

## MINUTES

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

Sunday, May 4, 2014

**JW Marriott Atlanta Buckhead  
Atlanta, Georgia**

The NACAA Board of Directors and Committee Chairs convened their Spring Meeting at 8:30 a.m. NACAA Board members present included Tad Aburn (MD), Mark Asmundson (Mount Vernon, WA), Stu Clark (WA), Bob Colby (Chattanooga, TN), Anne Gobin (CT), Merlyn Hough (Springfield, OR), Thomas Huynh (Philadelphia, PA), Dave Klemp (MT), Ursula Kramer (Tucson, AZ), Bart Sponseller (WI), Richard Stedman (Monterey, CA), Barry Stephens (TN) and Barry Wallerstein (Los Angeles, CA). Committee Co-Chairs, who are not also Board members, present included Will Allison (CO), Bruce Andersen (Kansas City, KS), Mike Dowd (VA), Vince Hellwig (MI), Barbara Lee (Healdsburg, CA), Lynne Liddington (Knoxville, TN), Ali Mirzakhali (DE), Bill O'Sullivan (NJ), John Paul (Dayton, OH), Nancy Seidman (MA), Shelley Schneider (NE) and Dick Valentinetti (VT). NACAA staff present included Phil Assmus, Mary Sullivan Douglas, Monique Faye, Karen Mongoven and Stephanie Steigman. The meeting agenda is attached.

#### **Committee Reports**

##### ***Agriculture***

Merlyn Hough (Springfield, OR), Co-Chair of the NACAA Agriculture Committee, updated the Board on three issues that the committee has been monitoring: New Source Performance Standards (NSPS) for grain elevators, the emissions estimating methodologies for animal feeding operations (AFOs) and the EPA fire policy.

EPA is in the process of revising its NSPS for grain elevators and a proposed new rule is expected soon. The proposal is likely to address a longstanding discrepancy between the U.S. Department of Agriculture (USDA) and EPA's Office Enforcement and Compliance Assurance (OECA), which have adopted different definitions of "temporary storage capacity." NACAA has been informed that the new proposal will align EPA's regulatory definition more closely with USDA's and OECA will revise its interpretation to align with the new NSPS.

Regarding the emissions estimation methodology for AFOs, Merlyn noted that EPA proposed a methodology in March 2012 and NACAA subsequently made comments expressing concerns. Further, In April 2013, the Scientific Advisory Board (SAB) completed its review of EPA's proposal and was critical of the agency's proposed methodology. Though the agency has not committed to a release date, EPA is working through the issues raised by the SAB.

There were no specific updates to the fire policy but Merlyn noted that the Agriculture Committee continues to monitor the issue.

During the discussion, some members expressed frustration with the pace of the AFO methodology development process and others expressed concerns about whether the SAB's criticisms of the proposal were being taken seriously. There were also general concerns expressed with EPA's slow pace.

### ***Air Toxics***

Vince Hellwig (MI), Co-Chair of the NACAA Air Toxics Committee, raised a concern about emissions of formaldehyde from reciprocating internal combustion engines at landfills and asked if others had identified a similar problem. He also noted that some facilities "swap out" or rebuild engines without notification of Maximum Achievable Control Technology or New Source Performance Standard applicability. Several members expressed similar concerns and offered to provide to Vince data they had collected from engines at landfills.

Vince offered to collect data from the other attendees and send it to Mary Sullivan Douglas of NACAA for distribution to the members.

### ***Permitting/New Source Review***

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. At the suggestion of Permitting Committee Co-Chair Ali Mirzakhali (Delaware), the committees have developed a joint list of priority issues that they intend to focus on in 2014. The top priority will be to attempt to spur EPA action on implementing streamlining measures for the Title V program, including implementation of priorities that the Clean Air Act Advisory Committee and NACAA presented to EPA in 2004 and 2011, respectively. EPA reports on every monthly committee call that it is "working" on this, but the committees have not seen much action. Recently though, on Friday, April 30, EPA released new implementation guidance on annual compliance certifications and statements of basis requirements for Title V permits, which the committee chairs are still reviewing. Permitting Committee Co-Chair Ursula Kramer (Tucson, AZ) said she has reviewed the guidance and found it unhelpful. There was discussion among the Board members and committee chairs that the Title V issues could be among those discussed at the NACAA-EPA retreat they would like to schedule to raise high-priority issues with the agency.

