Wineries in the San Joaquin Valley are the next target of regional air regulators, and proposed rules could cost area winemakers tens of millions of dollars.

The San Joaquin Valley Unified Air Pollution Control District may require large wineries to install duct work and pollution control equipment on red wine fermentation tanks.

The intent would be to eliminate the ethanol vapors created during fermentation. Ethanol — the alcohol component of wine — is a volatile organic compound, an ingredient in ozone pollution.

While the industry and the regulators disagree on how much the equipment would cost, they agree it will be expensive.

"I think the dispute is whether it will cost a lot or a whole lot," said Wendell Lee, general counsel for The Wine Institute, an industry group. "No one is saying it's not going to cost a lot."

George Heinen, supervisor for rule development at the air pollution control district, said his staff's cost estimate is about a third of the industry's — but it still won't be cheap, he said.

"It is going to be an expensive rule. But the larger wineries have economies of scale," Heinen said.

The rule would affect the 18 largest wineries in the San Joaquin Valley, which would include E.&J. Gallo, Constellation Wines, The Wine Group, Delicato, Bronco and Ironstone's Bear Creek winery.

The valley has 109 wineries, but only the largest are included because they create 95 percent of the ethanol emissions, according to the air district.

Cost said to be millions

The wineries aren't happy.

"It will cost millions and millions to do this. It's a lot of money," said Chris Indelicato, chief executive officer at Delicato Vineyards. "It seems sort of like an air quality improvement that's not a cost-effective measure."

Steve Kautz, president of Ironstone Vineyards, agreed.

"It will be real expensive for us. We are still trying to firm up the costs for our operation. I know it is going to be a very large-ticket item for us," Kautz said.

Fred Franzia of Bronco Wine Co. in Ceres said through a spokesman that the proposed rule is "too expensive for what it accomplishes."

Michael Ophites, senior vice president of California operations for Constellation Wines U.S., said as it exists now, the rule would "severely impact the cost-effectiveness of our operations."

Constellation has wineries in Lodi, Woodbridge and Ma-dera.

E.&J. Gallo, which has large operations in Modesto, Livingston and Fresno, referred calls on the issue to The Wine Institute.

Several wine industry representatives said they hoped talks with the air emissions staff would bring more workable solutions.

The wine industry is just one of many San Joaquin Valley industries facing new air emissions rules. Dairies are battling the air district, and new rules are being considered for agricultural and food-processing driers, dehydrators and small boilers.
The air district is under pressure to reduce air pollution because the region has been classified as having an extreme ozone problem and a serious problem with small particulates under federal standards.

The air district contends that wineries release 788 tons of volatile organic compounds into the air each year during fermentation.

Fermentation typically occurs over 90 to 120 days, with 75 percent of the emissions occurring during September and October, according to a June 9 air board draft report.

That coincides with the worst period of one-hour ozone violations in the district, the air board report says.

The proposed rule would eliminate 63 percent of the emissions, or 497 tons.

The duct work and equipment would be required on large red wine fermentation tanks because the air district believes the technology would be more cost-effective on them than smaller tanks or on white wine fermenting tanks.

The air district contends emission controls would cost $27,000 per ton of emissions eliminated, or about $13.4 million for the industry.

The Wine Institute estimates the cost at $84,000 to $288,000 per ton, or $41.7 million to $143.1 million.

The cost would vary widely among wineries because each is configured differently, according to The Wine Institute.

The cost of the testing required in the rule would cost wineries even more, according to The Wine Institute. The air district also disputes that.

Might affect wine quality

Wine industry representatives say the added cost puts them at a disadvantage competing with other states and countries that do not regulate emissions.

"If you think of the world market and where we compete, it's a significant disadvantage," Ophites said.

Many of the valley wineries compete in the competitive under $10 category, where price has more influence on consumers. Wineries are concerned about having to pass on the added costs related to air control.

Another issue the industry has raised is whether the duct work and control equipment would affect wine quality.

The equipment has been used on ethanol fuel plants, but those plants aren't producing food, wine industry representatives argue.

Heinen said the district is sensitive to the industry's concerns.

"We've had several workshops with the industry and asked for responses. It's not just the dollar impact, but what the industry response will be — will they shut down, alter their operations, increase the price point of the product?" Heinen asked.

The air district is adjusting how the rule would affect wineries to find the most cost-effective way to get a maximum reduction in emissions, he said.

"It's not our goal to drive the industry from the valley," he said.

