Regional Air Quality Planning Advisory Committee

MEETING SUMMARY
Thursday, November 17, 2016 – 2:00 P.M.
Houston-Galveston Area Council of Governments
3555 Timmons Lane, 2nd Floor, Houston, Texas 77027 (Conference Rooms 2B and 2C)

MEMBERS PRESENT
Associated General Contractors – Dale Kornegay
Brazoria Bounty – Joe Ripple
City of Houston – Phillip Goodwin
City of Sugar Land – Ilana Harris
City of Texas City – Gary Scooggan
Dow Chemical Company – Jarod Davis
Greater Houston Partnership – Steven Hansen
Harris County – Jacque Darbonne
Liberty County – Richard Brown
Metropolitan Transit Authority – Edmund J. Petry

MEMBERS NOT PRESENT
Air Alliance Houston – Adrian Shelley
City of Houston – Loren Raun
City of Houston – Paresh Lad
City of La Porte – Kristen Gauthier
East Harris County Manufacturers Association – Craig Beskid
Environmental Defense Fund – Elena Craft
ExxonMobil Corporation – Sherman Hampton
Galveston County – Ronnie Schultz
Harris County – Paula Warren
Houston Advance Research Center – Eduardo Olaguer
League of Women Voters of Houston – Laura Blackburn
Montgomery County – Mike Lindsey
Port of Houston Authority – Leah Oberlin
Texas Department of Transportation – Andy Mao
Union Pacific Railroad – Melissa Hagan

ALTERNATES PRESENT
American Lung Association – Paulette Wolfson
Greater Houston Partnership – Steven F. Will
Harris County – Stuart Mueller

STAFF PRESENT
Houston-Galveston Area Council – Andrew DeCandis
Houston-Galveston Area Council – Crystal Thomas
Houston-Galveston Area Council – Yue Zhang
Texas Commission on Environmental Quality – Lola Brown
Texas Commission on Environmental Quality – Melanie Rousseau
U.S. Environmental Protection Agency – Carl Young
U.S. Environmental Protection Agency – Tracy Donaldson

CALL TO ORDER
1. Introductions – Chairman Dale Kornegay
   a. The RAQPAC meeting was called to order at 2:03 P.M. followed by an official welcome to all in attendance.

2. Approval of Meeting Summaries – Chairman Dale Kornegay
   a. Approval of October 27, 2015 meeting summary was postponed due to not meeting quorum.

AGENCY REPORTS
1. EPA Update – Tracy Donaldson
   a. Proposal to Reclassify the Houston Ozone Nonattainment Area and Set January 1, 2017 as the State Implementation Plan (SIP) Due Date
   In a September 27, 2016 Federal Register notice EPA proposed to:
   • Reclassify the area from Marginal to Moderate for the 2008 ozone standard
   • Set a Moderate area attainment deadline of July 20, 2018
   • Require a revision to the SIP, which would include a plan for attaining the standard no later than the attainment deadline (attainment demonstration)
   • Set a SIP due date of January 1, 2017

   The comment period for the EPA proposal to reclassify the Houston ozone nonattainment area and set January 1, 2017 as the SIP due date closed October 27, 2017. EPA received comments from TCEQ on the proposal. EPA is working on finalizing the reclassification and responding to the comments.
The proposal and the TCEQ comments can be found in the regulations.gov website under docket EPA-R06-OAR-2016-0275.

b. Houston Area Redesignation Substitute for the 1997 Ozone Standard
Final notice was signed October 27, 2016, published on November 8, 2016, effective December 8, 2016. 81 FR 78691, Docket # EPA-R6-OAR-2015-0609.

This changes the Houston area nonattainment new source review requirements to that of a marginal ozone nonattainment area (until the above notice is finalized) and has implications for Major Source Thresholds and NSR Offset Ratios.

c. Proposal for Nonattainment Area Classifications and SIP Requirements for the 2015 Ozone Air Quality Standard
In today's Federal Register (November 17) EPA published a proposal for nonattainment area classifications and SIP requirements for the 2015 ozone standard of 70 parts per billion.

