



YEAR 2022 IN REVIEW

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Dear NACAA friends,

As summertime (and our fiscal year) wraps up, I'm looking back and also looking ahead. I can see our community of state and local clean air agencies emerging from the full portfolio of pandemic weirdness – contact tracing duty, lockdowns, masks, shots, quarantines and social distancing – into something that looks a little more familiar, but certainly different. I'm excited that we are starting to meet in person more often and I'm looking forward to our family of agencies reconnecting with friends and colleagues. I've learned that we all have a lot of stories and experiences to share. To help with that, here's my annual letter to the members highlighting all the things the members of the National Association of Clean Air Agencies (NACAA) have accomplished since last summer. Together, our association's members hit the ground running this year, advancing the equitable protection of clean air for all, and improving, as a community, the capability and effectiveness of our agencies. I'm proud of how our successful our family of state and local clean air experts has been. So without any further ado, here are six NACAA highlights from the past year...

1. Our agencies came together to learn with and from each other.

The experts in NACAA's 157 agencies are world leaders in the work you do, and our community is an amazing source of information, support, and resources to each other. Our members, working together in committees, are the engine of NACAA's efforts to develop policy, resources, answers, and skillfully implement the Clean Air Act. NACAA's twelve committees worked hard over the past year to keep you up to date on everything you need to know to be effective in your challenging, dynamic, deeply technical jobs. Our committees talk about the things that matter and keep you ahead of what's going on. They give you a chance to be a part of a community of clean air leaders, and of friendship. Every committee has something to offer you, and you can join as many as you like (contact the NACAA staff if you need help doing that – it's hassle-free!)

One resource we're proud to offer is the commitment and expertise of the NACAA staff: myself, Nancy, Mary, Karen, Stephanie and Monique. We love working with and for you. Every day, the NACAA team in our nation's capital helps resolve individual member requests for assistance of various kinds – distributing emails to appropriate committees, seeking information from the "NACAA network," providing one-on-one information to members, doing research and connecting you with answers however we can. We also develop quick analytical resources and summary briefs – two of our most-read briefs from 2022 were on the Supreme Court's *West Virginia v. EPA* decision and on the provisions of the Inflation Reduction Act that will provide hundreds of millions of dollars in federal funding to our agencies. NACAA staff also supported our agencies as they asked questions and coordinated about funding for air quality monitoring that we helped get through Congress last year, under the American Rescue Plan of 2021.

Members support and share information, experiences and resources with each other on technical topics, on the operation of agencies, and on emerging policy from federal agencies like EPA. To enable members to meaningfully engage in the public review and comment process, NACAA's committees put forth intensive efforts to provide multiple opportunities for member education and information sharing throughout the development of EPA proposals – in 2022, we saw particular focus on the heavy-duty truck rule, the new AirToxScreen tool, the oil and gas sector methane rule, and on ethylene oxide. But NACAA members did more than draft, negotiate, and finalize policy comments – NACAA provided a forum for members to provide early input to EPA before the rulemaking process starts, for example ahead of the proposed rule to rescind or revise the "Major MACT to Area" permitting regulations and address the definition of "potential to emit" and federal enforceability issues among multiple Clean Air Act rules. We worked through the Climate Change Committee to learn about the current state of combustion turbine technology, carbon capture and storage options, and direct removal of greenhouse gases from the atmosphere, and expect extensive work on the replacement rule for the Affordable Clean Energy (ACE) Rule and EPA's broader power sector strategy in 2023. NACAA's

New Source Review (NSR) Improvement Subcommittee continues to explore ways that the NSR permitting processes can be improved, post-applicability determination. The Subcommittee plans to release a set of recommendations directed at EPA and to develop as materials that explore methods and improvements that can and are being implemented by state and local agencies.

NACAA continued to co-host the NASEO-NACAA Volkswagen Settlement Working Group effort, including monthly calls that are the only forum for state agencies to turn to for crowd-sourced answers to their questions. Our Public Outreach Committee provided a place for agencies to talk about how their public facing efforts can advance environmental justice outcomes, how agencies go about communicating clean air issues in multiple languages, how online tools are revolutionizing regulatory communications, and what best practices agencies have for leveraging social media in their clean air work. (By the way, NACAA's social media handles are @WeAre4CleanAir, and we're happy to amplify your agency's communications online. During Air Quality Awareness Week in 2022, NACAA helped coordinate daily air quality Tweets by state, local and tribal air agencies, and set new records for views of our members' social media!)