John reported that other priorities for the committees in 2014 include continued cooperation with EPA on upcoming rules and guidance; sharing of regional issues, such as guidance and audits; sharing of state and local rules and issues; sharing best practices and experiences with permit program streamlining; discussion of major permits being reviewed or approved by state and local agencies; discussion of major court cases; and discussion of regulatory tools such as the BACT/RACT/LAER Clearinghouse.

In addition to the Title V implementation guidance, EPA has recently released two other permitting-related guidance documents, John continued. The first is "Interim Guidance on the Treatment of Condensable Particulate Matter (CPM) Test Results in the Prevention of Significant Deterioration and Nonattainment New Source Review Permitting Programs" (April 8, 2014), which addresses how to consider CPM in NSR permitting in light of issues with the test

method that cause PM<sub>2.5</sub> to be overestimated. The second is “Guidance on the Extension of Prevention of Significant Deterioration Permits Under 40 C.F.R. § 52.21(r)(2)” (January 31, 2014), which addresses PSD permit extensions in areas where the PSD program is administered directly by EPA and in delegated states.

John also reported that NACAA will host a Permitting and Enforcement Workshop, December 9-11 in Chicago. The workshop will be jointly planned by the New Source Review, Permitting and Enforcement Committees, with EPA. Past workshops have been very successful and the committee chairs urge air directors to send members of their staff. EPA anticipates sending at least 30 permitting staff to the workshop.

### ***Global Warming***

Stu Clark (WA), Co-Chair of the NACAA Global Warming Committee, provided an update on recent committee activities. These included the recent submittal of comments on EPA’s proposed greenhouse gas (GHG) standards for new power plants and different projects related to EPA’s proposed GHG emission limits for existing power plants.

NACAA’s comments on the new power plant emission limits were submitted on May 1, 2104. Stu noted that the comments reflect a review process that began with a December 2013 conference call. The final letter addressed six issue areas: (1) separate emissions standards for coal and natural gas units; (2) separate emissions standards for different sizes of natural gas units; (3) EPA’s approach for modified and reconstructed sources; (4) the exclusion of simple cycle peaking units; (5) a proposed exclusion for transitional units; and (6) the relationship between Title V fees and GHG permitting.

Stu also summarized NACAA’s recent efforts to work alongside the National Association of State Energy Officials (NASEO) and the National Association of Regulatory Utility Commissioners (NARUC) – as “3-N” – to develop energy efficiency (EE) principles for EPA’s existing source GHG standards under section 111(d) of the Clean Air Act. Draft principles were circulated to NACAA members for comment from April 21 to May 1. Stu reported that the responses were very positive and a joint announcement of the principles’ approval was expected soon.

The Global Warming Committee report also included updates on the NACAA 111(d) Menu of Options and the NACAA 111(d) Model Rule. Stu reported that both projects are underway.

Finally, Stu noted that the membership meeting would include a panel of top EPA decision makers who have been closely involved with the development of the 111(d) proposed rule.

The members discussed two issues related to the 3-N EE principles: whether anyone was concerned about inconsistencies that might arise as states make different EE implementation choices and whether anyone was hearing concerns about how EPA might enforce EE requirements under 111(d).

### ***Program Funding***

Bruce Andersen (Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, provided an update on the FY 2015 federal appropriations process. He reported

that in March the President proposed a budget for FY 2015 that includes \$243.2 million in federal grants to state and local air agencies under Clean Air Act (CAA) sections 103 and 105, which is an increase of \$15 million above FY 2014 levels. However, the increase would come at the expense of \$9 million in "core" air programs. Additionally, the proposed budget called for PM<sub>2.5</sub> monitoring funds currently provided under section 103 to begin to be shifted to section 105, where a 40-percent match is required. Bruce noted that NACAA had provided oral and written testimony to the House of Representatives recommending an increase of \$35 million above the President's request and that state and local air agencies be given the flexibility to use the additional funds for the highest priority activities in their areas. NACAA also requested that funding for PM<sub>2.5</sub> monitoring not be shifted from section 103 to section 105 authority.