The proposal contains three main components:
- Nonattainment area classification thresholds and the timing of attainment dates for each nonattainment area classification for the 2015 ozone NAAQS
- Options to revoke the 2008 ozone NAAQS and, where applicable, provide anti-backsliding requirements to help smooth the transition between the 2015 ozone standard and the 2008 ozone standard for nonattainment areas
- SIP requirements for states with nonattainment areas and states in an ozone transport region under the 2015 ozone NAAQS

The comment period is open for 60 days. More information is available at: www.epa.gov/ozone-pollution/implementation-2015-national-ambient-air-quality-standards-naaqs-ozone-state.

EPA will host a webinar on the proposal on Wednesday, December 7, 2016 from 1 to 2:30 Central Time. The intended Audience: Regions, State, Local, and Tribal Air Agencies, communities, industry, environmental groups, and the general public
The link to join the webinar is https://epawebconferencing.acms.com/nonattainment-sip. You will listen to the audio via your computer. EPA highly recommends running a connect test on your system before logging into the webinar to ensure that the proper add-ins are enabled and the audio is working properly using the link http://admin.adobeconnect.com/common/help/en/support/meeting_test.htm.

d. Proposal and Public Hearing: Petroleum Refinery Sector Reconsideration
In December 2015 EPA finalized emissions standards for the petroleum refinery sector. The rule became effective on February 1, 2016. Last month (October) EPA announced a decision to grant reconsideration and take comment on specific issues that were raised by petitioners for which EPA did not provide adequate notice and comment in the December 2015 final rule.

In the October 18, 2016 Federal Register EPA published information on the reconsideration and to request comment on five specific issues that were raised in petitions for which EPA did not provide adequate notice and comment in the December 2015 final rule.

EPA is also holding a public hearing today (November 17) on the reconsideration decision and proposal. The hearing is being held today from 2:00 p.m. – 8:00 p.m. at the Hartman Community Center, 9311 East Ave. P in Houston.

2. **TCEQ Update – Lola Brown**
   a. **30 Texas Administrative Code (TAC) Chapter 114 Clean-up and Repeal of the Voluntary Accelerated Vehicle Retirement (VAVR) Program Adoption (Rule Project No. 2016-010-114-AI)**
      - On December 7, 2016, the commissioners will consider adoption of a rulemaking to remove the VAVR regulations and update references to obsolete testing methods.
      - The comment period closed on August 22, 2016. No comments were received.
      - Project Manager: Michael Regan, Michael.Regan@tceq.texas.gov, 512-239-2988.
      - Documents will be available on the [Pending Rule Adoptions](http://www.tceq.texas.gov/rules/pendadopt.html) Web page.

   b. **Adoption of Revisions to the Texas State Implementation Plan (SIP) for the Houston-Galveston-Brazoria (HGB) 2008 Eight-Hour Ozone Standard Nonattainment Area and 30 TAC Chapter 115**
      - The commission will consider the following projects for adoption on December 15, 2016.
      - HGB Attainment Demonstration SIP Revision for the 2008 Eight-Hour Ozone National Ambient Air Quality Standard (NAAQS) (Non-Rule Project No. 2016-016-SIP-NR)
      - HGB Reasonable Further Progress (RFP) SIP Revision for the 2008 Eight-Hour Ozone NAAQS (Non-Rule Project No. 2016-017-SIP-NR)
      - Chapter 115 Volatile Organic Compounds Reasonably Available Control Technology Rule Revisions for the HGB 2008 Eight-Hour Ozone Standard Nonattainment Area (Rule Project No. 2016-039-115-AI)

      A public hearing on these SIP revisions and rulemaking was held on October 24, 2016 in Houston. Adrian Shelley representing Air Alliance Houston presented oral testimony. No other public comments were received.