EPA and our regional partners, the Multijurisdictional Organizations (MJOs), take the lead on providing technical training, but NACAA maintains the NACAA Training Resources Hub, a one-stop webpage (accessible via Air Web) providing listings of and links to classroom and virtual training opportunities for air agency staff offered by EPA, MJOs and other sponsoring organizations; online training resources; training sponsors; and NACAA's training initiatives. NACAA's Training Committee is still running its hugely popular bi-monthly "Coffee Break" series, and in 2022 shared information about how to work with Small Business Environmental Assistance Programs; EPA's national air quality training program; getting to know your MJOs; emergency response by air agencies; and the Environmental Protection Network and assistance it offers to NACAA members. (Recordings of and materials that accompany all Coffee Breaks are catalogued in the NACAA Training Resources Hub of Air Web.)

2. We championed your funding and mission on Capitol Hill.

I'll start with our biggest win. On August 16, 2022, President Biden signed the "Inflation Reduction Act of 2022" (the "IRA"). This is a landscape-changing piece of legislation, and NACAA worked tirelessly with staff on Capitol Hill to assure that it included provisions that would advance the mission and goals of our members.

In total, the IRA includes \$369 billion in climate and clean energy investments. NACAA's work advising the development of this legislation is reflected in the specificity with which it offers funding to state, local, and territorial clean air agencies. The law will provide funding for state and local governments under Clean Air Act Sections 103, 105 and new Sections 134, 135, and in particular 137, which makes grants available to our agencies to plan for and implement reductions in greenhouse gas emissions, to purchase low-emission or zero-emission equipment, and to improve our compliance with federal emission standards. Section 137 appropriates \$5 billion to EPA for grants to state, tribal, and municipal governments, air pollution control agencies, and others to develop and implement greenhouse gas reduction plans in all 50 states. Of the total, \$250 million is for planning grants that can be spent over five years. The new CAA Section 137 may be useful in the future for all our agencies, including those who don't currently receive funding under Sections 103 or 105.

The IRA also offers \$25 million for grants to support and implement clean air agency programs, and \$5 million for grants to help states adopt greenhouse gas and zero-emission standards for vehicles under Section 177 of the CAA. It offers a separate \$27 billion for a new EPA "Greenhouse Gas Reduction Fund" to help communities rapidly acquire and deploy low- and zero-emission products, technologies and services including \$20 billion for competitive grants to nonprofit organizations and for projects in low income and disadvantaged areas. The remaining \$7 billion is for competitive grants to states, municipal governments, Tribes, and nonprofits to provide financial aid and technical assistance to help low-income and disadvantaged communities deploy or benefit from zero-emission technologies. The bill appropriates \$206 million for EPA monitoring programs, including \$117.5 million under CAA Sections 103 and 105 for state and local agencies to deploy and maintain fence-line air monitoring, screening air monitoring, National Air Toxics Trends Stations,

and other air toxics community monitoring. That total includes \$50 million for multipollutant monitoring stations and to replace, repair, operate and maintain existing monitors; \$20 million for state and local agencies to monitor for methane emissions; \$15 million to address emissions from wood heaters; and \$3 million to deploy, integrate and operate air quality sensors in low-income and disadvantaged communities. It provides \$18 million to update EPA's Integrated Compliance Information System (ICIS) and an additional \$3 million to help states, localities, and Tribes improve their ICIS submissions. It also provides \$40 million for EPA to improve its permitting and approval review process.

