 1990 Amendments to the Clean Air Act. The federal statute requires demonstration of a 3 % annual reduction in air pollution emissions, a task that most Districts have demonstrated their inability to accomplish under existing standards. If CARB further reduces the legal mandate for Districts by excluding from regulation a large portion of the emissions inventory, attainment will be further delayed, subjecting many areas in the state to federal sanctions and federal implementation plans. Efforts to "catch up" from the delays facilitated by this action will be even more difficult to obtain.

Further, EDC reminds CARB that the EPA is required to promulgate a federal implementation plan (FIP) for two of the areas directly affected by the proposed regulatory amendments. Our case, Citizens to Preserve the Ojai v. Environmental Protection Agency, affects Ventura County. Sacramento is in a similar situation. The Supreme Court's recent denial of cert in this case reinstates the decision of the Ninth Circuit mandating that EPA prepare FIPs as expeditiously as practicable, considering that substantial progress had been made in 1990 in this effort. Plaintiffs in these actions, as well as the South Coast action, have consented to EPA's request that the FIPs build upon the best efforts of the local and state regulatory agencies. Citizens to Preserve the Ojai (CPO) interprets the actions of the CARB as an indication that they are unwilling to maintain, much less advance, the state of air quality regulation necessary to protect California air quality.

An example of how this regulation will affect local rulemaking is evident by Ventura County's workshopping of a revised NSR rule with drastically increased thresholds immediately after the instant regulations were proposed in draft form by CARB. The explanation by Ventura County APCD staff for this action is that CARB's relaxation of these standards will create overwhelming pressure upon Ventura County to relax its NSR program accordingly. Members of CARB must recognize the practical effect of this proposed action.

In short, the policy proposed by the Board sacrifices long-term improvements in air quality to political expediency. CARB must stand tall and provide backbone to Districts, each of which is having difficulty meeting their legal requirements. Offering this gratuitous relaxation of state regulations penalizes Districts that are striving to develop adequate plans and promises to confound necessary advances in air pollution control.

2. The Board Has Failed to Adequately Comply With CEQA

The proposed environmental review document is facially inadequate. A five paragraph environmental impact analysis hardly complies with CEQA's mandates of demonstrating to an apprehensive citizenry that impacts have been fully disclosed and feasible mitigation measures and alternatives duly considered.

Specifically, CARB has failed to accurately specify and describe the ramifications of the proposed action and its adverse environmental impacts. In so doing, it has violated the California Environmental Quality Act and caused a prejudicial abuse of discretion that is subject to reversal in court. EDC implores CARB to reconsider its decision once it has prepared a legally adequate environmental review document.

EDC believes that there may be alternative approaches to providing relief to small businesses without gutting the regulatory program. The problem as described by Ventura County staff and in the CARB staff report is the exhaustion of community banks from which small businesses formally obtained offsets. Why not examine a method of replenishing the community banks through emissions reductions methods that may provide economic opportunities, or at least shift the economic burden onto those that can better bear them? For example, Santa Barbara County recently initiated a gross emitting vehicle buy-back and repair program. Emissions reductions obtained through the subsidized repair of gross emitters may replenish a community bank while providing business opportunities to vehicle air pollution specialists. Alternatively, since each of the most affected areas contains significant agricultural activities, a series of "Best Management Practices" for air quality purposes could be developed for agricultural operations to create additional emissions reductions that could be employed in a bank. While the feasibility of these ideas, and the potential for others, has not been tested, they suggest that alternatives and/or mitigation measures may exist to accomplish the project's stated purposes which reducing the significance of the environmental impact. CARB has a duty to undertake such an exercise before it decides to simply weaken this regulatory program.

On the "benefits" side of the equation, CARB must recognize that the FIP may well reintroduce rulemaking of the type weakened herein, as it has been demonstrated to have application to the applicable inventories, eliminating any asserted benefits. The environmental plaintiffs desire to develop FIPs which avoid severe economic impacts and secure other sources to bear the economic impacts of enhanced air quality protection, but cannot understand the wisdom of the proposed approach.

The ramifications of the proposed change require a statement of overriding consideration, but this avoids examination of the significance of the proposed action on Californian air quality. EDC believes that the significance of this rule for affected areas is very grave, and that CARB should examine the effect of the action on nonattainment throughout the state. EDC asserts that in fact, the cumulative effect of this rule change, when combined with various other legislative and administrative modifications to air quality programs, is extremely significant to air quality planning and is far more environmentally adverse than the environmental review document indicates.

CARB knows well the need for a strong state presence to force local APCDs to aggressively address air quality issues. The vicarious effects of the rollbacks included in this amendment will have disastrous effects on the "political will" of local Districts to aggressively address the air quality issues that have proven insurmountable in the past. The letter from the San Joaquin Air Pollution Control District displays this impact.

3. Additional Public Participation is Necessary

EDC notes that there was no apparent participation by the environmental community in this proposed rule, although APCDs and industry were well represented. We believe that additional public review and comment, particularly once an adequate environmental review document is prepared, would benefit CARB in considering this rule.

Having had a visit from the Michaelangelo computer virus this weekend causing substantial destruction of electronic data and loss of staff time, EDC has been able to submit only this set of truncated comments in time for staff to review the issues of concern, although I have discussed our concerns with CARB staff. As we consider the proposed action to pose a very serious impediment to air quality planning in the state and in Santa Barbara and Ventura Counties in particular, we respectfully request an extension of the comment period to better respond to the issues at hand and offer guidance to CARB in its deliberations. In light of the substantive and procedural flaws associated with the proposed action, EDC believes that CARB's action is vulnerable to adverse judicial review. We implore you to direct staff to prepare an more complete environmental review document and prepare a more detailed analysis of the true costs and benefits of this proposal.

Thank you for the opportunity to comment on these critical regulations, and I remain available to provide additional information upon request.

Sincerely,



Marc Chytilo
Chief Counsel
Environmental Defense Center

CC: David Howekamp, US EPA, Region 9
Assemblyman Jack O'Connell
Senator Gary Hart
Citizens to Preserve the Ojai



3/11/93
93-4-1

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-8-93
BY BOARD SECRETARY

Xc: Bnd mbr
JS m HS
JD EO
JB Legal

The City of Exeter

OFFICE OF THE CITY ADMINISTRATOR
PHONE 592-9244 • FAX 592-3556

CITY HALL • POST OFFICE BOX 237
137 NORTH F STREET • EXETER, CALIFORNIA 93221

March 3, 1993

Board Secretary
Air Resources Board
P. O. Box 2815
Sacramento, Ca 95812

Dear Sir:

I am writing to you regarding the Proposed Revisions to Air Pollution Transport Mitigation Regulations to Relax Offset Requirements. The City of Exeter is located in the San Joaquin Valley Unified Air Pollution Control District.

The Bay Area Air Quality Management District and Broader Sacramento Area are requesting that ARB adopt a 15 tons/year trigger level before requiring offsets for new and modified sources. We are in support of the ARB staff recommendation that proposes a relaxation of the mitigation regulation to exempt facilities that emit up to 10 tons/year of ozone precursors. The proposed revision should apply equally to the San Joaquin Valley, the Broader Sacramento Area, and the San Francisco Bay Area.

I strongly oppose and would request postponement of any action which would allow a higher offset threshold for districts upwind of the San Joaquin Valley until results of the San Joaquin Valley Air Quality Study can be utilized to evaluate the impact on the San Joaquin Valley.

Sincerely,

William N. Brooks
Mayor

WNB:bjd

FEATHER RIVER
AIR QUALITY MANAGEMENT DISTRICT

(Yuba and Sutter Counties)

463 Palora Avenue, Yuba City, CA 95991-4711

(916) 634-7659 (FAX 634-7660)

March 10, 1993

Mr. James Boyd, Executive Officer
Air Resources Board
P.O. Box 2815
Sacramento, California 95812-2815

Re: Public Hearing on Transport Mitigation
Regulations - March 11, 1993

Dear Mr. Boyd,

ARB Staff is recommending that your Board add a 10 TPY potential to emit threshold to the no net increase requirement for Districts which contribute to downwind transport.

I am requesting that your Board consider adopting the same requirements as established by AB 2783.

As was indicated by the Sacramento Metropolitan AQMD in their letter to Catherine Witherspoon (December 1, 1992), less than 1% of the transport from Sacramento to the San Joaquin Valley is from permitted stationary sources. In the portion of our District which is in the BSA (South Sutter), the contribution of ozone precursors from stationary sources is negligible.