Bruce further reported that NACAA prepared a model letter for state and local air agencies to use to communicate with House and Senate members regarding the need for additional grants for state and local air agencies under CAA sections 103 and 105 and requested that the members contact their congressional delegations to urge grant increases.

The members discussed the need for different sources of additional funding for state and local air agencies and the concern that Title V permit fees have decreased for some agencies as emissions have declined. Several noted alternative ways of calculating fees, including basing them on the workload needed to operate the permit program, rather than on emissions only.

### ***Mobile Sources and Fuels***

Nancy Seidman (MA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, discussed an attempt within the International Maritime Organization (IMO) to delay the implementation of the Tier III nitrogen oxide (NO<sub>x</sub>) standard for new Category 3 oceangoing vessels operated in Emission Control Areas (ECA), which is scheduled for worldwide implementation in 2016. There has been an effort to delay implementation until 2021. NACAA sent a letter supporting the original 2016 deadline. The IMO decided to retain the deadline for 2016 in the existing North American ECA, which includes the U.S. and Canada, and the U.S. Caribbean Sea ECA, which includes Puerto Rico and the U.S. Virgin Islands. However, the final amendments provide that for any ECAs established in the future anywhere in the world, the Tier III NO<sub>x</sub> standard will apply only to ships built after the date on which the IMO adopts a country's proposed designation of an ECA (or a later date, as determined by the country applying for an ECA designation).

Barry Wallerstein (Los Angeles, CA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, reported on recent efforts, led by Canada Steamship Lines (CSL), to weaken ECA fuel sulfur standards for certain oceangoing vessels. The current sulfur limits, effective in August 2012, require that Category 3 vessels operating within 200 nautical miles of the coast use fuel that has no more than 10,000 parts per million (ppm) sulfur (down from 30,000 ppm). The second phase of the fuel standard begins January 1, 2015, with a phase down to 1,000 ppm sulfur. Current efforts to relax the standards call for the IMO to scale back the applicability of the 1,000-ppm fuel sulfur limit to take effect in ECAs beginning in 2015 so that it will not apply to vessels of the size class CSL operates – those up to 20,000 horsepower – when they operate between 50 and 200 miles from shore. In this distance range, CSL proposes that such vessels be allowed to continue using 10,000 ppm fuel, which is 10 times higher than the phase 2 1,000-ppm ECA limit. If enacted, this allowance would substantially weaken the environmental benefits the U.S. sought – and NACAA strongly supported – when it worked to designate the

North American and U.S. Caribbean ECAs. Barry also noted that opening the fuel sulfur requirements to debate could be disastrous.

The members then discussed what issues to raise during the membership meeting session on Monday, May 5, 2014, with Chris Grundler, Director of the EPA Office of Transportation and Air Quality.

The members discussed the fact that the next round of State Implementation Plans will have to rely heavily on mobile source measures to show attainment. They also discussed the funding level in the federal budget for the Diesel Emission Reduction Act program.

### ***Criteria Pollutants***

Lynne Liddington, Co-Chair of the NACAA Criteria Pollutants Committee, discussed EPA's proposed New Source Performance Standards (NSPS) for residential wood stoves, the key elements of which she summarized at the Winter Board and Committee Chairs meeting. Since that meeting, the committee has developed written testimony on the proposal, which Nancy Seidman (Massachusetts) provided to EPA on behalf of NACAA at a public hearing in Boston on February 26. NACAA also developed written comments on the proposed rule, which it submitted to EPA on May 1. The content of both the testimony and the comments was discussed by NACAA members on a special call convened on January 29. NACAA highlighted the need for federal standards for these sources due to the extreme difficulty of regulating residential wood combustion at the state level, expressed support for the expansion of the NSPS to a larger set of residential wood heaters and indicated that NACAA is in favor of rigorous emission limits for all sources affected by the proposal. NACAA Co-President Merlyn Hough (Springfield, OR) expressed appreciation for the work the committee has done on this issue.