The IRA also meets key NACAA priorities to be undertaken by, or jointly with, the federal government. It provides EPA with \$3 billion to help port authorities install zero-emission port equipment, conduct planning and permitting activities, and develop and implement climate action plans. It provides \$60 million for grants, rebates and loans under the Diesel Emissions Reduction Act (DERA) program and appropriates \$1 billion for EPA to help state and local governments replace heavy-duty commercial vehicles (such as transit buses, school buses, garbage trucks and street sweepers) with zero-emission vehicles. It provides \$50 million to help reduce air pollution and greenhouse gas emissions at schools in low-income and disadvantaged communities. It also provides \$87 million for EPA education and outreach to consumers and industry about reductions in greenhouse gas emissions related to domestic electricity generation and use, including \$68 million for technical assistance to industry and state and local governments and to educate consumers. Finally, the IRA provides \$3 billion for EPA environmental and climate justice block grants to nonprofit organizations in disadvantaged communities for pollution monitoring, prevention and remediation, as well as investments in low- and zero-emissions technologies and infrastructure; mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions and wildfires; reducing indoor toxins and indoor air pollution; facilitating engagement of disadvantaged communities; and other activities and projects to promote climate resilience. The IRA also advances carbon capture systems at power plants, long-term climate modeling, agricultural and forest conservation programs, and promotes the development and use of clean fuels for industrial and transportation uses.

Opportunities like the IRA may only occur once in a generation. I hope that you'll recognize the strategic agility your association's leaders and staff brought to bear to make sure it makes funding available to meet your needs and goals in transformative ways.

That's not the only funding story from this year, though. In addition to the IRA, NACAA's professional staff has been active on Capitol Hill for the last 40 years advocating for increases in the regular, annual appropriations that provide federal funding for state and local agencies to implement the Clean Air Act. This year we polled the NACAA members and determined that the true need for these funds is more than double what's been annually appropriated for the last two decades. NACAA shared this information with decisionmakers on the Hill and at EPA. We wrote House and Senate testimony, developed a model letter and background materials for the members to communicate to Congress, kept the members apprised of the President's budget request and subsequent Congressional actions, and developed and updated a chart illustrating the Status of FY 2023 appropriations bills. In FY 2023, the administration's budget and the numbers proposed by Congress mirror NACAA's previous appropriations recommendations, although they do not yet meet the scale we identified in our inventory of state and local agency needs. I'm hopeful that over the next few months, those higher appropriations will be enacted, bringing millions of dollars in additional funding to your agencies. NACAA was also able to advance our members' shared clean air mission with as much as \$43 million in Section 103 grant funding included in the 2021 American Rescue Plan, and I'm hopeful there will be other funds forthcoming. This reflects the good reputation that your agencies have in Washington for bringing prosperity and healthy lives to American families, and I hope it also validates the value of your investment in having a presence in our nation's capital.

We know the funding for your work and mission goes beyond federal support. NACAA is working to help identify ways to address problems with Title V fee deficiencies. In January 2022, EPA's Office of Inspector General (OIG) issued a report identifying ongoing fee deficiencies as a serious issue that must be addressed – an assessment that we know many NACAA members share. As EPA works to implement OIG's recommendations, NACAA is helping to facilitate an ongoing conversation between the agency and our members, to help identify solutions to these problems. We intend to

continue this work going forward, including by organizing further discussions between EPA, the NACAA Air Directors and the Permitting and New Source Review Committee.

3. Our state and local agencies spoke with one voice in advancing clean air for all.

NACAA's committees are a platform for sharing information and ideas, but they also serve as a community that develops and advances common policy positions to make our air cleaner and better-protect our planet's climate. The main vehicle by which we advance our positions is through technical and policy comments on EPA proposals for rulemaking, guidance, and other actions. For decades, NACAA has also served as a key venue for your agencies to work in partnership with EPA in our regular calls and meetings, and in the last year we saw significant success working with the federal government. Our comment process gives every agency a way to ensure their voice is heard and included. You can find all our comments on NACAA's webpage at <https://www.4cleanair.org/policy>.

