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DATE: December 15, 2016

TO: SJVUAPCD Governing Board



FROM: Seyed Sadredin, Executive Director/APCO
Project Coordinator: Sheraz Gill

RE: **ITEM NUMBER 10: ADOPT POLICY POSITIONS IN WORKING WITH THE CALIFORNIA AIR RESOURCES BOARD TO PREPARE THE DISTRICT'S ATTAINMENT STRATEGY FOR PM2.5**

RECOMMENDATIONS:

Adopt the following policy positions in working with the California Air Resources Board (ARB) to prepare the District's attainment strategy for PM2.5:

1. Prepare a single attainment plan that integrates multiple PM2.5 standards under the federal Clean Air Act
 - 1997 PM2.5 Standard (24-hour 65 µg/m³ and annual 15 µg/m³)
 - 2006 PM2.5 Standard (24-hour 35 µg/m³)
 - 2012 PM2.5 Standard (annual 12 µg/m³)

2. Do not ask for an attainment deadline extension or a bump up to a classification with delayed attainment unless a finding is made by the District and ARB that all available and reasonable mobile and stationary control measures are not adequate to achieve attainment by the prescribed deadlines
 - 2019 for the 2006 PM2.5 Standard
 - 2021 for the 2012 PM2.5 Standard

3. Work closely with ARB, taking advantage of District's recently acquired modeling capabilities, to conduct in-depth air quality modeling that more precisely and accurately predicts PM2.5 concentrations in the Valley at peak monitoring sites, taking into account source-specific characteristics such as location, emissions particle size speciation, seasonality, temporal patterns, and current control programs that include episodic curtailment based on meteorological conditions.

4. Continue to leave no stone unturned in adopting and implementing technologically feasible and cost-effective measures for sources under the District's jurisdiction that expedite attainment and protect public health, including but not limited to the following:
 - San Joaquin Valley Healthy Soils Initiative aimed at reducing directly emitted particulate matter while enhancing crop yield
 - Enhanced Conservation Management Practices for agricultural operations aimed at reducing directly emitted particulate matter
 - Continue to work on developing commercially available and working control technologies for under-fired charbroilers
 - Enhanced NOx control requirements for flares
 - Regulatory and incentive-based strategies to electrify agricultural irrigation pumps in areas impacting peak PM2.5 sites in the Valley and where access to electricity is available
 - Explore additional NOx controls for non-agricultural internal combustion engines
 - Local funding for a grant program to deploy clean agricultural harvesting technology with a focus on areas impacting peak PM2.5 sites in the Valley
 - Local funding for replacement of residential wood-burning devices
 - Explore the feasibility of prohibiting wood-burning devices in new homes on parcels with two homes or less per acre (the current rule already prohibits wood burning devices in homes on parcels with higher density)
 - Tighter NOx controls for glass plants matching control levels already achieved in practice in the Valley
 - Explore additional SOx controls for glass plants
 - Enhanced NOx control requirements for boilers and steam generators with a total rated heat input greater than 5 MMBtu/hour
 - Explore additional NOx control requirements for boilers and steam generators with a total rated heat input less than or equal to 5 MMBtu/hour
 - Given the decline of the biomass industry that has served as a cleaner alternative for the open burning of agricultural waste, continue to work on identifying and developing other alternatives and if possible avoid relaxing prohibitions on agricultural burning where no feasible alternatives are available.
 - Local funding for the replacement of agricultural tractors and harvesters
 - Local funding for the replacement of heavy duty trucks
 - Local funding for the replacement of locomotives
 - Local funding for the replacement of light-duty vehicles
 - Local funding for the replacement of construction and other off-road equipment
 - Local funding for the demonstration of advanced emission reduction technologies through the District's Technology Advancement Program

5. Work with ARB to ensure that the State provides all possible mobile source control strategies including incentive-based measures that result in additional reductions in

emissions beyond those included in the current control programs, including but not limited to the following:

- Revise ARB's Mobile Source Strategy (State SIP Strategy proposed in May 2016) to include measures that reduce mobile source emissions of NOx, directly emitted PM2.5, SOx, and black carbon in the San Joaquin Valley within the 2019-2025 timeframe.
 - Enhanced public fleet regulations allowing for near-zero emissions technologies to achieve near-term reductions
 - Add San Joaquin Valley to areas of focus for fuel cell technology development and deployment
 - Recognize Valley's need for near-zero emissions technologies that can provide reductions in the more immediate timeframe (2019-2025) and allow for and encourage the use of natural gas that can serve as a bridge to renewable gaseous fuels
 - Provide incentive funding to replace heavy-duty diesel trucks
 - Provide incentive funding to replace locomotives
 - Provide incentive funding to replace light-duty vehicles
 - Provide incentive funding to replace construction and other off-road equipment
 - Provide incentive funding to replace agricultural equipment
 - Provide incentive funding to provide infrastructure for zero and near-zero passenger and goods movement technologies
 - Do not overly relax the states portable engine regulation beyond what is necessary to accommodate unavailability of compliant portable engines
6. Compel ARB to provide incentive funding to replace residential wood-burning devices in the San Joaquin Valley.
7. ARB to adopt point-of-sale particulate emissions standards for residential wood/pellet burning devices equivalent to or exceeding those in place in the State of Washington.