Next, Criteria Pollutants Committee Co-Chair Tad Aburn (Maryland) provided an update on transport issues. On April 29, the U.S. Supreme Court reversed the decision of the D.C. Circuit in *EME Homer City Generation, L.P. v. EPA* and upheld the Cross-State Air Pollution Rule (CSAPR). The case is now remanded to the D.C. Circuit, and the rule will eventually go back to EPA. For now, CSAPR remains stayed, and already the rule is outdated – it was designed for an 85-ppb ozone standard rather than the current 75-ppb standard.

Meanwhile, Tad continued, states in the East have petitioned EPA to expand the Ozone Transport Region. In addition, 28 states are working together on a common transport modeling platform, and initial modeling is underway based on the assumptions that Tier 3 and all rumored changes in the power sector regarding plant closings and natural gas conversions by 2018 occur. The preliminary results of this modeling are very promising. In the meantime, Tad reported, the current legal situation has greatly hindered the allowance market, such that plants that have invested in SCR are not running the controls because it is less expensive to buy allowances. Tad encouraged states to step in and submit SIPs that address the transport problem without being directed to do so by EPA.

### ***Monitoring***

Barbara Lee (Northern Sonoma, CA), Co-Chair of the NACAA Monitoring Committee, reported that the committee has been very busy on a number of issues. Implementation of the one-hour SO<sub>2</sub> NAAQS remains a top concern of the monitoring community. In the past two weeks, EPA issued its proposed SO<sub>2</sub> Data Requirements Rule and its final Nonattainment Area

Guidance; when it finalizes the Data Requirements Rule, it plans to revise its draft Technical Assistance Documents (TADs) for SO<sub>2</sub> Monitoring and Modeling. Chet Wayland and Michael Ling of EPA will provide an overview of recent developments, followed by a facilitated discussion with NACAA, at a session on Tuesday afternoon that Barbara is moderating. The Monitoring Committee will review the proposed Data Requirements Rule and discuss potential NACAA comments. Barbara asked the Board members and committee chairs if they had questions they would like for her to pose to EPA during the panel, and a number of suggestions were made. Several members noted that Sierra Club is presenting states with its own SO<sub>2</sub> modeling data and pushing for one-hour SO<sub>2</sub> limits to be included in all facility permits. There was general agreement that the issue of identifying an appropriate averaging period for SO<sub>2</sub> permit limits is an important issue that EPA should address.

Next, Barbara discussed EPA's recently completed evaluation of the Chemical Speciation Network (CSN) monitors. The goals of the assessment were to save money and distribute resources more effectively by identifying monitors for defunding. The effort is led by Beth Landis at EPA, who presented the results of the assessment on the last Monitoring Committee call. EPA evaluated all 189 sites on the CSN network using an objective scoring system, and recommended that 53 sites be defunded, mostly in the eastern half of the country. A number of committee members are concerned about various monitors on the draft "defund" list. The bottom line, as Barbara sees it, is that EPA has a cost target and is looking holistically at what it needs to get out of the network. State and local agencies, however, need some of the same but some different things from these monitors. So, on the whole, Monitoring Committee members cannot be said to be "supportive" of EPA's list. There is continual stress between the desire for more and better data and lack of funding. Monitoring Committee Co-Chair Bart Sponseller (Wisconsin) noted that Rich Poirot (Vermont) has been representing NACAA on the assessment committee and that gives him confidence in the process that was used.

Sensor technologies remain a top interest of the committee, and Barbara noted that they are definitely becoming a more prominent issue. Barbara observed that EPA thinks sensors may be able to solve some of the chronic problems with monitor network funding. The agency is funding the development and use of sensors using its citizen science program and community and environmental justice grants. But there is generally no pre-screening of sensors, no bench testing, and no coordination with state and local agencies in areas where sensor projects are being undertaken. Often, state and local agencies are finding out about these projects from press releases.

Finally, Barbara noted that EPA will hold the National Monitoring Conference August 11-14 in Atlanta. Anna Kelley (Cincinnati) is serving as conference co-chair on behalf of state and local agencies and NACAA.