This year our Climate Change Committee wrote comments on EPA's oil and gas rule and offered technical improvements to EPA's white paper on options for greenhouse gas emission reductions from combustion turbines. The Committee also wrote comments on EPA's proposal to draw down emissions of hydrofluorocarbons. Our Enforcement Committee authored comments on updates to EPA's Enforcement and Compliance History Online (ECHO) tool, and on the proposal by the Department of Justice to reinstate the use of Supplemental Environmental Projects (SEPs). Our Criteria Pollutants Committee wrote comments supporting EPA's reconsideration of its 2020 decision to retain the 2012 National Ambient Air Quality Standards for particulate matter. Our Mobile Sources and Fuels Committee wrote comments on EPA's Heavy Duty Truck proposal (urging them to be timely and robustly protective), on EPA's proposal to revise greenhouse gas emission standards for model year 2023 through 2026 light-duty vehicles, and urged greater ambition from EPA's proposal to adopt particulate matter emission standards for aircraft engines. NACAA's Mobile Sources and Fuels Committee also wrote comments in support of the California Air Resources Board's three requests to EPA for waivers of preemption for heavy-duty vehicle regulations, including CARB's "Omnibus" Low-NO_x Regulation for heavy-duty trucks and the Advanced Clean Trucks Regulation. Our Permitting and New Source Review Committee authored comments on EPA's proposed rule to eliminate "emergency" affirmative defenses from the state and federal operating permit program regulations. Our Air Toxics Committee provided members with information about the status of EPA's development of Risk and Technology Review and other standards. It led the development of NACAA comments on EPA's Mercury and Air Toxics Standards (MATS) "Appropriate and Necessary" Finding and on EPA's "MON Ethylene Oxide" (EtO) Air Toxics Proposal. The Air Toxics Committee also played a vital role in keeping NACAA members informed about EPA preparations to publicly announce data and conduct public outreach on its proposal to regulate ethylene oxide from commercial sterilizers and worked with EPA to spur responses to state and local concerns about the data.

Our Program Funding Committee led NACAA's work on appropriations and developed NACAA comments on EPA's draft Strategic Plan for FY 2022-2026 and EPA's draft National Program Guidance for the Office of Air and Radiation, Office of Enforcement and Compliance Assurance, and Office of Environmental Justice. NACAA's 12-member expert Monitoring Steering Committee (MSC) held a two-day meeting with EPA's top monitoring staff and the leader of EPA's Air Quality Assessment Division for a series of in-depth, candid discussions about the most pressing ambient monitoring issues affecting state and local air agencies. NACAA continued to facilitate discussions with EPA as it works to advance the recommendations of the November 2020 Government Accountability Office (GAO) report on improving the nation's ambient monitoring networks.

Looking ahead, our committees will have a full plate of policy and technical issues to address. Engagement on EPA's forthcoming power sector strategy, supplemental oil and gas rule, and other greenhouse gas rules will be a central concern of several committees, particularly the Climate Change Committee. Our Criteria Pollutants Committee will play a lead role for NACAA on the ongoing the PM and ozone NAAQS reconsiderations; supporting our members' needs on attainment and maintenance, including State Implementation Plans and contingency measures; and engaging with EPA on the next round of regulations concerning residential wood heaters and other emission sources of concern. The

Mobile Sources and Fuels Committee will lead the Association's efforts urging EPA to complete and issue, by not later than December 31, 2022, a final heavy-duty truck rule and to develop and adopt rigorous federal rules to garner aggressive NO_x reductions from locomotives, oceangoing vessels and aircraft. The Permitting and New Source Review Committee will engage with EPA as it develops a rule on minor source permitting and reconsiders the Major MACT to Area Rule. The Monitoring Committee will offer advice and recommendations as EPA continues to develop its response to the GAO's ambient monitoring report. Our Air Toxics committee is likely to play a lead role advancing the protection of the public from contaminants whose impacts are being better understood every day like PFAS and EtO. In the coming year, NACAA will continue to examine and speak out on the environmental justice implications of action and inaction with respect to air pollution prevention and control initiatives, and we will urge EPA to be more transparent about how it assesses benefits (or harms).

4. We forged and maintained key partnerships that extend your influence and support your work.

A key service NACAA provides is creating and nourishing partnerships between our agencies and other stakeholders and decisionmakers who can help our work. Outside of the public sector, we convened new conversations and discussions with the power sector, vehicle manufacturers, academics and top-level decisionmakers in private industry. For example, we continued regular interactions with the Edison Electric Institute on its initiatives in the power and electrification space. Our Board of Directors and Committee Chairs toured the Midcontinent Independent System Operator's dispatch center in Minnesota and discussed power system issues. Working in cooperation with the American Lung Association (ALA), NACAA obtains, and provides to members the day before it is released, an embargoed copy of ALA's annual *State of the Air* report, to offer a "heads up" of what the report contains.