Requiring a 10 TPY no net increase threshold in our area further limits the ability of small businesses to obtain offsets (and a Permit to Operate) without providing a measurable reduction in ozone transport.

I would appreciate your Board's consideration of the 15 TPY threshold for serious areas as provided in AB 2783.

Sincerely,



Kenneth L. Corbin
Air Pollution Control Officer

KC/sb

3/11/93
93-4-1



STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-8-93
BY BOARD SECRETARY

FRESNO NEIGHBORHOOD ALLIANCE

Protecting Life Quality

P.O. Box 6968
Fresno, CA 93755
(209) 431-7382

Joni Johnson

XC: Bud M...
JS mHS
JD EO
JB Legal

DATE: MARCH 4, 1993
TO: CALIFORNIA AIR RESOURCES BOARD
FROM: FRESNO NEIGHBORHOOD ALLIANCE

RE: OPPOSE ACY ACTION BY CARB TO INCREASE EMISSIONS
OF AIR POLLUTANTS FROM STATIONARY SOURCES IN
"SEVERE" (OZONE) NON-ATTAINMENT AREAS

FRESNO NEIGHBORHOOD ALLIANCE OPPOSES A REQUEST TO INCREASE
EMISSIONS OF AIR POLLUTANTS FROM STATIONARY SOURCES IN
"SEVERE"(OZONE) NON- ATTAINMENT AREAS(EXCEPT IN THE L. A.
BASIN).

WE DO NOT FEEL THAT RAISING THE TRIGGER LEVEL FROM 0 TO 10
TONS PER YEAR FOR EACH NEW SOURCE IS BENEFICIAL TO THE
GENERAL PUBLIC'S HEALTH, SAFETY & WELFARE. THE DETRIMENTAL
EFFECTS ON HUMAN HEALTH ARE WELL DOCUMENTED AND NOT OPEN TO
DEBATE.

IN THE LONG RUN, ANY RELAXATION OF AIR POLLUTANTS FROM NEW
SOURCES WILL ALSO ADVERSELY IMPACT ALL BUSINESS AND THE
PUBLIC SECTOR- PERHAPS FORCING CLOURES OF ALL BUSINESSES &
OR SUSPENDING VEHICLE TRANSPORT OVER LARGE AREAS BECAUSE OF
DANGEROUS HEALTH & LIFE THREATENING POLLUTION JUST AS HAS
OCCURRED PERIODICALLY IN MEXICO CITY, MEXICO AND FLORENCE,
ITALY. AGRICULTURE & FORRESTRY WOULD BE TWO ECONOMIC SECTORS
WHICH WOULD BE ESPECIALLY HARD HIT BY POLLUTION RELAXATION,
BUSINESS CLOSURES & OR SUSPENSION OF VEHICULAR TRANSPORT .
THE ECONOMIC IMPACTS OF THE ABOVE DESCRIBED CONDITIONS WOULD
BE FAR WORSE THAN ANYTHING EXPERIENCED UNDER TIGHT "O"
TRIGGER LEVEL CONTROLS.

FOR DOCUMENTATION OF THE ABOVE CLAIMS, WE INCORPORATE BY
REFERENCE THE STUDIES MADE BY CARB AND THE ATTACHED LIST OF
SOURCES ON THE EFFECTS OF OZONE ON HUMAN HEALTH AND
VEGETATION.

THE GENERAL PUBLIC HAS THE RIGHT TO BREATHE CLEAN AIR.
WE SINCERELY APPRECIATE YOUR ASSISTANCE IN SECURING THIS
RIGHT.

FRESNO NEIGHBORHOOD ALLIANCE
BOARD OF DIRECTORS

Joni Johnson
JONI JOHNSON
GREG KLINE
SELMA LAYNE
BLANCHE MILHAHN
JOAN WEEKS
WEB NELEON
Greg Kline
Selma Layne
Blanche Milhahn
Joan Weeks
Web Neleon

From : FNA/JSJ

PHONE No. : 209 431 7382

Mar. 05 1993 4:20PM P02

**FNA ATTACH - OPPOSE AIR POLLUTION INCREASES
FROM STATIONARY SOURCES
IN SEVERE NON-ATTAINMENT
AREAS**

Effect of air-pollution on:

People

- Hall, J. V. 1992. Valuing health benefits of clean air. *Science* 255: 812-817.

(Exhibit 14)

- Associated Press. 1991. Smog increases risk of cancer, study finds. *Fresno Bee* 25 October.

- Clemings, R. 1991. Valley's most damaging pollutants. *Fresno Bee*, 5 May.

Agriculture

- Olczyk, D. M. et al. 1988. Crop loss assessment for California: Modeling losses with different ozone standard scenarios. *Environm. Pollution* 53:303-311.

- Retzlaff, W. A. et al. 1991. The effect of different atmospheric ozone partial pressures on photosynthesis and growth of nine fruit and nut tree species. *Tree Physiol.* 6:93-105.

- Retzlaff, W. A. et al. 1992. Photosynthesis and growth response of almond to increased atmospheric ozone partial pressures. *J. Environ. Quality* 21:206-216.

- Grants, D.A. and P. M. McCool. 1992. Effect of ozone on Pima and Acala cottons in the San Joaquin Valley. *Proc. Beltwide Cotton Conf.* 3: 1082-1084. Natl. Cotton Council of America.

Forests

- Peterson, D. L. et al. 1987. Evidence of growth reduction in ozone-injured Jeffrey pine (*Pinus jeffreyi* Grex. and Balf.) in Sequoia and Kings Canyon

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-10-93
BY BOARD SECRETARY

COUNTY OF KINGS BOARD OF SUPERVISORS



GOVERNMENT CENTER
209 - 582-3211 EXT. 2362

CALIFORNIA 93230
FAX 209 - 585-8047

JAMES M. EDWARDS
LEMOORE, DIST. I

JOE BEZERRA
NORTH HANFORD
NORTH LEMOORE, DIST. III

ABEL J. MEIRELLES
HANFORD, DIST. V

CHAIRMAN
NICK KINNEY
HANFORD-ARMONA, DIST. IV

VICE-CHAIRMAN
JOE HAMMOND
CORCORAN, DIST. II

ROSIE MARTINEZ
CLERK OF THE BOARD

March 4, 1993

3/11/93
93-4-1

XC: Bud mbe
JS mHS
JD EO
JB Legal

Board Secretary
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Air Resources Board:

We understand that the Bay Area Air Quality Management District and the Broader Sacramento Area are requesting that the ARB adopt an exemption for 15 tons per year "offset" reduction under the new provisions of the California Clean Air Act. We also understand that the ARB staff is proposing a relaxation of the rule as it now applies and is recommending that the new rule apply equally to the BAAQMD, the BSA and the San Joaquin Valley ("SJV").

The Kings County Board of Supervisors supports the ARB staff recommendation.

First, any relaxation of the "offset" rules certainly should be applied equally to all three air basins. To do otherwise would place the San Joaquin Valley at a socio/economic disadvantage compared to the other basins. Equal treatment would allow the SJV to compete on a level field with the northerly air basin districts for the development of new small businesses, which is an especially important consideration in these economically troubled times.

Second, the BAAQMD and the BSA are upwind of the SJV. The two areas are responsible for transport pollutants that unfairly increase the ozone levels within the SJV. Any increase, therefore, in permissible emissions over what is minimally required to provide an equitable economic benefit to all areas would be a direct and disproportionate detriment to the SJV.

Third, while the upwind districts are known pollutant transporters to the SJV, the extent of that pollution is not yet fully known. The San Joaquin Valley Air Quality Study is near its completion, and due out later this year. The study

will provide quantitative data needed to fully determine the role played by upwind areas on SJV ozone levels. Any excessive or disproportionate increase in upwind emissions should not be allowed until this long awaited study can tell us the true consequences.

For the reasons above stated, the Kings County Board of Supervisors fully supports the ARB recommendation of a maximum 15 tons per year limit on new emissions, and that it be applied equally to both upwind and downwind air basins.

