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Continued Item: Yes

## Board Agenda Item

TO: Air Pollution Control District Board

FROM: Douglas W. Allard, Air Pollution Control Officer

CONTACT: Tom Murphy (961-8857)

SUBJECT: Adoption of the 2001 Clean Air Plan and Certification of the Associated Final Supplemental Environmental Impact Report

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### RECOMMENDATION:

- A. Hold a public hearing to receive public testimony on the 2001 Clean Air Plan and its associated Supplemental Environmental Impact Report.
- B. Consider a request from Vandenberg Air Force Base to include a “conformity growth allowance” in the 2001 Clean Air Plan.
- C. Approve the resolution included as Attachment 1. This resolution contains the following action items:
  - C.1 Certification of the Supplemental Environmental Impact Report for the 2001 Clean Air Plan (Attachment 2).
  - C.2 Adoption of the California Environmental Quality Act Findings (Attachment 3).
  - C.3 Adoption of the Mitigation Monitoring Plan (Attachment 2).
  - C.4 Adoption of the 2001 Clean Air Plan as submitted to your Board on October 18, 2001, and supplemented by Attachments 4, 5 and 6.

- C.5 Direction to staff to take aggressive actions to influence the United States Environmental Protection Agency to reduce the air quality impacts of emissions from marine shipping.
- C.6 Direction to staff to encourage local governments to adopt policies in Chapter 9 of the 2001 Clean Air Plan in order to plan and design communities to minimize the motor vehicle and other impacts on air quality and maximize the use of less polluting designs and technologies.
- C.7. Authorization of the Chair to sign the attached letter (Attachment 7) transmitting the 2001 Clean Air Plan to the California Air Resources Board.

#### DISCUSSION:

At the October 18, 2001 Board hearing, staff presented the Draft 2001 Clean Air Plan and the associated Supplemental Environmental Impact Report. As discussed at the hearing, our air quality has improved to the point that it is clean enough to meet the federal 1-hour ozone standard. This milestone is clear evidence that Santa Barbara County residents are breathing cleaner air and allows us to request the United States Environmental Protection Agency to declare us as an attainment area for the federal 1-hour ozone standard.

For the United States Environmental Protection Agency to take this action, we must develop and adopt a Clean Air Plan that documents how we achieved clean air and how we will continue to keep it clean. This Clean Air Plan is the blueprint for air quality improvement in Santa Barbara County. Its goals are to explain the complex interactions between emissions and air quality and to design the most cost-effective emission control strategy for our area. Continuing progress toward clean air is a challenge that demands participation by the entire community.

#### **Changes to the Draft 2001 Clean Air Plan**

On August 1, 2001, a Draft 2001 Clean Air Plan was released for a 30-day public comment period. A public notice was published in the Santa Barbara News Press, the Santa Maria Times and the Lompoc Record. As part of the release, over 100 copies of the Draft 2001 Clean Air Plan and Supplemental Environmental Impact Report were distributed to interested parties, organizations, local governments, the California Air Resources Board, and the United States Environmental Protection Agency. The documents were also available on the APCD website at [www.sbcapcd.org](http://www.sbcapcd.org). The public comment period closed on August 31, 2001.

There were two public workshops held to receive comments on the Draft Plan on August 8<sup>th</sup> in Buellton. Both APCD and SBCAG staff attended the workshops. Public comments and questions from the workshops and all written comments received by the close of the public comment period along with all APCD and SBCAG staff responses are included in Chapter 12 – Public Participation (Attachment 4). This chapter was reviewed and approved by the CAC at their October 10, 2001, meeting.

After the close of the public comment period, we received a written comment letter from the California Air Resources Board. The comment letter and staff responses are provided in Attachment 6.

In response to the public process and the need to update our emissions inventories to reflect updated on-road mobile source emissions modeling and updated growth forecasts, several amendments were made to the Draft 2001 Clean Air Plan. A summary of all the changes made to the draft is included in Attachment 5 along with strikeout/underline documentation of each change.

## **Vandenberg Air Force Base Request**

### Background

On September 24, 2001, Vandenberg Air Force Base provided a revised request (Attachment 8) that the 2001 Clean Air Plan include a “conformity growth allowance” to account for a potential Airborne Laser Project that may be brought to the base. Vandenberg believes that this allowance will assist the Base in the decision making process that determines the future location for this project as well as their required conformity determination. The project is a large emission source and would approximately triple oxides of nitrogen emissions from aircraft in the county.