A new draft report is due within the next few weeks, Heinen said, with hearings scheduled to follow. A final rule will be presented to the air district's governing board in November, he said.

Lee said the wine industry is trying to work with the air district.
"We haven't told the district we don't want to do any of this. We are looking for ways to achieve this," Lee said. "We are hoping we can help them out, short of putting wineries out of business."

Agriculture: Air pollution control district adopts farm engine controls
By Amy Roberts
Kings County Farm Bureau
Published in The Hanford Sentinel

HANFORD - A regulation aimed at lowering emissions from irrigation pumps has passed with the goal to capture pollution from engines used on the smallest to largest farm.

"All farm operations should be aware they are covered by this rule," said Dennis Tristao, the environmental affairs officer for J.G. Boswell. "Farmers have to comply if they have engines greater than 50 horsepower."

The San Joaquin Valley Air Pollution Control District adopted major changes to Rule 4702 at its June 16 meeting. The amendment sets strict new emission limits on existing transportable or stationary internal combustion diesel and natural gas-fired engines used mostly for irrigation purposes.

The air district's press release explains why they believe this is an important step to reducing air pollution.

"This is one of the most significant rules the air district has adopted in the past few years," said Seyed Sadredin, a deputy air pollution control officer in the release. "The number of sources affected, the costs involved and the emissions reduced are substantial."

The governing board of the air district expects the new limits to remove 24.3 tons of nitrogen oxides per day throughout the Valley, according to the press release. Its explanation describes nitrogen oxides from ozone, or smog, as the primary pollutant that creates unhealthy air quality during the summer when temperatures are at the highest level.

There have been a number of changes to this rule since its inception.

Originally, irrigation pumps were ruled exempt until 2004 when new state laws went into effect. However, when industry officials explained that date would almost be impossible to meet with wide compliance, the allowance was changed to 2007 and 2008. This most recent ruling allows farmers until 2010 and 2013 to comply, Tristao said.

One of the most important issues addressed, Tristao said, before this ruling came down was the review of a socio-economic impact analysis, which found there could be a significant cost and job loss to the agricultural industry. To mitigate this concern, the board passed the time extension so farmers could apply for Carl Moyer funds over the next few years.

In the past, disagreements between the air board and farm officials have not been resolved, Tristao said. This time, industry went out and hired its own analyst to provide a more balanced view of how farmers will be affected by this ruling, he said. KCFB, along with the other seven valley county farm bureaus, contributed to the cost of this independent analysis.

The district allowed both consultants to meet and review their findings and in the end the district recognized that industry had valid issues, Tristao said.

For example, the air district consultant assumed farmers earned an 18 percent return on their investment. The industry consultant used a University of California Davis cost analysis that clearly shows farmers sometimes experience a negative return.

Realizing that farmers are not guaranteed a positive return, the board adjusted its rules to allow more time to change out their diesel or gas engines to electric ones.

The press release states that grant programs like the Heavy Duty Incentive Program, or Carl Moyer funds, will continue to be available to farmers to reduce the cost of this ruling.
"The board reiterated its commitment to provide financial assistance for stakeholders to comply with rules such as these," according to the release about the emissions standard.

Engines exempt from this latest ruling include tractors, hay balers, swathers and any other type of agricultural equipment that moves along to perform its work.

State Limits Hybrids in Fast Lanes
LA Times
By Amanda Covarrubias and Wendy Lee
Times Staff Writers
August 12, 2005

Owners of hybrid cars in California began applying for $8 decals Thursday that will allow them to drive solo in carpool lanes. But some drivers are going to be disappointed: The state says only three hybrids — the Honda Civic, Honda Insight and Toyota Prius — will be allowed.

That leaves four others on the market, the Honda Accord, Toyota Highlander, Lexus RX 400h and Ford Escape, off the list.

Ford, in the midst of a publicity campaign touting its hybrids as a symbol of its environmental commitment, is not happy.

"The U.S. Congress determined the formula for hybrid vehicles in [carpool] lanes with single occupants, and in that law, the Ford Escape hybrid is equal to the Toyota Prius," said Mike Moran, a spokesman for Ford Motor Co. in Washington, D.C.

"It's not about picking certain cars and excluding others," he added.

The national highway bill that President Bush signed into law on Wednesday allows states to let hybrids into carpool lanes. But California passed a law last year that sets stricter standards than the national standards for mileage and emissions.

