

MINUTES

NATIONAL ASSOCIATION OF CLEAN AIR AGENCIES BOARD OF DIRECTORS AND COMMITTEE CHAIRS FALL MEETING

Sunday, September 22, 2013

Renaissance Baltimore Harborplace Hotel
Baltimore, Maryland

The NACAA Board of Directors and Committee Chairs convened their Fall Meeting at 8:30 a.m. NACAA Board members present included Tad Aburn (MD), Bruce Andersen (Kansas City, KS), Mark Asmundson (Mount Vernon, WA), Mike Bates (AR), Rick Brunetti (KS), Stu Clark (WA), Anne Gobin (CT), Vince Hellwig (MI), Merlyn Hough (Springfield, OR), Thomas Huynh (Philadelphia, PA), Dave Klemp (MT), John Paul (Dayton, OH), David Shaw (NY), Richard Stedman (Monterey, CA), Barry Stephens (TN) and Barry Wallerstein (Los Angeles, CA). Committee Co-Chairs, who are not also Board members, present included Bob Colby (Chattanooga, TN), Mike Dowd (VA), Andy Ginsburg (OR), Ursula Kramer (Tucson, AZ), Barbara Lee (Healdsburg, CA), Lynne Liddington (Knoxville, TN), Nancy Seidman (MA), Shelley Schneider (NE), Eddie Terrill (OK) and Dick Valentinetti (VT). NACAA staff present included Bill Becker, Mary Sullivan Douglas, Monique Faye, Nancy Kruger, Karen Mongoven and Stephanie Steigman. NACAA member Alice Edwards (AK) also attended the meeting. The meeting agenda is attached.

Committee Reports

Agriculture

Shelley Schneider (NE), Co-Chair of the NACAA Agriculture Committee, raised two issues to the attention of the group. First, the U.S. Department of Agriculture is seeking comments on quantifying greenhouse gas emissions and sinks from agriculture. Second, a group of citizens in northeastern Iowa has sued EPA in an effort to compel the agency to regulate emissions of hydrogen sulfide and ammonia from Animal Feeding Operations (AFOs) under Clean Air Act sections 108, 109 and 111. Among the group's arguments is that AFOs should be treated as a source category under section 111.

Air Toxics

Vince Hellwig (MI), Co-Chair of the NACAA Air Toxics Committee, reported that EPA is reconsidering three elements of the air toxics rule for Reciprocating Internal Combustion Engines (RICE) and is seeking public comment. He summarized briefly the three items on which the agency is seeking input. Vince also raised a concern about how state and local agencies are required to cite area source air toxics standards in permits. He reported that EPA Region 5 has told Michigan that merely citing the regulation in the permit is not enforceable and that the agency would have to include all the provisions in the permit, even though the state

does not have delegation of the area source program. The members briefly discussed the issue and others reported that they had not been informed of any such requirement in their regions.

Training

Mike Dowd (VA), Co-Chair of the NACAA Training Committee, reported that the Learning Management System has been rolled out. There were fewer glitches than expected but those that have been detected are being addressed. Mike also noted that funding for training in general continues to be an issue of concern.

Emissions and Modeling

Karen Mongoven (NACAA) reported that NACAA submitted comments on EPA's Draft Guidance for PM_{2.5} Permit Modeling and Draft SO₂ NAAQS Designations Modeling and Monitoring Technical Assistance Documents (TADs) on May 31, 2013, and July 22, 2013, respectively. The Modeling Committee has been told that EPA plans to revise the draft PM_{2.5} modeling guidance by the end of this year. The agency has not yet provided an update on the status of the draft SO₂ TADs.

Also of interest, a new version of AERMOD is due to be released in the next month. In addition, EPA's Air Quality Modeling Group is planning to hold a public webinar in late October or early November. This will be the first such webinar that EPA has held; it is intended to serve as a midterm update between the annual Regional, State, and Local Modelers' Workshops. Information on the webinar will be posted on EPA's SCRAM website and distributed through other channels once it is scheduled. NACAA will keep the membership informed about EPA's specific plans for the webinar as we learn of them.

Enforcement

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement and Compliance Committee, reported that EPA had recently released the High-Priority Violation (HPV) revised policy. He also stated that the Federally Reportable Violations (FRV) policy should be released soon, but there are ongoing EPA internal discussions that have delayed it. Eddie reported that the AFS Modernization (Integrated Compliance Information System or ICIS-Air program) is moving forward rapidly and should be fully functional by October 2014. EPA is seeking states to participate in a pilot program and interested agencies should contact Eddie. When asked if there were issues that the members should raise with EPA Acting Assistant Administrator for the Office of Air and Radiation Janet McCabe, Eddie suggested they ask about EPA's vision regarding transparency and fence-line monitoring. These are issues that will require some dialogue among program and enforcement staffs. Nancy Seidman (MA) reported that her state had applied for and received approval for an alternative compliance monitoring strategy in which they are focusing on some sources that they do not ordinarily concentrate on. The program has met with success and they have uncovered many more violations. Nancy offered to provide an upcoming report to the members through the Enforcement Committee Chairs.