The Vandenberg “conformity growth allowance” request could impact air quality as follows. We need to demonstrate to the United States Environmental Protection Agency that our total 2015 emissions will be less than our 1999 emissions in order to show that we will continue to attain the federal one-hour ozone standard for at least 10 years after redesignation as an attainment area. The difference between the 1999 and 2015 emissions is our “margin of safety.” The final emission inventory projections provided in Attachment 5 show that while the margin of safety we forecast for reactive organic compounds by 2015 is significant (15.3 tons per day, about one third less emissions than 1999), the reductions in oxides of nitrogen are slight (0.96 tons per day, or about 1 percent less emissions than 1999). Since Vandenberg’s requested conformity growth allowance of 177.64 tons per year (0.49 tons per day) of nitrogen oxides would be added as a line item to the future year emission inventories, the margin of safety would be decreased by one-half. For reactive organic compounds, Vandenberg is requesting 23.94 tons per year (0.07 tons per day), a very small fraction of the 2015 margin of safety of 15.3 tons per day.

At the October 18, 2001 meeting, your Board requested that staff work with Vandenberg representatives to determine whether emission credits from Vandenberg’s emission reduction credit bank could be used to offset the emissions from the Airborne Laser project and reduce the required conformity growth allowance.

### Vandenberg’s Emission Reduction Credit Bank

Vandenberg’s emission reduction credit (ERC) bank was established by special provisions in APCD rules. Their banked emissions are listed as a separate line item in the Clean Air Plan along with all other ERC’s registered at this time. Vandenberg currently has 143.96 tons per year (0.39 tons per day) of ERC’s for oxides of nitrogen and 0.43 tons per year (0.0047 tons per day) of reactive organic compounds. However, Vandenberg’s ERC’s differ from conventional ERC’s in three important ways: 1) the amounts were established through agreed upon “emission

factors,” not through source-specific testing, 2) the ERC’s are not subject to the current *reasonably available control technology* discounting that other ERC’s are subject to which assures that the reductions are surplus to our Clean Air Plan, and 3) the ERC’s automatically go back into the bank after use and are not subject to standard re-certification procedures. They are essentially a stationary source growth allowance for the Base.

Vandenberg’s banked ERC’s are intended to be used to offset stationary source growth at the Base. This means emissions growth subject to APCD regulations requiring offsets, such as newly permitted gas stations, engines, and other stationary pollution sources. Mobile source emissions growth (cars, trucks, missiles, airplanes) is not subject to APCD regulations and does not normally need to be offset, although federal conformity regulations apply to projects like the Airborne Laser Project as described below.

Vandenberg’s bank has been used only sparingly in the 15 years since it was established. Currently, only 4 tons per year of oxides of nitrogen are in use. Since Vandenberg’s entire stationary source nitrogen oxide emissions for the year 2000 were 9.18 tons, we believe that it is unlikely that Vandenberg would need the entire 143.96 tons per year in their bank to offset future stationary sources. Based on the estimated emission projections for the Airborne Laser Project, there are insufficient NO<sub>x</sub> and ROC ERC’s in the Vandenberg bank to fully offset this project, should it come to the Base. Therefore, Vandenberg does not have enough ERC’s to entirely offset the Airborne Laser Project for either nitrogen oxides or reactive organic compounds.

#### Conformity Determinations Explained

Vandenberg is seeking a conformity growth allowance in order to demonstrate to decision makers that the Airborne Laser Project will meet local conformity requirements. Section 176(c) of the 1990 Federal Clean Air Act Amendments prohibits the federal government from approving or funding an activity that does not conform with an implementation plan (e.g., the 2001 Clean Air Plan). As required by federal law, the APCD adopted Rule 702 – General Conformity on October 20, 1994, establishing our local conformity procedures. Rule 702 applies to emissions that result from a federal action (other than federal transportation plans or programs), are reasonable foreseeable, and can practically be controlled by the federal agency through its continuing program responsibility. The rule contains the following criteria and procedures for demonstrating and assuring conformity of federal actions:

- 1) A federal action is in conformity if the emissions from the action are specifically identified in the applicable State Implementation Plan (e.g., the 2001 Clean Air Plan).
- 2) A federal action is in conformity if the emissions from the action are fully offset.
- 3) Where the United States Environmental Protection Agency has approved an area’s attainment or maintenance demonstration after 1990, a federal action is in conformity if the emissions from the action, together with all other emissions in the area, do not exceed the emission budget specified in the applicable State Implementation Plan (e.g., the 2001 Clean Air Plan). This is known as the “budget” test.