"Rather than follow the federal requirement, we decided that cleaner cars should be allowed in," said Gennet Paauwe, a spokeswoman for the state Air Resources Board. "We've always had more advanced air pollution measures here because of the particular challenges we face."

California's effort to push cleaner, high-mileage cars is running up against the auto industry's strategy of using hybrid technology in larger cars and SUVs.

Automakers are rushing to add more hybrids in the next two years, including other models from Lexus and Ford, as well as vehicles from Saturn, Nissan and Chevrolet. Few, if any, of those new models will make the cut to get into the state's 1,112 miles of carpool lanes.

"I think people don't necessarily buy vehicles because they're allowed in the carpool lane as a solo driver," Paauwe said. "But the carpool lane law is an incentive to buy hybrids. While people may be upset that they can't drive solo as others can, there will probably be further introductions of other types of vehicles that will qualify in the future."

Despite the strict rules, most of the 57,000 currently registered hybrid cars in the state will be allowed in the diamond lanes, Paauwe said.

Still, Raj Valluri said she feels left out.

"I think it's definitely unfair," said the 32-year-old Folsom software project manager, who has owned a Ford Escape since March. "If they pass some rule, it should be applicable to all hybrids."
But as larger, more powerful hybrids enter the marketplace, not as many of them may qualify. Experts say manufacturers are experimenting with SUVs, mini-vans and pickup trucks in an attempt to attract a mass market that may value other features more highly than fuel efficiency.

"The automakers aren't totally fixated on whether the cars will drive in the [carpool lanes]," said Lonnie Miller, director of industry analysis for Michigan-based R.L. Polk & Co., which provides automotive information and marketing services.

Brett Smith, assistant director of manufacturing at the Center for Automotive Research in Ann Arbor, Mich., agreed.

"The greenies and the trendies, how many of those are out there?" he asked.

Hybrids, which make up only 3% to 5% of the market, must make up at least 20% to make a real difference in fuel savings for the country, Smith said.

California law grants carpool access to hybrids that are the cleanest-running in their class and get at least 45 miles to the gallon. The vehicles use small internal-combustion engines in combination with electric motors to increase gas mileage and reduce air pollution.

Critics, including some traffic engineers, fear the rules will clog carpool lanes without providing much environmental benefit. They note that sales of hybrids are already brisk without the new incentive.

The federal hybrid provision applies nationwide and requires the U.S. Environmental Protection Agency to define what an energy-efficient, low-emissions hybrid vehicle is within 180 days. California would have to change its standards only if the EPA decides on mileage requirements that are higher than the state's, which most officials doubt will happen.

Although eligible hybrid owners could start receiving stickers in the coming weeks, officials expect it will be several months before solo drivers can use the carpool lanes.

Virginia is the only other state to grant carpool access to solo motorists in hybrid vehicles.

Brad Bowers, who owns an Internet business development company in Berkeley and drives a Honda Insight, said he thinks the new law is a good idea.

"It's one more reason for people to potentially buy hybrid cars," he said. "But I have mixed feelings about it because nowadays every time people talk about hybrids, they talk about how it saves money because it doesn't use as much gas, not that it's more efficient or doesn't pollute as much."

In Los Angeles, Duban Barrios, inventory manager at the Toyota Central dealership on South Figueroa Street, said customer interest in the Prius has increased in recent weeks.

"A lot of people are coming in and asking about the Prius after they heard talks about the carpool lane," Barrios said.

His dealership began selling the hybrid version of the Toyota Highlander SUV last month. Barrios said he doubts the Highlander's exclusion from the carpool lanes will hurt sales.

"If you're coming for the SUV hybrid and you see the Prius, you won't change your mind at all," Barrios said. "You would go with the vehicle you were interested in first."

Despite California's tough rules, critics worry that allowing solo drivers in carpool lanes will cause more congestion in those lanes, possibly discouraging carpooling.
"It's a well-intentioned but wrong-headed policy," said James Moore, chairman of USC's Daniel J. Epstein Department of Industrial and Systems Engineering. "I think eventually hybrids would penetrate the fleet to a sufficient extent that carpool lanes will no longer be offering any advantage."

Car dealer Andy Hong of Hollywood Ford on Hollywood Boulevard said he's "not too happy" with the state law because the hybrids he sells are excluded.

Nevertheless, Hong said his dealership has been selling three or four Ford Escapes each month since last September, and he doesn't think the law will put a damper on sales.

"It's a different breed of people that will buy the hybrid," Hong said, adding that many professionals and entertainment industry workers are interested in the cars. "They don't go strictly by the dollar incentive."