Very truly yours,



Nick Kimney, Chairman
Kings County Board of Supervisors



City of Newman

1162 'O' Street • P.O. Box 787 • Newman, CA 95360 • (209) 862-3725

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-3-93
BY BOARD SECRETARY

3/11/93
93-4-1

March 2, 1993

XC: *Ed Man*
JS m HS
JO EO
JB *Legal*

Board Secretary
Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

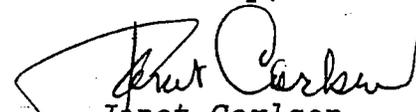
Re: Opposition Higher Off-set Thresholds Upwind Districts

Dear Secretary:

The City of Newman requests that the Air Resources Board postpone any action which would allow a higher offset threshold for districts upwind of the San Joaquin Valley until the results of the San Joaquin Valley Air Quality Study can be used to evaluate the impact on our Valley.

Specifically we are in opposition to the proposal of the Bay Area Air Quality Management District (BAAQMD) to allow that jurisdiction to have significant higher offset thresholds. We feel that the socioeconomic impacts of the BAAQMD's proposal need to be fully evaluated along with its effect on air quality in the San Joaquin Valley.

Sincerely,


Janet Carlsen
Mayor

js

cc: City Council
San Joaquin Valley Unified Air Pollution Control District

3/11/93
93-4-1

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-8-93
BY BOARD SECRETARY

March 4, 1993

XC: Bud Moran
JS m HS
JD EO
JB Legal



City of
Reedley

Board Secretary
Air Resources Board
P. O. Box 2815
Sacramento, CA 95812

Dear Members of the Board:

The Reedley City Council supports proposed revisions to Air Pollution Transport Mitigation Measures to relax off-site requirements as recommended by your Board and by the San Joaquin Valley Unified Air Pollution Control District (ten tons/year/facility). While we are very concerned about air pollution, we are equally concerned about our ability to do business and also to attract new business to our community. The City Council urges you to take favorable action on our position and that of the San Joaquin Valley Unified Air Pollution Control District at your hearing March 11, 1993.

We oppose and request postponement of any action which would allow a higher offset threshold for districts upwind of the San Joaquin Valley until results of the San Joaquin Valley Quality Study can be utilized to evaluate the impact on the San Joaquin Valley.

We appreciate the opportunity to comment.

Very truly yours,

Don Clark
Mayor

cc City Council
David Crow, SJVUAPCD

(cc\clark93.7)

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-10-93
BY BOARD SECRETARY



CITY OF RIDGECREST

3/11/93
93-4-1

XC: Brd mbr
JS mHS
JO EO
JB Legal

March 9, 1993

Board Secretary
California Air Resources Board
2020 L Street
PO Box 2815
Sacramento, CA 95812

Dear Sirs,

The California Clean Air Act (CCAA) was adopted in 1988 by the California Legislature as a means by which progress towards attainment of Ozone ambient air quality standards would occur. Included in this Act were requirements for emissions regulations in air districts contributing to air quality standards in downwind districts via transport of pollutants.

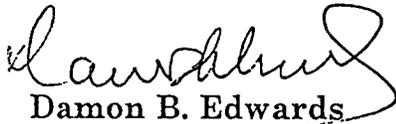
The Bay Area Air Quality Management District (BAAQMD) and Broader Sacramento Area is now considering increasing the proposed emissions increase level at which emissions offsets would be "triggered". The City of Ridgecrest must object to this proposed unmitigated emissions increase because it has been established by the California Air Resources Board (CARB) that the BAAQMD and Broader Sacramento Area's emissions adversely and measurably impact upon the Southeast Desert Air Basin (SEDAB) Air Quality. Unmitigated increases in Bay area emissions would adversely impact the San Joaquin Valley (SJV) air quality and poorer SJV air quality would deteriorate SEDAB air quality.

Our Citizens not only deserve healthier air but good air quality, especially visibility, is vital to the successful operations of the Naval Air Warfare Center, Weapons Division, China Lake. Increases in Ozone (and PM_{10}) precursor emissions such as oxides of Nitrogen aggravate not only Ozone exceedances. It is important for this premier military base to continue to successfully operate as a research and test facility. Consequently unmitigated emissions increases in districts contributing, in some instances, to "over-whelming" transport must be avoided. Both BAAQMD and SJVUAPCD should continue to require emissions offsets for all Ozone (and PM_{10}) precursor emissions increases.

Page 2
CARB

Thank-you for your cooperations in this matter. Should you have questions or comments please call our Community Development Department at (619) 371-3721.

Respectfully yours,



Damon B. Edwards
City Administrator

DBE:gmr

CC: NAWCWPN
SJVUAPCD
BAAQMD APCD

3/11/93
93-4-1

STATE OF CALIFORNIA
AIR RESOURCES BOARD
RECEIVED 3-10-93
BY BOARD SECRETARY



San Joaquin Valley Unified Air Pollution Control District

KC: Bud Miller
JS MHS
JD EO
JB Legal

PRESENTATION TO THE CALIFORNIA AIR RESOURCES BOARD REGARDING PROPOSED REVISION OF THE TRANSPORT MITIGATION REGULATION

BY
DAVID L. CROW
EXECUTIVE DIRECTOR
AIR POLLUTION CONTROL OFFICER
SAN JOAQUIN VALLEY UNIFIED
AIR POLLUTION CONTROL DISTRICT

PRESENTED ON MARCH 11, 1993

OVERVIEW OF COMMENTS AND RECOMMENDATIONS

The presentation that I will make today concerns an issue of great importance to the San Joaquin Valley, the proposed relaxation of the offset thresholds within areas subject to transport mitigation. The major points that I will cover include:

1. Support of your staff's recommendation to allow a 10 ton/year (TPY) increase in ozone precursor emissions for both upwind and downwind districts.
2. We are adamantly opposed to any action that would allow upwind districts to emit 50% more ozone precursors than downwind districts. Any such decision should not be made until the results of the San Joaquin Valley Air Quality Study is complete, and until your staff has had time to evaluate the potential that upwind air basins may have in impacting the San Joaquin Valley.
3. There is a potential that any increase in emissions for upwind districts could result in a change in our nonattainment status for ozone from "serious" to "extreme".
4. The economic advantage gained by the upwind districts could result in even greater economic distress within the San Joaquin Valley.

Pauline Larwood
Chair
Supervisor, Kern County

Tom Bohigian
Vice Chair
Councilmember, City of Fresno

Blair Bradley
Councilmember, City of Ceres

Doug Vagim
Supervisor, Fresno County

Joe Hammond
Supervisor, Kings County

Rick Jensen
Supervisor, Madera County

Mike Bogna
Supervisor, Merced County

Bill Sousa
Supervisor, San Joaquin County

Nick Blom
Supervisor, Stanislaus County

Charles Harness
Supervisor, Tulare County

Mel McLaughlin
Councilmember, City of Wasco

David L. Crow
*Executive Director/
Air Pollution
Control Officer*
1999 Tuolumne Street, Suite #200
Fresno, CA 93721
(209) 497-1000
Fax: (209) 233-2057

Northern Region
4230 Kiernan Avenue, Suite #130
Modesto, CA 95356
(209) 545-7000
Fax (209) 545-8652

Central Region
1999 Tuolumne Street, Suite #200
Fresno, CA 93721
(209) 497-1000
Fax (209) 233-2057

Southern Region
2700 M Street, Suite #275
Bakersfield, CA 93301
(805) 861-3682
Fax (805) 861-2060

INTRODUCTORY STATEMENT

Transported pollutants are a major concern in local air quality management. It is speculated that a significant amount of the air pollution in the San Joaquin Valley Air Basin (SJVAB) originates in the San Francisco Bay Area and the Sacramento Valley and is subsequently transported into the San Joaquin Valley. Both of these areas were identified in Air Resources Board Transport Mitigation Regulations as being a source of "significant" transport to the San Joaquin Valley.

Today, you are considering a proposal to relax the "no net increase" provision of the transport mitigation regulation. Two primary options are before you; Option No. 1 is recommended by your staff and provides for a 10 TPY increase in ozone precursor emissions within districts subject to transport mitigation regulation. The other, Option No. 2, would allow an increase of up to 15 TPY in the two districts upwind of the San Joaquin Valley, 50% more than the staff recommendation.

The Governing Board of the SJVUAPCD, at its regular meeting of January 21, 1993, unanimously opposed the proposal to allow a 15 TPY increase in areas upwind of the San Joaquin Valley. In the Executive Summary of the report dated January 22, 1993, your staff has identified three major issues associated with the proposed revision to the transport mitigation regulation as follows: 1) the legislative intent, 2) inequities between upwind and downwind areas, and 3) the potential for adverse environmental impacts on downwind areas.