SIP Reform

Nancy Kruger (NACAA) reported that the NACAA-ECOS-EPA SIP Reform Workgroup (SRWG) remains very busy and in addition to the twice monthly calls of the entire SRWG the state WG members having been holding regular states-only calls, typically at least once a month. For the past seven months or so the SRWG's greatest focus has been on the SIP

backlog. Most recently, the state members of the SRWG have reviewed carefully the types of data collected by EPA in its AirTrax data base to gain a clear understanding of what SIP processing-related data EPA tracks and how. Based on that review, the state WG members have provided recommendations to EPA on what additional data should be included in the database. Among the most significant recommendations is that EPA needs to collect and track additional data so that the entire path of the SIP, from submittal to final approval, is apparent and the status of the SIP at any point in time is clear – especially from the time a SIP is deemed complete to the time it is approved. The state WG members have also provided EPA with some principles on how the SIP backlog and SIP processing issues should be addressed.

Monitoring

Dick Valentinetti (VT) and Barbara Lee (Sonoma County, CA), Co-Chairs of the NACAA Monitoring Committee, reported that the Committee is concerned about a *Federal Register* notice published by EPA this week which states that 700,000+ man-hours have been saved due to EPA's consolidation of monitors into fewer sites, termination of unnecessary monitors, and more efficient procedures. This statement is inconsistent with the experiences of state and local agencies, many of which have seen O&M costs increase, and which face increased workloads due to programs such as near-road monitoring. It is unclear what the purpose of the notice is; if it is a prelude to reducing monitoring funds, it is something NACAA should be very concerned about. Barbara and Dick will ask Chet Wayland (EPA OAQPS) about this issue at the Membership Meeting.

A question was raised about the status of funds for installation of Phase II near-road NO₂ monitors. Dick and Barbara reported that the issue is tied up in the EPA budget process; to the extent funds do not materialize, EPA will extend the deadline for installation of the Phase II monitors. Phase I appears to be moving along well. Anecdotally, the Committee is hearing that there is nothing surprising in the data being reported by the Phase I monitors; there appears to be a small near-road NO₂ emissions effect.

Barbara noted that there will be a panel presentation during the Membership Meeting on developments in the "citizen monitoring" movement. The Monitoring Steering Committee is well-positioned to keep track of technological developments in this area, but the most important work to be done is in the policy arena, including on issues such as communication, coordination, and how data will and will not be used. This is an issue that air directors and senior managers should become involved in.

New Source Review and Permitting

John Paul (Dayton, OH), Co-Chair of the NACAA New Source Review Committee, provided a combined update on the activities of the New Source Review and Permitting Committees. The Committees are following proposed New Source Performance Standards (NSPS) as they are released and will comment where appropriate. The Committees are also tracking individual permits. John noted that on September 20, 2013, EPA released its proposed NSPS regulating CO₂ emissions from new power plants. In the proposal, EPA holds out Southern Company's Kemper County project – a proposed integrated gasification combined-cycle plant to be equipped with carbon capture and sequestration (CCS) technology – as a model permit for an electric generating unit equipped with CCS. He noted that Sierra Club is now suing in state court arguing that the project is too expensive for ratepayers. Bill Becker (NACAA) reported that NACAA will hold a meeting with the National Association of Regulatory Utility Commissioners and the National Association of State Energy Officers with about 50

participants to discuss EPA's development of CO₂ emissions guidelines for existing power plants. Conflicts between ratepayer advocates and environmental advocates are the type of cross-cutting issues that this meeting is intended to address. The members observed that CCS is a controversial technology, both in terms of its environmental impact and its availability.

John also reported that EPA is surveying nine state and local agencies on greenhouse gas (GHG) permitting burdens as part of its Five-Year Study required under the GHG Tailoring Rule. The nine survey recipients were announced last week and EPA shared the survey questions with the Committees. Karen Mongoven (NACAA) noted that agencies that were not asked to complete the survey are welcome to submit information to EPA on this issue.

Ursula Kramer (Tucson, AZ), Co-Chair of the NACAA Permitting Committee, noted that the Committee's state Co-Chair position is currently vacant. Jac Capp (GA) is no longer with NACAA because he has moved to Georgia's water program.

Program Funding

Bruce Andersen (Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, provided an update on FY 2014 appropriations activities, reporting that it was likely that Congress would adopt a Continuing Resolution to keep the government in operation after the current fiscal year ends on September 30, 2013.

With respect to greenhouse gas programs under section 111(d), the members had a discussion about permit fees and whether states would charge fees under Title V. Bill Becker (NACAA) noted that EPA is currently discussing the FY 2015 budget internally. Since during FY 2015, state and local agencies will have increased workloads to begin developing their own section 111(d) programs, it would be a good idea to ask EPA if they are contemplating increases in state and local air grants to address these increased obligations.

The members discussed undertaking a NACAA effort to estimate how much additional resources would be needed for state and local agencies to develop their greenhouse gas section 111(d) plans. Bill suggested the members raise this with Acting Assistant Administrator Janet McCabe during the membership meeting to determine if EPA has considered the timing and the need for additional resources for state and local air agencies. Several members offered to assist in developing an estimate of the resource needs.