Applications for the hybrid decal can be obtained on the Department of Motor Vehicles website, http://www.dmv.ca.gov/forms/reg/reg1000.htm

**Hazardous air covers Malaysia**

**Forest fires from Indonesia creating dangerous haze and health risks in two regions.**

The Associated Press

Published in the OC Register and the LA Times

Friday, August 12, 2005

KUALA LUMPUR, MALAYSIA – Malaysia's leader declared an emergency in two regions Thursday, closing workplaces and calling on mosques to hold special prayers for rain to rid the country of hazardous haze drifting from forest fires in neighboring Indonesia.

The haze has shrouded Kuala Lumpur and surrounding areas for more than a week in a pall of noxious fumes, smelling of ash and coal, in the country's worst environmental crisis since 1997.

The source of the haze is Indonesia's Sumatra Island, where farmers, plantation owners and miners have set hundreds of fires in the forests to clear land during dry weather. Winds blow most of the fumes across the narrow Strait of Malacca to Malaysia, although parts of Indonesia are also affected.

The fires are an annual occurrence, and Malaysian officials are frustrated over Indonesia's failure to tackle the problem. Indonesia's forestry minister, Malam Sambat Kaban, countered Thursday that 10 Malaysian firms clearing land in Indonesia had contributed to the fires.

The two countries did agree Thursday to use cloud seeding to try to induce rain over Sumatra to stop the burning of the forests.

The smoke has blown over the western coast of Malaysia, shrouding its biggest city, Kuala Lumpur, its capital, Putrajaya, the technology city Cyberjaya and the biggest port district, Port Klang.

"In my office, things look normal, but if I go down to the building's lobby area, I can smell smoke. Even in the basement car park I can smell smoke," said Liew Cow Yuan, a consultant with the DHL Express Global Data Center in Cyberjaya.

Prime Minister Abdullah Ahmad Badawi declared a state of emergency in Port Klang and in Kuala Selangor after the air pollution index topped 500 - the emergency level.

The index measures harmful particles in the air, and Thursday was the first time the 500-level has been passed in Malaysia. A reading of above 300 is considered hazardous.
Under the emergency rules, Port Klang, the country's biggest and busiest harbor, will be shut down. All educational institutions and government and private workplaces will also be closed, including factories, construction sites and quarries.

However, supermarkets, shops selling food and drinks, pharmacies and essential services will remain open. Road work will be suspended and the use of personal cars and trucks will be discouraged.

Four other areas, including the financial capital Kuala Lumpur and Putrajaya, had air pollution levels above 300. Schools in and around Kuala Lumpur were closed Thursday and today.

But people went to work Thursday, many wearing surgical masks that offered little protection from the noxious air. Landmarks in Kuala Lumpur, such as the tops of the Petronas Twin Towers, vanished in the haze. Acrid smoke seeped into office air-conditioning systems.

Malaysia rushed firefighters to Indonesia during a similar crisis in 1997-98, which caused large parts of Malaysia and Singapore to be enveloped in haze. Economic losses across the region then were estimated at $9.3 billion.

The Meteorology Department said no respite was expected until October, when rains would help wash away the haze, a mixture of dust, ash, sulfur dioxide and carbon dioxide.

Fresno Bee editorial, Friday, August 12, 2005:

Rocky start

New air regulations cause bumps in the road for Valley dairies.

A number of Valley dairies found themselves on the wrong end of new air quality regulations this summer. The offenses appear, at least in most cases, to have been inadvertent and easily corrected, but the episode does point out how the regulatory landscape is quickly changing for Valley ag interests.

Six dairies were cited for failing to obtain air quality permits for new construction or expansion. The permits have been required since Jan. 1, 2004, when the historic exemption of California agriculture from air quality regulations was ended.

The permits, which apply to larger dairy operations, require that emissions from dairies be monitored and quantified, and that up-to-date technological methods be employed to reduce the pollution. The problem for dairies and regulators alike is that such methods aren't yet in place in many instances, nor are the standards against which dairies will be measured fully developed.

An example is the recent controversy over setting an average figure for the pollution-causing emissions from milking cows. The dairy industry wanted a lower figure than the San Joaquin Valley Air Pollution Control District arrived at; environmentalists wanted it set higher. In fact, that number — like many others — is sure to vary as more research is done in coming years.

That's frustrating, but that's how science works. New evidence leads to new questions, and theories — whether in astrophysics or cow emissions — are constantly being refined.