LEGISLATIVE INTENT

The legislative intent is clear on the transport mitigation issue. The California Clean Air Act (CCAA) states "the plans for air districts responsible for or affected by air pollution transport shall provide for attainment and maintenance of the state and federal standards in both the upwind and downwind district" (Section 40912, California Health and Safety Code). The 1992 amendments to the CCAA did not revise this section of the code. Therefore, the transport mitigation requirement remains intact, as originally adopted. This, we believe, is the legal (and ethical) underpinning of the whole issue that is before you today.

INEQUITIES BETWEEN UPWIND AND DOWNWIND AREAS

Your staff has presented a considerable body of evidence to support the need for equity between air basins with respect to the transport issue. The SJVUAPCD strongly supports the attempt to achieve offset equity, but not at the expense of air quality, both within our own basin, and in those downwind basins that we affect.

While nature has blessed the Bay Area with steady prevailing sea breezes, we believe it is the responsibility of all of us to assure that burdens are equitably allocated. The law calls upon us to compensate for nature's favoritism through regulations that do not allow upwind sources to emit 50% more pollutants than the San Joaquin Valley.

Furthermore, the ARB staff has scheduled a workshop for March 23, 1993 to begin discussion on the assessment of impacts of transported pollutants on ambient ozone concentrations within California as required by the CCAA. It seems premature to be discussing possible inequities in offset trigger levels today, before your Board has been appraised of any possible changes in the impact levels. In recent discussion with your staff, and as listed on the agenda for the March 23 workshop, the San Francisco Bay Area is being considered for possible change in its transport impact from "significant" to "overwhelming" on the San Joaquin Valley, as well as on the Broader Sacramento Area.

LACK OF ACCURATE DATA

You may have noted that we in the San Joaquin Valley contend that transport pollutants from the Bay Area and Sacramento Area are "significant", a "major concern", and "heavily" contribute to our existing air quality problems. Use of past history to quantify the number of sources that could be located in the Bay Area in the 10-15 TPY range is inaccurate because it doesn't account for "source migration". Businesses make sound "business decisions" and expansion and relocation decisions weigh heavily on the cost of offset credits.

We in the San Joaquin Valley acknowledge the problem and offer a solution. The SJVUAPCD Governing Board wants you to follow your staff's recommendation today, and postpone any further consideration of Option No. 2 until after the San Joaquin Valley Air Quality Study is complete. This \$17 million study that will be available in just a few months will provide accurate data on which to base future decisions regarding the effects of pollutant transport.

POTENTIAL FOR ADVERSE IMPACTS DOWNWIND

The pivotal concern your Board must address before allowing relaxation of the standards beyond 10 TPY is the potential adverse impact of Option No. 2 on downwind districts. I would like to briefly discuss these potential impacts.

Air Quality Effects of Increased Emissions on Downwind Areas

The following points illustrate the adverse impacts that would result within the SJVAB from the 15 TPY increase:

1. As stated in the ARB staff report the significance of the impact cannot be accurately determined due to the lack of quantitative data¹. Your staff did attempt an analysis based on assumptions and factors that are difficult to verify for accuracy. The fact is, there is no reliable way to predict the impact of transported pollutants on downwind areas at the present time. However, the SJVUAPCD does not consider any level of increase to be insignificant, especially in view of the current adverse health effects and economic constraints that our district is facing, both now and in the future.
2. Emissions that are transported into the SJVAB have an additive effect on the level of pollutants within the basin and, therefore make it more difficult for the SJVUAPCD to meet air quality goals and begin to achieve mandated reductions in emissions. Any increase in the level of upwind emissions will impede our ability to reach these goals.

As the SJVUAPCD has begun initial work on our Federal Clean Air Act Attainment Plan, it appears we will be unable to meet the requirement of a 15% volatile organic compounds (VOC) reduction over the next six-year period. Our inability to meet this federal mandate requires that several extraordinary measures be incorporated into our rulemaking efforts. Among these is a requirement that our New Source Review limitation be set at 5 TPY for VOC. Should this indeed be a firm requirement, any action to relax the upwind districts to a 15 TPY increase would allow for a three-to-one inequity.

3. The SJVAB is designated as a "severe" ozone nonattainment area. Even with the implementation of all feasible control measures, as contained in our Air Quality Attainment Plan (adopted January 30, 1992), we cannot predict attainment of the ozone standard in the foreseeable future. Again, any increase in upwind emissions will only serve to further reduce our effectiveness and delay improvement of the air quality.

¹The ARB staff report clearly states that no quantitative models are yet available to assess the impacts of the proposed action. However, just such a model is only a few months away, at which time the San Joaquin Valley Air Quality Study will be completed. This six-year cooperative effort will provide the data needed to fully assess the impact of the proposed revision.

Furthermore, without quantitative data, how can we be sure that the proposed increase in upwind emissions will not bump the SJVAB into an "extreme" nonattainment classification in the future, thereby requiring the SJVAB to revert to a no net increase status while our upwind neighbors allow unmitigated increases.

Potential Socio-economic Effects of Increased Emissions on Downwind Areas

As stated previously, the SJVUAPCD recognizes the need to provide some measure of permitting relief to all basins subject to the transport mitigation regulations. The ARB staff proposed 10 TPY increase should be more than sufficient to provide an economic benefit to all upwind districts. Also, we should understand that this is "administrative relief" in that it mitigates against the need for allocation of offset credits from Community Banks. Option No. 2 not only contradicts the intent of the CCAA, but provides an economic advantage to the Bay Area and the Sacramento Area, at the economic disadvantage to the downwind districts that their emissions impact. Remember, the San Joaquin Valley counties have an average unemployment rate of 17%, while the Bay Area and Broader Sacramento Area have rates of 7.8% and 12%, respectively.

The following socio-economic impacts will occur in the SJVAB as a direct result if the 15 TPY increase is approved:

1. Business and industry representatives consider air pollution control regulations in their site selection process. By granting an upwind air district (in this case two districts) a less restrictive regulation than an adjacent downwind district, the ARB would be providing an economic advantage to the upwind districts. The upwind district would then be in a position to attract business and industry that may have located in the downwind district if air pollution control regulations were equitable. The growth within the upwind air basin would then exceed your staff's projections, further increasing the transported pollution. This "source migration" would be a double blow to the San Joaquin Valley; a loss of employment opportunities, and significantly reduced air quality.
2. The very real disadvantage of the situation described in item 1, above, is that this would continue, and even exacerbate, an already established trend in the northern SJVAB. That trend is a shift in jobs/housing balance whereby people employed in the Bay Area are purchasing homes in the San Joaquin Valley and commuting out of the region on a daily basis to work.
3. The shift in jobs/housing balance will counteract, in part, the SJVUAPCD's current efforts to implement all feasible control measures which include intensive planning and rule development programs to reduce vehicle miles travelled, and commute rates.

CONCLUSION

Protection of downwind district air quality should be retained by supporting your staff's recommendation for 10 TPY offset thresholds for all upwind districts that cause significant or overwhelming transport of air pollution. Health and Safety Code Section 39610 requires ARB to assess the transport impact on downwind districts and base transport mitigation requirements on the extent of that impact. The SJVUAPCD believes that the ARB currently has insufficient data to evaluate the impact on the San Joaquin Valley of higher threshold levels upwind. The information necessary to quantify such impacts will soon be available through the ozone study air quality model. Therefore, to move forward based on limited and unsubstantiated data and analysis, relaxing protective mitigation requirements, is improper and should not be approved.

RECOMMENDATION

I would like to offer the following recommendation regarding the action you will take today:

Adopt the ARB staff proposal to allow the 10 TPY emission increase option for the San Joaquin Valley Air Basin, the Broader Sacramento Area, and the San Francisco Bay Area.

Thank you for your attention and your careful consideration of this very important issue. I would be pleased to answer any questions that you may have regarding this presentation, or any pertinent information on the proposal that is before you.

NSR RULE COMPARISON - SJVUAPCD and BAAQMD

New and modified source review (NSR) rules are adopted to provide mechanisms by which Authorities to Construct may be granted, without interfering with progress toward attaining ambient air quality standards. These mechanisms include requirements for Best Available Control Technology (BACT) and emissions offsets. The purpose of this report is to compare the Bay Area Air Quality Management District (BAAQMD) NSR Rule to the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) NSR Rule.

Current NSR Rules

The BAAQMD NSR Rule is Regulation 2, Rule 2. The current version was adopted on July 17, 1992. The title of the rule is New Source Review.