### ***Public Education and Outreach***

Anne Gobin (Connecticut), Co-Chair of the NACAA Public Education and Communications Committee, provided an update on new and ongoing committee activities. She noted that the committee has been concentrating in two areas: the 2014 Communicating Air Quality Conference and polling the air directors and committee members on ongoing and future communications needs.

Anne noted that, even with tight agency budgets and limited travel funds, the 2014 National Air Quality Conference, which was held in Raleigh, North Carolina, February 10-12, 2014, attracted 285 attendees. Presentations at the conference included a look at a study of traffic-related air pollution and children's health in Cincinnati, Ohio, new activities by the Centers

for Disease Control and state health departments related to children's exposure to air pollution, trends in citizen monitoring and small sensors, and air pollution issues from fracking.

In addition, the committee has also been surveying members to determine the most critical near- and long-term public education challenges and what air quality issues the committee should focus on in the near future. Forty-nine responses to the survey were received. The committee is currently reviewing those responses. Recognizing that there are limited resources available for public education/communications, the committee plans to select two issues to focus on this year.

### ***Enforcement***

Richard Stedman (Monterey, CA), Co-Chair of the NACAA Enforcement and Compliance Committee, updated the Board on enforcement activities. Richard identified the AIRS Facility Subsystem (AFS) modernization as a broad concern that was affecting a lot of NACAA members. Different states have different issues, but the biggest concern is that EPA will use the modernization to expand data reporting requirements. Some states have been very critical of EPA's approach. In spite of these concerns, EPA is sticking with an October 2014 deadline to move to the new system.

To address this and other issues, Richard noted that Cynthia Giles, Assistant Administrator for EPA's Office of Enforcement and Compliance, would be attending the NACAA membership meeting and participating on an enforcement panel to hear comments and take questions from our members. NACAA identified three topics for EPA to discuss: the revised Federally Reportable Violations (FRV) policy, the High-Priority Violations (HPV) policy update, and Next Generation Compliance.

Richard reported that some NACAA members are concerned about delays in finalizing the new FRV policy. This issue is made even more acute by the AFS modernization process. Until the FRV policy is finalized, there are going to be worries that EPA is using AFS modernization to expand the amount of data collected from state and local air regulators. Regarding HPV, the process to revise the policy has gone more smoothly than FRV, but has stalled in recent months. NACAA has heard that the update is close to complete, but is being held up at the final stages. Regarding Next Generation Compliance, or NextGen, OECA has laid out five general concepts to describe the strategy (effective rules, advanced monitoring, electronic reporting, transparency, innovative enforcement), but has not provided extensive guidance for its state and local partners. Richard noted that the enforcement panel would be an opportunity for members to get more information on NextGen.

Richard encouraged any members with concerns about EPA enforcement policies to speak up during the panel.

### ***Emissions and Modeling***

Karen Mongoven (NACAA) provided an update on current issues of interest to the committee. As with the Monitoring Committee, the Emissions and Modeling Committee is interested in the recently-proposed SO<sub>2</sub> Data Requirements Rule and the revised Technical Assistance Documents for the 1-hour SO<sub>2</sub> NAAQS, and will review them and consider potential comments – likely in conjunction with the Monitoring and Criteria Pollutants Committees. In addition, EPA also plans to release the non-draft version of its Guidance for PM<sub>2.5</sub> Permit Modeling. Previously, EPA reported to the Emissions and Modeling Committee that it expected

to release the PM<sub>2.5</sub> Guidance around the end of April, but it is still outstanding. When the document is released, the committee will review it. Karen will also bring it to the attention of the New Source Review and Permitting Committees.

In addition, Karen reported, EPA will hold its 2014 Regional/State/Local Modelers' Workshop May 19-22, in Salt Lake City. Many committee members plan to attend, as usual. EPA also continues to periodically release updates to AERMOD and AERMET, and is good at keeping the committee apprised of these developments. Finally, Karen noted that the Emissions and Modeling Committee is in need of a new local Co-Chair, as Jim Hodina (Cedar Rapids, IA) recently resigned from the position in light of his many other commitments.