We've also prioritized new partnerships with other state and local agencies. NACAA strengthened our engagement with the National Council on Electricity Policy, a forum for a spectrum of state decision makers to convene and collaborate on emerging issues impacting electricity policy that includes utility regulators, governors' offices, state legislators, energy offices, consumer advocates and our air regulator members. In addition to our partnership with the State Energy Offices on the Volkswagen Settlement, we've worked closely with them to explore NACAA's role in the Bipartisan Infrastructure Law implementation. We maintain strong links with national, state and local organizations representing elected officials, public health officials and transportation departments. We also work closely with other environmental associations, including the Environmental Council of the States (ECOS) and the Association of Air Pollution Control Agencies (AAPCA). NACAA is a regular participant in ECOS' Air Committee and its Environmental Justice Workgroup, and our co-president, Frank Kohlasch, was a featured speaker at the Spring ECOS Membership Meeting in Asheville, North Carolina. In August 2022, NACAA was thrilled to once again co-sponsor, with EPA and AAPCA, the National Ambient Air Monitoring Conference, a four-day event in Pittsburgh, Pennsylvania. We work closely with ECOS and AAPCA on a joint workgroup to modernize ICIS with EPA's Office of Enforcement and Compliance Assurance (OECA), and we led a workgroup of state officials working with the University of Chicago to advise OECA on the development of artificial intelligence-based targeting and predictive analytics tools.

We support and rely on our Tribal counterparts and MJO partners as well. NACAA and the National Tribal Air Association (NTAA) continue to participate in each other's meetings and brief each other's leaders, and NTAA members participate in some of our non-policy committees like Public Outreach. NACAA continues to serve as a member of the Joint Training Committee Steering Committee, composed of representatives of the national and MJO air agency associations and staff of the Outreach and Information Division of EPA OAQPS. Throughout the year we have shared with NACAA members draft training materials on which EPA seeks comment.

At EPA, NACAA also forged a new and mutually beneficial relationship with EPA's Office of Research and Development (ORD) on its 2023 to 2026 Strategic Research Action Plan (StRAP) for its Air, Climate and Energy (ACE) Program and appointed NACAA members to its ACE StRAP development workgroups.

NACAA's work extends to other government agencies. NACAA's Monitoring Committee worked with the Government Accountability Office (GAO) as it began an investigation of EPA's efforts to modernize the AirNow and AQS systems, to help assure that its study is well designed at the outset. NACAA also regularly meets with the White House, including the Office of Management and Budget's Office of Information and Regulatory Affairs whenever a rule goes for interagency review, to advance the views of the members (in 2022 NACAA met with OMB as the revised light-duty vehicle GHG emission standards and the proposed heavy-duty truck rule were undergoing interagency review.)

Looking ahead, we'll be reaching out to a number of professional networks to help address your workforce challenges and try to expand the pool of candidates who may want to join the ranks of our agencies. NACAA is also entering into exciting conversations with regional consortia led by universities like Harvard, Colorado State, Georgetown, Duke and others to advance the marketplace of ideas on forthcoming power system regulations. As those regional conversations develop, we'll be reaching out to you and your agencies to help get you involved!

5. We updated our communications and information sharing, and created new online resources for you.

My favorite part of every week here is writing articles and sending out the *Washington Update*, our weekly newsletter that is invaluable for staying on top of all the news happening in the world of clean air and climate. This year we gave the *Washington Update* a new look and feel that optimizes it for reading on a screen instead of in printed copy. Best of all, the format is now totally searchable, creating a library of clean air news dating back years! (We're adding our back catalog as we go, so soon it'll be decades!) I hope you'll use this resource as you research and gather information in your work.

The *Washington Update* isn't the only digital improvement we made this year – NACAA continues to produce resources that help advance the capability and effectiveness of our member agencies. In 2021 we replaced our website, and the new site has an improved calendar, better navigation and easier searchability so you can find everything you need. See for yourself: <https://www.4cleanair.org>. In addition to these new features, our website is a good place to find resources we've provided for years like our VW Settlement Hub, our Permitting Resources Clearinghouse, our D.C. Circuit Clean Air Act litigation tracker, and our NACAA Training Resources Hub (including those marvelous "Coffee Break" webcast recordings).