The SJVUAPCD NSR Rule is Rule 2201. The current version was adopted on September 19, 1991 and most recently amended on December 17, 1992. The title of Rule 2201 is New and Modified Stationary Source Review Rule.

Applicability

Both the SJVUAPCD rule and the BAAQMD rule apply to new and modified stationary sources. Both rules provide exemptions for temporary replacement units, changes in ownership, and routine maintenance and repairs.

It should be noted that the definition of source in the Bay Area Rule is different from the one used in the SJVUAPCD. A Source, as defined in Bay Area Rules, corresponds to an emissions unit in SJVUAPCD Rules. The source and emissions unit used in this report are as defined in the SJVUAPCD Rule unless the Bay Area Definitions are specified.

Best Available Control Technology

BACT Definition

The definition of BACT is essentially the same in both rules. Both rules require the most stringent control technique or limitation that has been achieved in practice, is contained in an approved implementation plan, or is technologically feasible and cost effective to be applied for emissions units subject to BACT requirements.

BACT Requirements

The procedure for determining whether or not BACT is required for a new or modified emissions unit differs in the two rules. The rules have different calculation procedures and thresholds.

The SJVUAPCD Rule requires that BACT be applied to new or modified emissions units when there is any increase in emissions of Nitrogen Oxides, Volatile Organic Compounds, Sulfur Oxides, or PM10 from Historical Actual Emissions. BACT is also required for increases of other pollutants if the NSR balance for the facility exceeds thresholds given in table I.

The BAAQMD rule requires that BACT be applied when the increase in emissions of Precursor Organic Compounds, Non-Precursor Organic Compounds, Nitrogen Oxides, Sulfur Oxides, Particulate Matter, PM10, or Carbon Monoxide exceed 5.0 pounds per highest day or 365 pounds per year. BACT is also required for increases of other pollutants if the cumulative emissions increases since December 1, 1982 for the facility exceed thresholds given in table I, and for certain projects within 10 kilometers of a Class 1 PSD area.

Table I
BACT Thresholds

POLLUTANT	SJVUAPCD (LB/DAY)	BAAQMD (LB/DAY)	BAAQMD (TONS/YEAR)
CARBON MONOXIDE	0*	5	1
ASBESTOS	0.04	0.04	0.007
LEAD	3.2	3.2	0.6
BERYLLIUM	0.0022	0.002	0.0004
MERCURY	0.55	0.5	0.1
VINYL CHLORIDE	5.48	5	1
FLUORIDES	16.44	16	3
SULFURIC ACID MIST	38.35	38	7
HYDROGEN SULFIDE	54.79	55	10
TOTAL REDUCED SULFUR	54.79	55	10

* In nonattainment Areas. The threshold for carbon monoxide is 550 lb/day in attainment areas.

The SJVUAPCD BACT requirements are more stringent for small increases in emissions of criteria pollutants, except carbon

monoxide in attainment areas. For emissions increases of these pollutants of less than 5 lb/day or 365 lb/year, BACT is required in the San Joaquin Valley, and not in the Bay Area.

The BAAQMD BACT requirements are more stringent for increases in emissions of Non-Precursor Organic Compounds, such as methylene chloride and 1,1,1 Trichloroethane, which may be toxic or contribute to the depletion of stratospheric ozone. BACT is required for these pollutants in the Bay Area and is not required in the San Joaquin Valley.

Exemptions from BACT Requirements

Both the SJVUAPCD Rule and the BAAQMD Rule provide exemptions from the BACT requirements. Both rules exempt temporary replacement emissions units, changes in ownership, routine maintenance and repairs from BACT requirements. The BAAQMD Rule exempts secondary emissions from pollution control equipment.

The SJVUAPCD rule exempts modifications performed for the purpose of compliance with air pollution control laws from BACT requirements. Modifications performed for voluntary reductions in emissions for the sole purpose of generating emission reduction credits are also exempt from BACT requirements of the SJVUAPCD rule for the pollutant being reduced.

Emissions Offsets

Actual Emissions Reductions - Definition

Actual emissions reductions must be provided in both Districts to offset certain emissions increases. Both the BAAQMD rule and the SJVUAPCD rule require that emission reductions be real, permanent, quantifiable, enforceable, and in excess of reductions required by laws, District rules, or District plans. The SJVUAPCD definition is more stringent because it requires that emission reductions determined to be early implementation of Best Available Retrofit Control Technology to be discounted by 75%. Reductions for early implementation of BARCT are not included in the BAAQMD rule.

A ten percent deduction is taken from all Actual Emissions Reductions in the San Joaquin Valley as a community bank allowance. There is no corresponding deduction in the BAAQMD Rule.

Offsets Requirements

The SJVUAPCD rule requires that offsets, in the form of actual emissions reductions, be provided for increases in permitted emissions of Nitrogen Oxides and Volatile Organic Compounds. Offsets are also required for increases in permitted Carbon Monoxide emissions in nonattainment areas. Offsets are required for Sulfur Oxides, PM10, and Carbon Monoxide in attainment areas if

the NSR balance for the facility exceeds the offset threshold. SJVUAPCD offset thresholds are given in Table II.

Table II
SJVUAPCD Offset Thresholds
(NSR balance).

POLLUTANT	OFFSET THRESHOLD
Sulfur Oxides	150 lb/day
PM10	70 lb/day
Carbon Monoxide (in attainment areas)	550 lb/day

The BAAQMD rule requires that offsets be provided for emissions increases of Nitrogen Oxides and Precursor Organic Compounds, in excess of 5.0 pounds per highest day, or that will result in a cumulative emissions increase of 1.0 ton per year since April 5, 1991. Offsets are also required for increases in emissions at major facilities of PM10 and Sulfur Oxides in excess of 5.0 pounds per highest day, or that will result in a cumulative emissions increase of 1.0 ton per year since April 5, 1991. Major facilities are facilities emitting 100 ton per year or more of one pollutant.

Offsets are calculated on an annual basis in the Bay Area and on a quarterly basis in the San Joaquin Valley.

The SJVUAPCD rule is more stringent for new emissions units and modifications with increases in emissions of nitrogen oxides and volatile organic compounds of less than 5.0 pounds per highest day and cumulative emissions increases of less than 1.0 ton per year since April 5, 1991. Offsets are required for these increases in the San Joaquin Valley and not required in the Bay Area.

The SJVUAPCD rule is also more stringent for some new emissions units and modifications with Sulfur Oxide and PM10 emissions at sources with NSR balances exceeding the offset thresholds. Offsets are required for these sources in the San Joaquin Valley. Offsets are not required in the Bay Area if the facility is not a major facility. Major facilities are facilities with emissions of more than 100 tons per year of one pollutant.

The BAAQMD rule is more stringent for modifications to some facilities permitted under previous rules for which offsets have not been provided. SJVUAPCD rules require that the offsets be provided for certain increases in permitted emissions for such facilities. BAAQMD rules require that certain increases from the historical emissions for the past twelve months be offset. Increases from historical emissions are usually larger numbers than increases in permitted emissions.

Offset Ratios

Offset ratios for Nitrogen Oxides and Precursor Organic Compounds for the BAAQMD are based on the facility emissions. The required offset ratios are given in table III.

Table III
BAAQMD Offset Ratios

FACILITY EMISSIONS (TONS PER YEAR)	OFFSET RATIO
LESS THAN 25	1.05 TO 1
GREATER THAN OR EQUAL TO 25 LESS AND THAN 100	1.10 TO 1
GREATER THAN OR EQUAL TO 100	1.20 TO 1

The BAAQMD offset ratio for TSP, PM10, and Sulfur Oxides is a ratio of 1.1 to 1.

Offset ratios in the SJVUAPCD are based on the distance from the location of the reductions as shown in table IV.

Table IV
SJVUAPCD Offset Ratios

DISTANCE TO THE LOCATION OF THE REDUCTION	OFFSET RATIO
SAME SOURCE OR COMMUNITY BANK	1 TO 1
WITHIN 15 MILES	1.2 TO 1
WITHIN 15 TO 50 MILES AND IN THE SAME AIR BASIN	2 TO 1
UPWIND MORE THAN 50 MILES AND IN SAME AIR BASIN	3 to 1
MORE THAN 50 MILES DOWNWIND OR NOT AVAILABLE	Application Denied

Projects in which emissions increases are offset with onsite reductions will have a higher offset ratio in the Bay Area than in

the San Joaquin Valley. Projects in which emissions increases are offset with offsite emissions reductions may have a higher offset ratio in the San Joaquin Valley than the Bay Area.