### ***Training***

Mike Dowd (Virginia), state Co-Chair of NACAA Training Committee, provided a summary of the committee's work to update the National Training Strategy Action Plan. The most recent Action Plan was completed in 2010 and set specific time-limited goals for 2011. A joint committee consisting of NACAA, AAPCA, EPA and various MJOs has been meeting periodically, most recently on April 28. The discussions thus far have focused on evaluating progress toward the 2011 goals, identifying any gaps, and discussing what the updated 2014-15 goals should look like. The joint committee has set a tentative schedule that includes a face-to-face meeting in early August with an updated Action Plan for review by NACAA members in early September. In the meantime, Mike noted that the joint committee will be forming workgroups to focus on different aspects of the Action Plan.

Mike reminded the Board that the Training Committee is looking for a local Co-Chair.

### **Finances**

Mary Sullivan Douglas (NACAA) reported on the association's finances, including both federal and non-federal funds.

Mary noted that the association is in good financial shape, in part due to the no-cost extension NACAA received on its previous grant, allowing the carryover of remaining funds to this fiscal year. Those funds were used to help address the shortfall NACAA is facing this year; NACAA will continue to seek outside funding as we anticipate that FY 2015 funding will also be short of what is needed to operate the association.

During the discussion, it was suggested that NACAA consider having a formal "Reserve Policy" in place in the event there is a budget shortfall.

### **Future Meeting Dates and Locations**

Stephanie Steigman (NACAA) indicated that the 2014 Summer Board and Committee Chairs Meeting will be held July 25-28, 2014, at the Doubletree by Hilton Sonoma, in Rohnert Park, California. The 2014 Fall Membership Meeting will be held October 20-22, 2014, at the Grand Hyatt Denver, in Denver, Colorado. The 2015 Winter Board and Committee Chairs Meeting will be held February 7-9, 2015, at the JW Marriott Orlando Grande Lake in Orlando, Florida. In addition, NACAA will hold a joint Permitting/Enforcement Workshop, December 9-11, 2014, at the Embassy Suites Chicago Lakefront, in Chicago, Illinois.

**New Business**

There was no new business.

**Adjourn**

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

**FINAL AGENDA**

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

**May 4, 2013  
Atlanta Room**

**JW Marriott Atlanta Buckhead  
Atlanta, Georgia**

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| 7:00 a.m. – 8:30 a.m.   | Continental Breakfast   |
| 8:30 a.m. – 8:45 a.m.   | <b>Introductions and Review of Agenda</b>   |
| 8:45 a.m. – 10:15 a.m.  | <b>Committee Reports</b> <ol style="list-style-type: none"><li>1. Agriculture (5)</li><li>2. Air Toxics (10)</li><li>3. Permitting/New Source Review (15)</li><li>4. Global Warming (35)</li><li>5. Program Funding (15)</li><li>6. Mobile Sources and Fuels (10)</li></ol> |
| 10:15 a.m. – 10:30 a.m. | Break   |
| 10:30 a.m. – 11:50 a.m. | <b>Committee Reports</b> <ol style="list-style-type: none"><li>7. Criteria Pollutants (15)</li><li>8. Monitoring (10)</li><li>9. Public Education and Outreach (20)</li><li>10. Enforcement (20)</li><li>11. Emissions and Modeling (5)</li><li>12. Training (10)</li></ol> |
| 11:50 p.m. – 12:05 p.m. | <b>Finances</b> <ol style="list-style-type: none"><li>1. Financial Reports</li><li>2. NACAA Grant – FY2014/2015</li></ol>   |
| 12:05 p.m. – 12:15 p.m. | <b>Future Meetings</b> <ol style="list-style-type: none"><li>1) Future Meetings – Dates and Locations</li><li>2) Potential Locations for Summer 2015 Board/Chairs Meeting and Fall 2015 Membership Meeting</li></ol>  |
| 12:15 p.m. – 12:30 p.m. | <b>New Business</b>   |
| 12:30 p.m.              | <b>Adjourn</b>  |