Our site also hosts an active jobs board for your agencies to attract the best talent from our community, and this year we made big procedural and technical improvements to it. We started advertising jobs on your behalf through our @WeAre4CleanAir social media channels and connected the jobs board with other professional networks to broaden the prospective pool of applicants. I've received a wave of job announcements, and to my delight, several emails from air directors saying our jobs board was how they landed great candidates for some great clean air jobs! We know the workforce issues are a key challenge for your agency, and we are taking the problem seriously and working on solutions strategically. In July 2022, it was the focus on the NACAA board meeting, and together we plotted a course with specific to help our agencies solve their workforce issues – everything from increasing diversity and inclusion to managing the implications of the "Gray Wave". Stay tuned in FY 2023 for more information about what that will look like.

6. Operations: the association is as strong as ever.

Like many of your agencies, the pandemic has changed how NACAA's team in our nation's capital carries out its work. Our six-person staff has continued with a hybrid mix of in-person and remote work, and I hope you will agree that it's resulted in no loss of support for you and your colleagues. Our team has world-class expertise in the subjects that matter most to you, but more importantly, we are totally committed to your success. If we can support you in any way, please don't hesitate to reach out!

In the last year we stayed on budget and even restocked our reserves, increasing our “rainy day” funds. In December 2021, NACAA received an unqualified audit with no deficits, findings or material weaknesses, keeping alive our perfect multidecade streak as a low-risk auditee. In October 2022 we’re moving to a smaller office, back in the District of Columbia. (It will still have a full-sized fridge though – keep sending me fridge magnets from your cities, counties and states!) Moving to new space will save money so that while inflation and healthcare expenses add upward pressure to our budget, we can continue to keep dues from increasing for the foreseeable future. (NACAA dues have remained level and steady since 2018.)

Our NACAA Fall Membership Meeting will be our first return to an in-person option at a membership meeting since the public health emergency caused us to run all-virtual meetings in 2020, and will be held on October 19-20, 2022 in Arlington, Virginia. It’ll be a hybrid meeting, so virtual participation will be an option. We have not charged registration fees for any of our NACAA meetings since the start of the pandemic, and next year we will keep our in-person meetings free (with a nominal fee for virtual participation.)

Over the past two years, NACAA invested in virtual tools for committee operations and regular interaction, and we will continue to leverage these investments going forward, both for our regular activities and for topic-specific workshops and meetings. We also have plans to run smaller in-person and virtual meetings, trainings and workshops, including those modeled after our successful joint Permitting and Enforcement Workshop series, on a variety of topics. If you have ideas for what would be useful, I’d love to hear them!

So what’s next?

In another peaceful transition of power, last October our outgoing co-presidents, Michelle Walker Owenby of Tennessee and Erik White of Placer County, California, passed the baton to Frank Kohlasch of Minnesota (our current state co-president) and Rollin Sachs of Johnson County, Kansas (our current local co-president). Looking at the map on my wall, I count 157 members from every part of our beautiful country, including officials from 35 state agencies, 116 cities and counties, 5 territories and the District of Columbia. (Yes, those numbers are up from last year!)

NACAA convenes our agencies’ pre-eminent experts in a national policymaking conversation to share information, find common ground, advance our mutual interests, and thrive by respecting each other’s differences. It’s also a community of friendship. Leadership turnover at your agencies means turnover for the leadership of our association too, and while we’re sad to lose the chance to keep working with some retiring friends, we’ve enjoyed meeting a number of new air directors and welcoming them into the leadership ranks of our community. That kind of turnover seems likely to continue, so if you’d like to be more involved with NACAA, I’d love to explore the possibilities with you. We need you!

Looking ahead, 2023 is bursting with opportunities and we can’t wait to grab them with both hands. Sure, some of these opportunities may come with curveballs, unexpected bumps, and challenges – but when we work together, they’re good problems to solve. Friends, the NACAA staff is your team and we’re so proud of you and the work that you do. If there’s anything we can do to make that work easier or better, or if you just feel like connecting, never hesitate to reach out – we love to hear from you! It was a good year for our work advancing the protection of clean air for all, and I’m looking forward to achieving even more together in the year ahead.

Wishing you well,



Miles E. Keogh, NACAA Executive Director