Exemptions from Offset Requirements

Both the SJVUAPCD Rule and the BAAQMD Rule provide exemptions from the offset requirements. Both rules exempt temporary replacement emissions units, changes in ownership, routine maintenance, and repairs from offset requirements. The BAAQMD rule exempts secondary emissions from pollution control equipment and certain modernizations with no increase in production capacity from offset requirements.

The SJVUAPCD rule exempts modifications performed for the purpose of compliance with air pollution control laws from offset requirements. Gasoline dispensing facilities, dry cleaners, certain emergency equipment, certain soil and groundwater remediation projects, and some transfers of location are also exempt from the offset requirements of the SJVUAPCD rule.

Air Quality Modeling

The BAAQMD rule requires air quality modeling and monitoring to demonstrate that certain major new and modified sources will not interfere with the attainment or maintenance of ambient air quality standards.

Air quality modeling may be required for new sources and modifications subject to public notice requirements in the SJVUAPCD rule to demonstrate that projects will not cause or make worse a violation of ambient air quality standards.

Administrative Requirements

The administrative requirements below apply to all applications for new and modified emissions units except power plants with a net power output of over 50 Megawatts. Both Districts have separate administrative requirements for power plants.

Complete Application

Both the BAAQMD rule and the SJVUAPCD rule require that the District determine whether the application is complete within 30 days of the date that the application was submitted, or within a longer period of time agreed upon by both the District and the Applicant.

Alternate Siting

Both rules require that alternate sites, sizes, and processes be investigated for new sources and modifications to existing sources as required by the Federal Clean Air Act.

Public Notice and Inspection

Both the BAAQMD rule and the SJVUAPCD rule require that a 30 days public comment period be provided for preliminary decisions of major new sources and major modifications to existing sources. Publication of notices preliminary decisions in a newspaper of general circulation and notification of the EPA and ARB are required in both districts.

Compliance at Other Sources Owned or Operated by the Applicant

Both the BAAQMD rule and the SJVUAPCD rule require that the owner or operator of a proposed major new source, or of an existing source with a proposed major modification, demonstrate that other major stationary sources under common control or ownership are in compliance or are on a schedule for compliance with emissions limitations.

Final Action

Both District rules require that the District take final action on applications for Authority to Construct within 180 days of the date that the application was deemed complete, or within 180 days of the date that CEQA requirements are completed.

A Comparison of the
SJVUAPCD's 1991 AQAP and Rulebook
and the
BAAQMD's 1991 AQAP and Rulebook

Comparison of BAAQMD and SJVUAPCD AQAPs and Rulebooks

- Table 1 compares our SCMs contained in our AQAP to BAAQMD's AQAP.
- Table 2 compares the remaining BAAQMD's SCMs to our rules and sources.
- Table 3 compares our rule book to BAAQMD's rule book.
- Table 4 addresses BAAQMD's rules that are not in our rule book.
- Table 5 compares the TCMs in our AQAP with the TCMs in the BAAQMD's AQAP.
- Table 6 addresses the TCMs that are in BAAQMD's, but not in our AQAP.

CONCLUSION

After reviewing both of the AQAPs and Rulebooks, the District is of the opinion that the majority of existing Prohibitory Rules (including NSR) are the same or very similar to BAAQMD's Rules. These Rules primarily control VOCs. BAAQMD has 14 rules that we don't, however most of the sources that these rules affect are covered by our general organic rule or, at the time of Plan adoption, the District was not aware of any sources that would be affected by that rule. The general organic rule is typically less stringent than a source specific rule. Both Districts have adopted a 'no net increase' NSR rule.

The SCMs, in our plan, when developed into rules, will be BARCT. BAAQMD is proposing to improve many of these same rules. Since BARCT is based, in large measure, on socio-economic impact, what is considered BARCT in the Bay Area may be more or less stringent than what is considered BARCT in the SJV. When our District starts to work on a new BARCT rule, we review all adopted rules and BARCT determinations of other districts. BAAQMD, in their AQAP, is proposing to go beyond BARCT in some of their SCMs. This may have impacts on BARCT determinations Statewide. However, social-economic impacts will preclude a statewide standardized BARCT determination.

A rule to rule comparison was not made with the toxic rules. We have 5 rules dealing with toxics and the BAAQMD has 14.

Table 1

Suggested Control Measures	SJVUAPCD	BAAQMD
ADHESIVES	Y	Y A-11
AIRCRAFT FUEL STORAGE AND REFUELING	Y	Y B-2
ASPHALT BATCH PLANTS	Y	N
EXTERNAL COMBUSTION DEVICES	Y	Y D-4
CHARBROILING, COMMERCIAL	Y	Y E-3
COATINGS & INK MANUFACTURING	Y	Y A-14
COATINGS - AIRCRAFT AND AEROSPACE EXTERIORS	Y	Y A-3
COATINGS - ARCHITECTURAL	Y	Y A-1
COATINGS - PAPER, FABRIC & FILM	Y	N
COATINGS - PLASTIC PARTS	Y	Y A-6
COATINGS - WOOD FURNITURE AND CABINETS	Y	Y A-4
DRY CLEANING - PERCHLOROETHYLENE SOLVENTS	Y	N
FUGITIVE EMISSIONS FROM PUBLICLY OWNED TREATMENT WORKS	Y	N
GASOLINE DISPENSING - SMALL SERVICE STATIONS AND SMALL TANKS	Y	Y B-2
GLASS MELTING FURNACES	Y	Y D-6
GRAPHIC ARTS	Y	Y A-13
HEATERS, RESIDENTIAL AND COMMERCIAL SPACE HEATERS	Y	N

Suggested Control Measures	SJVUAPCD	BAAQMD
LANDFILL GAS CONTROL	Y	N
MARINE VESSEL - LOADING OPERATIONS	Y	N
MARINE VESSEL - TANKER BALLASTING	Y	Y B-5
MARINE VESSEL - OPERATIONS	Y	N
OIL PRODUCTION - DISCHARGE OF PRODUCED OIL/FLASHING LOSSES	Y	N
OIL PRODUCTION - FIREFLOOD OPERATIONS	Y	N
OIL PRODUCTION - GAS PLANT GLYCOL REGENERATORS	Y	N
OIL PRODUCTION - OIL PIPELINE PUMPING FUGITIVES	Y	N
OIL PRODUCTION - OIL WELL DRILLING AND WORKOVER RIG PISTON ENGINES	Y	N
OIL PRODUCTION - WELL CELLARS	Y	Y
ORGANIC LIQUID STORAGE	Y	Y B-2
ORGANIC SOLVENTS	Y	Y A-10
ORGANIC SOLVENTS - DEGREASING OPERATIONS	Y	Y A-18?1
ORGANIC SOLVENTS - SOLVENT WASTE	Y	N
PISTON ENGINES, STATIONARY AND PORTABLE	Y	Y D-1
POLYESTER RESIN OPERATIONS	Y	N?
PRINTING OPERATIONS, SMALL	Y	N?
RUBBER/PLASTICS MANUFACTURING	Y	Y E-1

Suggested Control Measures	SJVUAPCD	BAAQMD
SOIL AERATION	Y	Y B-6
STATIONARY GAS TURBINE ENGINES	Y	Y D-2
TANK CLEANING AND VENTING	Y	Y B-2
WASTEWATER SEPARATORS	Y	Y C-5, C-6
WATER HEATERS, RESIDENTIAL & COMMERCIAL	Y	Y D-7
WINERIES	Y	N
WOODBURNING - RESIDENTIAL FIREPLACES AND WOODSTOVES	Y	Y D-9

¹A question mark means that I have some reservations about making this determination, but I feel that this is probably correct. Question marks have the same meaning throughout this report.