BACKGROUND:

On October 20, 2016, the Air Resources Board held a public meeting in Fresno and voted to table action on the District's Moderate Plan for the 2012 PM2.5 Standard. The Air Resources Board also directed ARB staff to return with additional measures to reduce mobile source emissions in the pre-2025 timeline that is critical for the District and to work with the District to find additional measures to reduce directly emitted particulate matter from stationary sources.

The District Executive Director/APCO testified in support of this action and the ARB vote was unanimous. This action by ARB is consistent with your Board's guidance that calls for meaningful measures by the state and federal government to address mobile source

emissions and to find ways to avoid unnecessary bureaucratic red tape associated with the antiquated provisions of the Clean Air Act. This action was also supported by the Valley's environmental advocates who from the outset were asking for a delay due to their concerns with the limited public process.

In the months leading up to the September Board meeting and again at the September Board meeting when you adopted this plan, your Board questioned the need for this plan and expressed great frustration with the antiquated provisions of the Clean Air Act that require such a bureaucratic action that does not advance air quality objectives and simply states the obvious that attainment is impossible by the Moderate deadline. In fact, at our last strategy session with EPA and ARB staff on July 26, 2016 at EPA Region 9 headquarters in San Francisco, District staff proposed to delay sending this plan and instead proposed to engage in efforts to prepare an integrated plan that addressed multiple PM2.5 standards allowing for incorporation of additional control measures and greater opportunity for robust public participation. At that meeting, we were pressed by EPA and ARB staff to instead follow the strict timelines under the Clean Air Act and work on those other plans on a separate track.

In our testimony before the Air Resources Board, the District reiterated frustration with having had to prepare this unnecessary document and also raised concerns with lack of attention by the Air Resources Board to the strict deadlines in 2021-2025 timeframe in their proposed Mobile Source Strategy (State SIP Strategy proposed in May 2016). The District also advocated for crafting climate change measures in a manner that optimizes co-benefits by reducing NOx, particulate, and toxic emissions.

District staff applauds the Air Resources Board for taking the District's concerns seriously and for taking action to table the plan and directing ARB staff to return with additional measurable reductions from mobile sources proportional to the overwhelming impact that mobile sources have on the Valley's air quality.

Currently, the objective is to have ARB staff return to their Board in February 2017 with a set of recommendations for potential added actions to reduce mobile and stationary source emissions and then return to your Board in August 2017 with an integrated plan for your Board's consideration and subsequent submittal to EPA through ARB.

The purpose of this item is to seek your Board's approval of policy positions that will guide the District's efforts with ARB staff in the work leading to the February 2017 recommendations to their Board, and the development of the District attainment strategy that will be brought back to your Board in August 2017.

DISCUSSION:

The October action by the ARB and direction to ARB staff places a much needed focus on the Valley and provides a unique opportunity for the District and Valley residents and businesses to get the help necessary from the State to advance the Valley's clean air

objectives. This is especially critical given the fact that 85% of the Valley's NOx emissions come from mobile sources outside the District's regulatory authority. Until now, ARB's strategies have been more focused on post-2030 emission goals for climate change mandates and South Coast's needs with respect to attainment of the federal ozone standards. The ARB's direction to staff was clear that potential amendments must be pursued to garner reductions in a more expedited fashion in the 2021-2025 timeframe.

Preparing a single integrated plan addressing multiple standards instead of three separate plans is not only a more efficient use of resources but also provides the path for developing a much stronger plan that incorporates additional and stronger control measures. Furthermore, a singular and more efficient public process provides greater opportunity for robust public participation.

The above recommendations detail strong action by the District consistent with previous guidance provided by your Board while asking ARB to do its fair share for sources under their jurisdiction. As we continue the extensive public outreach process to prepare the integrated attainment strategy, other measures may be identified and the scope and nature of the ones proposed today may change.

The public process to develop an integrated plan has already begun with ARB holding their first workshop in Fresno on December 1, 2016 and the District holding another workshop on December 7, 2016. In the coming months, the District will conduct multiple workshops and reconvene the Public Advisory Workgroup (PAW) formed under direction from your Board, with appointments by the Executive Director/Air Pollution Control Officer. The PAW committee consists of representatives from regulated entities (industry, farms, dairy families and municipalities), community advocates, and advisors from EPA and ARB. The PAW committee meetings will be open to the public.