Criteria Pollutants

Tad Aburn (MD), Co-Chair of the NACAA Criteria Pollutants Committee, raised three issues with the members. First, he noted the controversy surrounding implementation of the primary sulfur dioxide (SO₂) National Ambient Air Quality Standards, particularly related to designations and the approach EPA has developed that will defer a number of designations until as late as 2020. Second, Tad indicated that states may be challenged in the coming months over SO₂ implementation SIPs. Finally, he provided an overview of what has been happening on transport, highlighting the ongoing Supreme Court review of the Cross-State Air Pollution Rule; EPA's efforts, in the meantime, to develop a new rule consistent with the *EME Homer City* decision; the significant amount of technical work that is being conducted; a collaborative state effort that is ongoing; the development by the Eastern Regional Technical Advisory Committee of an electric generating unit emissions projection tool; and the significance of how regulations for power plants, industrial, commercial and institutional boilers and Tier 3 vehicle and gasoline

standards will play out (i.e., where that will leave states in terms of emission reduction obligations).

Mobile Sources and Fuels

Nancy Seidman (MA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, updated the group on two important issues that NACAA has been following closely. The first is the Tier 3 vehicle and gasoline rule, which was proposed in the spring and which NACAA strongly supports. Nancy reported that EPA continues to say it will get the rule out this year. She also noted that there have been some efforts in Congress to bar EPA from finalizing Tier 3 and indicated that NACAA will be vigilant in watching for efforts to delay or dilute the rule and will take action to push back against them. A second issue Nancy highlighted is Emission Control Areas (ECAs) for ocean-going vessels. Nancy explained an agreement in principle recently reached between EPA and the U.S. Coast Guard and Carnival to exempt certain ships from the fuel sulfur requirements in the North American and Caribbean ECAs. She also advised the group that in follow up to a previous Board discussion NACAA would be sending a letter to EPA and the Coast Guard expressing opposition to attempts within the International Maritime Organization (IMO) to delay the IMO 2016 ECA NO_x standards for new vessels; the IMO will vote on this in March 2014. Finally, Nancy indicated that at a recent meeting, Chris Grundler, Director of EPA's Office of Transportation and Air Quality, identified as his top six priorities 1) Tier 3, 2) preserving ECAs, 3) compliance and certification work, 4) fuel economy (per the President's climate plan), 5) community- and placed-based efforts and 6) working with state and local agencies.

Discussion of Section 111 – Next Steps

Stu Clark (WA), Co-Chair of the NACAA Global Warming Committee, reported that EPA released its proposed NSPS regulating CO₂ emissions from new power plants under section 111(b) of the Clean Air Act on September 20, 2013. He summarized the major elements of the proposal. The Global Warming Committee would like NACAA to develop comments on the proposed rule so the association can have a voice in this important rulemaking. NACAA staff will ensure that the air directors are kept informed of all discussions on the comment-drafting process.

Stu reported that EPA will also propose CO₂ emissions guidelines for existing power plants under Clean Air Act section 111(d) in June 2014. NACAA sent its principles for development of section 111(d) standards to EPA. The Global Warming Committee would next like to add more detail to the principles. Stu noted that the Committee is also considering developing a model plan to assist states with the implementation of section 111(d) guidelines. He asked the group if there were any objections to this plan, and none were raised.

Finances

Financial Reports

Bill Becker (NACAA) presented and explained the NACAA financial statements, including those covering the association's non-federal funds and the operating grant (through August 31, 2013).

NACAA Grant – FY2014/2015

Bill noted that things are on track for EPA to issue NACAA's FY 2014 grant. He noted that NACAA had been approved to have a no-cost extension to provide additional time to expend any funds remaining in the NACAA grant after September 30, 2013. Any remaining funds would help to address the shortfall NACAA faces in FY 2014.

New Business

There was no new business.

Adjourn

The NACAA Board of Directors and Committee Chairs Meeting was adjourned.

AGENDA

**NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS
SPRING MEETING**

**September 22, 2013
Renaissance Baltimore Harborplace Hotel
Homeland – 5th Floor
Baltimore, Maryland**

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| 7:00 a.m. – 8:30 a.m. | Continental Breakfast |
| 8:30 a.m. – 8:45 a.m. | Introductions and Review of Agenda |
| 8:45 a.m. – 10:00 a.m. | Committee Reports <ol style="list-style-type: none">1. Agriculture2. Air Toxics3. Training4. Emissions and Modeling5. Enforcement6. SIP Reform |
| 10:00 a.m. – 10:15 a.m. | Break |
| 10:15 a.m. – 11:30 a.m. | Committee Reports <ol style="list-style-type: none">7. Monitoring8. New Source Review9. Permitting10. Program Funding11. Criteria Pollutants12. Mobile Sources and Fuels |
| 11:30 a.m. – 12:00 p.m. | Discussion of Section 111 – Next Steps |
| 12:00 p.m. – 12:15 p.m. | Finances <ol style="list-style-type: none">1. Financial Reports2. NACAA Grant – FY2014/2015 |
| 12:15 p.m. – 12:30 p.m. | New Business |
| 12:30 p.m. | Adjourn |