This much is indisputable: Cows produce a lot of pollution, particularly the so-called volatile organic compounds that are one of the key elements in the formation of ozone, which in turn is the chief culprit in the creation of the smog that afflicts the Valley, particularly in the summer time.

And with dairy cows already totaling some 2.5 million — 1.3 million of them "milkers" — in the Valley, this is a problem that needs serious and constant attention.

As is so often the case, some of the issues raised by these new citations will be settled in court. So be it. In the meantime, the larger picture is this: The Valley's air is polluted by many sources, and all of them are our collective responsibility.

Letter to the Editor, Visalia Times-Delta, Aug. 11, 2005
Research on Valley air pollution is faulty

My position as a consultant to dairies in the San Joaquin Valley provides me with a unique perspective relative to environmental issues.

I constantly hear from regulators that our industry doesn't care about or doesn't want to acknowledge environmental regulations.

My response has been and continues to be that:

1) As pragmatic practitioners of animal husbandry (the application of scientific principles to the management of animal production), the welfare of the animals is foremost.

2) And most of the resistance to regulation is directly related to the fact that regulations are rarely science-based and frequently conflict with other regulations.

The recent proposed determination of VOC emission factors for dairies is yet another example of regulation ignoring real science. The end result will be the imposition of mitigation technologies which will require extraordinary expenditures with no measurable improvement in air quality. I would love to be a salesman for a mitigation technology where I could confidently market a reduction of 75 percent of emissions even if my product did absolutely nothing.

I am confident in the scientific integrity of the researchers involved in the California studies. I am also impressed with the presentation by Dr. Julia Lester which describes in great scientific detail why the Hobbs et al. study is inappropriate for inclusion in this proposed emission factor.

The San Joaquin Valley Unified Air Pollution Control District needs to continue to study emissions on actual California dairies under actual operating conditions to identify emission sources and effective control technologies. The district owes it to the dairy industry and to the taxpayers of California.

There are no epidemiological studies, that I am aware of, which suggest negative health impacts of dairy emissions on either dairy families or their employees. The suggestion that emission from cows, even in large numbers, produce emissions equivalent to motor vehicles is absurd. I challenge you to spend the night in a closed space with an idling automobile while I spend the night in a similar space with any practical number of cows. We can discuss our experiences in the morning, if you are able.

Dairy owners and managers rely on good science to determine management practices that are in the best interest of their cows, employees, families and their businesses. Let's not squander precious resources on mitigations required by reliance on less than the best science available. I can assure you that practical and effective mitigation practices will be enthusiastically embraced by my clients and others in the dairy industry. I can also assure you that the industry and the public will resist impractical and ineffective regulation.

BRUCE R. LIVINGSTON
President
Livingston Dairy Consulting Inc.
Tulare

Modesto Bee, Letter to the Editor, Friday, Aug. 12, 2005

Air Quality is about future, not politics

I am concerned about the future health of my children and my planet. We could function on a daily basis without fossil fuels.

On Fox television, a show called “30 Days” features a community called Dancing Rabbit that does not use any fossil fuels.

If we can make electricity using cow manure and run cars on peanut oil or electricity, why don't we? Are we too stubborn, selfish and set in our ways?
I'm not asking for us all to live like pioneers, but maybe we should think about our planet's future. I'd rather spend more money on a safer car or taxes used to better our ecosystem if it means my future children will not have to grow up in a bubble built to save them from the sun because there is no ozone layer.

Do people think that riding the bus is "below" them or inconvenient to their lifestyle? More taxes would create a better transit system so as not to inconvenience anyone's lifestyle.

Air quality is not just about politics. We have the choice to change the way we live and the way our future unfolds.

CHARIS SHAFFER
Modesto

Modesto Bee, Letter to the Editor, Friday, Aug. 12, 2005

Going after dairymen is ridiculous

If those very foolish bovine flatulence and burp scientists, and the stupid politicians who follow them, have their way, what will be the result?

Will the poor dairyman be forced to buy some type of catalytic converter for each cow? How often will the cows have to go in for a smog check?

If only a percentage of dairies are going to be categorized as "gross polluters" and be required to mitigate the ridiculous problem with huge outlays of cash, what happens to the cumulative effect of all other cows on remaining dairies?

If I were a dairyman, I would rebel -- no mitigation, no fines, go to jail and live off the county, and turn my herd over to the county animal control services or to People for the Ethical Treatment of Animals.

HARRY J. CROMPE
Modesto