Table 2

Suggested Control Measures ¹	SJVUAPCD	BAAQMD
A-2 Improved Industrial Maintenance Coatings Rule	Rule 4601, This is part of the Architectural Coatings Rule	Y (2000+) ²
A-5 Improved Surface Coatings of Misc. Metal Parts and Products Rule	Rule 4603	Y (1992)
A-7 Improved Can and Coil Coating Rule	Rule 4604	Y (1995-1997)
A-8 Improved Magnet Wire Coating Operations Rule	N No Known Sources ³	Y
A-9 Improved Automobile Assembly Operations Rule	N No known Sources ¹	Y
A-12 Elimination of Coatings Rules Alternative Emission Control Plans (Bubble Plans)	We have rules that allow for these	Y
A-15 Improved Resin Manufacturing Rule	N No known sources ¹	Y
A-16 Improved Semiconductor Manufacturing Operations Rule	N No known sources ¹	Y
A-17 Control of Emissions from Household Solvent Disposal	N	Y; Must be adopted by local governments
A-19 Ultra Low VOC Coatings	N	Y
B-1 Control of Emissions From Rail Car Loading	N	Y

Suggested Control Measures ¹	SJVUAPCD	BAAQMD
B-3 Improved Organic Chemical Terminals and Bulk Plants Rule	Rule 4623	Y (1993)
B-4 Further Emission Reductions from Gasoline Delivery Vehicles	N	Y (1995-1997); ARB must implement this SCM
B-7 Control of Emission From Propane Handling	Future Study	Y (2000+)
C-1 Improved Pressure Relief Valves at Refineries and Chemical Plants Rule	Rule 4451	Y (1993)
C-2 Improved Pump and Compressor Seals at Refineries and Chemical Plants Rule	Rule 4452	Y (1991), leakless seals (1995-97)
C-3 Improved Valves and Flanges at Refineries and Chemical Plants Rule	Rule 4451	Y; leakless valves (1995-97)
C-4 Improved Process Vessel Depressurization Rule	Rule 4454	Y (98-2000)
C-7 Control of Emissions From Petroleum Refinery Flares	N General Rule 4301 may apply	Y (98-2000)
D-5 Control of Emissions From Cement Plant Kilns	N No known sources ¹	Y (2000); partially implemented
F-1 Improved New Source Review Rule	NSR	Y (1991)
F-3 Promotion of Energy Efficiency	N	Y (1995-97)
F-4 Enhanced Enforcement of Existing District Regulations	Y	Y (1994)

Suggested Control Measures ¹	SJVUAPCD	BAAQMD
G-1 Citizen Postponement of Discretionary Activities	N	Y (1991)
G-2 Industrial Postponement of Activities During Forecasted Ozone Excess Days	N	Y (1991-1994)
H-1 Smoking Vehicle Program	Y	Y (1992)
H-3 Requirement for Clean Fuel Vehicles in Fleets	Y	Y (1995-97)

¹Suggested Control Measures that are in BAAQMD's AQAP that are not in the list of SCM because the District has adopted improved versions of these rules or for other reasons. (See page 7-13 of the AQAP).

Our District has recently modified several rules. These rules are now considered BARCT and are generally the same as the related BAAQMD rules. For at least seven rules, BAAQMD, in their AQAP, is proposing to make their rule more stringent.

²Year of proposed rule adoption by the BAAQMD.

³No Known Sources means that, during the development of the 1991 AQAP, these sources were not in the Emissions Inventory. Sources that would be affected by these rules may have been added to the Emissions Inventory. We are still finding 'unknown' sources that should be added to the emissions inventory. New sources that move in to the Valley should be subject to NSR, compliance with NSR should achieve emission levels that are less than what would be required by the Prohibitory Rules.

Table 3

SJVUAPCD	Rule	BAAQMD	Level of Control compared to ours
4001	New Source Performance Standards	Reg. 10	By Reference, Differences: SJV-AAa, B, C, Ca, Cb; BAAQMD-vvv
4002	National Emissions Standards for Hazardous Air Pollutants	Reg. 11	By Reference, Asbestos is more stringent
4101	Visible Emissions	Reg. 6	Same
4102	Nuisance	Reg. 7	Different Approach
4103	Open Burning	Reg. 5	More Stringent
4104	Reduction of Animal Matter	None	-----
4105	Commercial Offsite Multiuser Hazardous Waste and Nonhazardous Waste Disposal Facilities	None	-----
4201	Particulate Matter Concentration	Reg. 6	Less Stringent: SJV-.1 grain/dscf; BA-.15 grain/dscf
4202	Particulate Matter Emission Rate	Reg. 6	Less Stringent
4203	Particulate Matter Emissions from Incineration of Combustible Refuse	None	-----
4301	Fuel Burning Equipment	None	-----
4302	Incinerator Burning	None	-----

SJVUAPCD	Rule	BAAQMD	Level of Control compared to ours
4303	Orchard Heaters	None	-----
4401	Steam-Enhanced Crude Oil Production Well Vents	None	-----
4402	Crude Oil Production Sumps	Reg.8-37?	?
4403	Components Serving Light Crude Oil or Gases at Light Crude Oil and Gas Production Facilities and Components at Natural Gas Processing Facilities	8-37	More Stringent - We allow one type of source a more lenient leak definition otherwise it is the same.
4404	Heavy Oil Test Station - Kern County	None	-----
4405	Oxides of Nitrogen Emissions from Existing Steam Generators Used in Thermally Enhanced Oil Recovery - Central and Western Kern County Fields	9-3	More Stringent - This rule is more stringent because it applies districtwide. I was not able to compare emission standards.
4406	Sulfur Compounds from Oilfield Steam Generators - Kern County	9-1	Different Approach, their rule applies Districtwide
4451	Valves, Pressure Relief Valves, Flanges, Threaded Connections and Process Drains at Petroleum Refineries and Chemical Plants	8-37, 8-18, 8-22, 8-28	Same

SJVUAPCD	Rule	BAAQMD	Level of Control compared to ours
4452	Pump and Compressor Seals at Petroleum Refineries and Chemical Plants	8-37, 8-25	8-25 is more stringent; recently revised (3-92); rule effective 1997. Leak is defined as 500 ppm at 1 cm. Ours is 10,000 ppm at 1 cm.
4453	Refinery Vacuum Producing Devices or Systems	8-9	Same
4454	Refinery Process Unit Turnaround	8-10	Same
4601	Architectural Coatings	8-3	Same
4602	Motor Vehicle and Mobile Equipment Refinishing Operations	8-45	Same
4603	Surface Coating of Metal Parts and Products	8-19	Same
4604	Can and Coil Coating Operations	8-11	Same
4605	Aerospace Assembly and Component Manufacturing Operations	8-29	Similar
4606	Wood Products Coating Operations	8-32	Similar
4607	Graphic Arts	8-20	Similar
4621	Gasoline Transfer into Stationary Storage Containers, Delivery Vessels, and Bulk Plants	8-6, 8-30, 8-33	Similar ?
4622	Transfer of Gasoline into Vehicle Fuel Tanks	8-7	Similar
4623	Storage of Organic Liquids	8-5	Similar
4624	Organic Liquid Loading	8-5	Similar

SJVUAPCD	Rule	BAAQMD	Level of Control compared to ours
4625	Wastewater Separators	8-8	Similar
4641	Cutback, Slow Cure, and Emulsified Asphalt Paving and Maintenance Operations	8-15	Same
4651	Volatile Organic Compound Emissions from Decontamination of Soil	8-40	Same
4652	Coatings and Ink Manufacturing	8-35	Similar
4661	Organic Solvents	8-4, 8-1	Similar
4662	Organic Solvent Degreasing Operations	8-16	Similar
4671	Perchloroethylene Dry Cleaning System	8-27	Same
4672	Petroleum Solvent Dry Cleaning Operations	8-17	Same
4681	Rubber Tire Manufacturing	8-21	Less Stringent
4682	Polystyrene Foam Manufacturing	None ?	-----
4691	Vegetable Oil Processing Operations	8-41	Same
4701	Emissions from Stationary Internal Combustion Engines - Central and Western Kern County Fields	None	-----
4801	Sulfur Compounds	9-1	Different Approach
4802	Sulfuric Acid Mist	12-6	Same
NSR	New Source Review	2-2	Similar

Table 4

BAAQMD	Rule Title	SJV-AQAP	BA-AQAP
8-2	Miscellaneous Operations	N	Y
8-12	Paper, Fabric, and Film Coating	Y	Y
8-13	Light and Medium Duty motor Vehicle Assembly Plants	N No Known Sources ¹	Y
8-14	Surface Coating of Large Appliances and Metal Furniture	N No Known Sources	Y
8-23	Coating of Flat Wood Paneling and Flat Wood Stock	N	Y
8-24	Pharmaceutical and Cosmetic Manufacturing Operations	N No Known Sources	Y
8-26	Magnet Wire Coating Operations	N No Known Sources	Y
8-30	Semiconductor Manufacturing Operations	N No Known Sources	Y
8-31	Surface Coating of Plastic Parts and Products	Y	Y
8-34	Solid Waste Disposal Sites	Y	Y