- 4) Where the United States Environmental Protection Agency has not approved an area's attainment or maintenance demonstration after 1990, a federal action is in conformity if the action would not increase emissions with respect to an emissions baseline. This is known as the "build/no build" test.

Of the procedures outlined above, item 4 is not available to Vandenberg since we currently have an approved attainment plan for Santa Barbara County. Any emission sources subject to New Source Review permitting requirements are not included in the conformity determination process under items 2 and 3 since they are already subject to local, federally enforceable, rules. It is also possible to combine the actions under items 1 and 2 in order to make a positive conformity finding (e.g., provide some offsets and account for some growth in the plan as set forth in the proposed resolution discussed below). Under no circumstances does the conformity process eliminate any local stationary source permitting requirements.

#### Proposed Resolution

As requested by your Board, we have worked with Vandenberg staff and propose the following resolution:

VAFB will provide 46.19 tons per year of banked nitrogen oxide emissions to the Airborne Laser Project if the project comes to the Base. This would reduce the nitrogen oxide conformity growth allowance needed in the Clean Air Plan to 131.45 tons per year in order to accommodate the 177.64 (46.19 plus 131.45) tons per year estimated for the Airborne Laser Project. It would reduce the nitrogen oxide margin of safety in the plan by about one-third. The Plan will also include a conformity growth allowance of 23.94 tons per year for reactive organic compounds.

The 46.19 tons per year Vandenberg bank contribution for nitrogen oxides was arrived at by calculating the reduction in banked ERC's necessary to reflect the effectiveness of current control technologies. This would apply the same discounting principle to Vandenberg's bank as applied to the banked ERC's of other sources.

#### **Compliance with the California Environmental Quality Act**

To comply with the California Environmental Quality Act (CEQA), the APCD prepared a Supplemental Environmental Impact Report (APCD-2001-SEIR-01, SCH No. 91031045) for the 2001 Clean Air Plan. The public review period for the Draft SEIR began August 1, 2001 and closed September 17, 2001. No comments were received on the Draft SEIR. The Final SEIR is included in Attachment 2.

#### **Conclusion:**

Your Board's action on the 2001 Clean Air Plan is historic. Previous plans have focused on how to attain the federal ozone standard; this plan focuses on how to maintain it after several years of unofficial attainment status. The 2001 "ozone season" is concluding with no days on which the federal one-hour ozone standard was exceeded – a first. The Plan also documents how our continued efforts will help us reach yet another important milestone of meeting the state one-hour ozone standard in the near future. We believe that the partnership that has worked together

so effectively to reach this current milestone will be key to continued progress in improving air quality . It includes the Air Pollution Control District, the Santa Barbara County Association of Governments, the Community Advisory Council, the California Air Resources Board, the United States Environmental Protection Agency, local businesses, and the community-at-large working to reduce pollution from all sources: cars, trucks, industry, consumer products, and many more.

**ATTACHMENTS:**

1. APCD Board Resolution for the 2001 Clean Air Plan.
2. Final Supplemental Environmental Impact Report for the 2001 Clean Air Plan.
3. California Environmental Impact Report Findings.
4. Chapter 12 – Public Participation of the 2001 Clean Air Plan.
5. Amendments to the Draft 2001 Clean Air Plan.
6. Comment Letter from the California Air Resources Board and staff responses.
7. Transmittal Letter for the 2001 Clean Air Plan.
8. Letter From Vandenberg Air Force Base dated September 24, 2001.
9. 2001 Clean Air Plan Public Hearing Notice.

ATTACHMENT 1

APCD Board Resolution for the 2001 Clean Air Plan

ATTACHMENT 2

Final Supplemental Environmental Impact Report for the 2001 Clean Air Plan

ATTACHMENT 3

California Environmental Impact Report Findings

ATTACHMENT 4

Chapter 12 – Public Participation of the 2001 Clean Air Plan

ATTACHMENT 5

Amendments to the Draft 2001 Clean Air Plan

## ATTACHMENT 6

Comment Letter from the California Air Resources Board and staff responses

ATTACHMENT 7

Transmittal Letter for the 2001 Clean Air Plan

ATTACHMENT 8

Letter From Vandenberg Air Force Base dated September 24, 2001

ATTACHMENT 9

2001 Clean Air Plan Public Hearing Notice