BAAQMD	Rule Title	SJV-AQAP	BA-AQAP
8-36	Resin Manufacturing	N No Known Sources	Y
8-38	Flexible and Rigid disc Manufacturing	N No Known Sources	Y
8-42	Large Commercial Bakeries	N No Known Sources	Y
8-43	Surface Coating of Marine Vessels	N No Known Sources	Y
8-44	Marine Vessel Loading Terminals	N No Known Sources	Y
8-46	Marine Tank Vessel to Marine Tank Vessel Loading	N	Y
8-47	Air Stripping and Ground Water Aeration	N	Y
8-48	Industrial Maintenance Coatings	in Architectural Coatings	Y
8-49	Aerosol Paint Coatings	N	Y
9-2	Hydrogen Sulfide	N	Y
9-4	Nitrogen Oxides from fan type residential Central Furnaces	Y	Y

BAAQMD	Rule Title	SJV-AQAP	BA-AQAP
9-5	Hydrogen Sulfide from Geothermal Power Plants	N No Known Sources	Y
9-6	Nitrogen Oxides from Natural Gas-fired Water Heaters	Y	Y
12-1	Kraft Pulp mills	N No Known Sources	Y
12-2	Rendering Plants	N	Y
12-3	Asphalt Air Blowing	N	Y
12-4	Sandblasting	N, we enforce the H&SC	Y
12-5	Phosphate Fertilizer Plants	N	Y

¹No Known Sources means that, during the development of the 1991 AQAP, these sources were not in the Emissions Inventory. Sources that would be affected by these rules may have been added to the Emissions Inventory. We are still finding 'unknown' sources that should be added to the emissions inventory. New sources that move in to the Valley should be subject to NSR, compliance with NSR should achieve emission levels that are less than what would be required by the Prohibitory Rules.

Table 5

Proposed Transportation Control Measures	SJVUAPCD	BAAQMD
ENHANCED DISTRICT CEQA PARTICIPATION	Y	N
AIR QUALITY ELEMENTS	Y	TCM - 19
NEW AND MODIFIED INDIRECT SOURCE REVIEW	Y	TCM - 16 Includes existing development
SMOKING VEHICLES	Y	SS-H-1
TRAFFIC FLOW IMPROVEMENTS	Y	TCM - 12
PUBLIC TRANSIT	Y	TCM - 3
PASSENGER RAIL AND SUPPORT FACILITIES	Y	TCM - 6 Similar in Concept
RIDESHARE PROGRAM	Y	TCM - 1
PARK AND RIDE LOTS - SUBURBAN AREA LOTS	Y	TCM - 22
PARK AND RIDE LOTS - FRINGE AREA LOTS	Y	TCM - 22
BICYCLING PROGRAM	Y	TCM - 9
TRIP REDUCTION PROGRAMS	Y	TCM - 2
PARKING MANAGEMENT - SUPPLY LIMITS	Y	TCM - 22
PARKING MANAGEMENT - INCREASED PRICES	Y	TCM - 22
TELECOMMUNICATIONS	Y	TCM - 1
ALTERNATE WORK SCHEDULES	Y	N
FLEET OPERATOR ALTERNATE FUELS PROGRAM	Y	SS-H-3

Table 6

TCMs that the BAAQMD has that we don't.	
TCM - 4 Expedite and Expand Regional Rail Agreement	Expand BART
TCM - 5 Improve Access to Rail and Ferries	
TCM - 7 Improve Ferry Service	
TCM - 8 Construct Carpool/Express Bus Lanes On Freeways	ARB Resolution requires us to look at HOV lanes
TCM - 10 Youth Transportation	
TCM - 11 Install Freeway Traffic Operations System	
TCM - 13 Transit Use Incentives	
TCM - 14 VanPool Liability Insurance	
TCM - 15 Provide Carpool Incentives	
TCM - 17 Conduct Public Information	We have this in Chapter 11 in Plan
TCM - 18 Zoning for Higher Densities Near Transit Stations	
TCM - 20 Conduct Demonstration Projects	
TCM - 21 Implement Revenue Measures	
TCM - 23 Ozone Excess 'No Drive Days' (Voluntary)	

3/11/93
93-4-1



**SANTA CLARA COUNTY
MANUFACTURING GROUP**

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Lockheed Missiles & Space Co.

March 5, 1993

The Honorable Jananne Sharpless, Chair
c/o Board Secretary
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Subject: Revision of Emission Control Requirements to Mitigate the
Impact of Transporter Pollutants on Ozone Concentrations in
Downwind Areas

Dear Ms. Sharpless:

The Santa Clara County Manufacturing Group (SCCMG) represents approximately 110 companies with over 225,000 employees in Santa Clara County. We have actively participated in the California Clean Air Act Amendment (AB2783) process and have taken an interest in the implementation of the agreements represented by that legislation.

SCCMG requests that the Air Resources Board (ARB) address the following two items in the subject revisions.

1. Adopt the No Net Increase Permit Program applicability thresholds contained in AB2783, i.e., 15 tons per year for serious areas and 10 tons per year for severe areas.

SCCMG believes ARB should adopt the 15 tons per year applicability threshold for several reasons. First, the relative severity of transport problems was already known when agreement was reached on these thresholds. Further, ARB's study will yield additional data in December, after which time it will be clearer whether it is appropriate to reopen this issue. Finally, adoption of the higher threshold now with revision, as appropriate, in one year, will have an insignificant effect on air quality since neither affected air district is likely to approach attainment during this year and the "extra emissions" allowed can be offset later. In fact, information recently published by the Bay Area Air Quality Management District indicates that these increases will be mitigated by the significantly larger overall reductions already scheduled.

2. Use the definition of "source" used by the air districts, i.e., a source is an individual unit, not a facility. Also, use the term "facility" as used by the air districts to represent a group of sources at one site.

The definition of "source" has only minor ramifications where offsets are concerned. The term facility can be substituted without changing

XC: Bud mbr
JS mHS
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JB Legal

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Keicher
March 5, 1993
Page Two

the intent or applicability of the No Net Increase Permit Program. However, use of "source" in this manner makes moot the 10 pound per day de minimis level for BACT negotiated as part of AB2783. The purpose of choosing this de minimis level was to avoid installation of costly BACT equipment for small emission sources. However, if the 10 pound per day limit applies to an entire facility, then BACT will again be required on all equipment, regardless of size.

The intent of the "transport" provision of this bill is good. If transport is keeping an area from attaining air quality standards, then ARB may need to implement more stringent requirements for the upwind district. However, SCCMG believes it was not the intent of AB2783 to employ this provision so early in the bill's implementation process.

SCCMG believes that addressing these two items, as suggested in the preceding discussion, reflects the spirit and intent of the California Clean Air Act Amendments (AB2783).

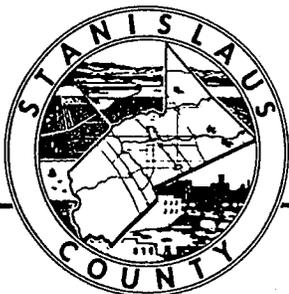
Please call me at (408) 496-6801 if you have any questions or comments on this information.

Sincerely,



Elizabeth A. Keicher
Director, Environmental Programs

cc: California Air Resources Board Members
California Air Resources Board Secretary (20 copies)
Assemblyman Byron Sher



CHIEF EXECUTIVE OFFICER

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REAGAN M. WILSON

March 10, 1993

Board Secretary
California Air Resources Board
P. O. Box 2815
Sacramento, California 95812

**RE: PROPOSED REVISIONS TO AIR POLLUTION TRANSPORT MITIGATION
REGULATIONS TO RELAX OFFSET REQUIREMENTS**

Dear Sir:

The Stanislaus County Environmental Review Committee (ERC) has reviewed the proposed revisions to the Air Pollution Transport Mitigation Regulations. The ERC is in support of the San Joaquin Valley Unified Air Pollution Control District's Board of Directors' position to oppose the regulations to relax offset requirements. The ERC further requests to postpone any action which would allow a higher offset threshold for districts upwind of the San Joaquin Valley until results of the San Joaquin Valley Air Quality Study can be utilized to evaluate the impact on the San Joaquin Valley.

The ERC appreciates the opportunity to comment on this project.

Sincerely,

David L. Dolanar
Deputy Executive Officer
Environmental Review Committee

DLD:MH:sbw

cc: Board of Supervisors
Reagan Wilson, CEO
ERC Members