   c. **Emissions Banking and Trading (EBT) Meeting Announcement**
      - Meetings in Houston, Austin and Arlington have been scheduled to inform stakeholders of the pending draft revisions to the EBT rules in 30 TAC Chapter 101, Subchapter H, Divisions 1 and 3. The meetings will focus specifically on draft rule amendments regarding the generation and use of emission credits by area and mobile sources. The meetings are open to the public and anyone interested may attend. The meeting in Houston is scheduled for December 6, 2016, from 2:00 – 5:00 pm, at the Texas Department of Transportation Auditorium, 7600 Washington Avenue. For more information about these meetings, contact Guy Hoffman@tceq.texas.gov or Daphne.McMurrer@tceq.texas.gov.

   d. **TCEQ Emissions Inventory Workshop**
      - The TCEQ will hold an Emissions Inventory Workshop on January 25, 2017 in Austin. This year's workshop will exclusively focus on how to report and submit emissions inventories using the TCEQ's web-based system, State of Texas Environmental Electronic Reporting System (STEERS). For more information, including registration information, please visit: [https://www.tceq.texas.gov/p2/events/industrialemissonsinventoryworkshop](https://www.tceq.texas.gov/p2/events/industrialemissonsinventoryworkshop)

   e. **Texas Emissions Reduction Plan (TERP)**
      - The Emissions Reduction Incentive Grants (ERIG) Program is currently accepting applications through January 10, 2017, with $51.7 million available. Application selections for the previous ERIG grant round include 353 projects for $51.6 million.
      - The most recent New Technology Implementation Grants Program was open July 18, 2016 through October 18, 2016, with $3.5 million available. TERP received seven project applications, which are currently under inter-agency review.
The Texas Clean Fleet Program was open August 26, 2016 through October 18, 2016, with $5.9 million available. TERP received 14 applications with a total of 340 activities included, which are currently under review. Four projects were selected for $7.4 million in the previous grant round.

The Clean Transportation Triangle and Alternative Fueling Facilities Programs (CTT/AFFP) were open August 8, 2016 through November 8, 2016, with $5.9 million available for each program. As of November 8, 2016, TERP had received 13 applications, which are currently under review. Fifty projects were selected for $5.88 million in the previous grant round.

The Texas Natural Gas Vehicle Grant Program (TNGVGP) application period is currently open. Applications will be considered on a first-come, first-served basis through the earlier of May 2017, or until all available funding is awarded ($37.8 million for the Fiscal Year (FY) 2016-2017 biennium). As of November 8, 2016, TERP had received seven applications with a total of 57 activities included, and had awarded six grants for approximately $1.9 million under the current TNGVGP grant round.

The Drayage Truck Incentive Program application period is currently open with $4.7 million available. Applications will be considered on a first-come, first-served basis through the earlier of May 26, 2017 or until all available funding is awarded.

Information on all of the grant programs is available at www.terpgrants.org.

f. AirCheckTexas Drive a Clean Machine (DACM) Program
   - The DACM program is currently accepting applications for vehicle repair and replacement in the HGB area.
   - The DACM program provided $1.7 million in assistance, repairing 393 vehicles and retiring/replacing 479 vehicles in the HGB area in third quarter of FY 2016 (June 1, 2016 through May 31, 2016). Since the start of the program in December 2007, 19,690 vehicles have been repaired and 23,800 vehicles have been retired/replaced in the HGB area at a cost of $82.4 million.

3. Regional Air Quality Monitoring Update – Andrew DeCandis
   a. TCEQ Regional 12 Ambient Air Monitoring Report
      www.epa.gov/airdata/ad_rep_mon.html
      - The Ozone 8-Hour Exceedance Days (70 ppb) were 4 during the month of October.
      - The Ozone 8-Hour Exceedance Days (75 ppb) were 3 during the month of October.
      - The Ozone 1-Hour Exceedance Day was 0 during the month of October.
      - The Clinton Drive Monitor Preliminary PM Monthly Average was 8.30 micrograms/M3 PM during the month of October.

PRESENTATIONS
1. EPA Proposed Requirements for Implementing the 2015 Ozone Standards – Whit Swift
      - 81 Fed. Reg. 81276 (Nov. 17, 2016)
      - Comment Deadline: January 17, 2017
      - Key Elements:
        1) Nonattainment area classification methodology/thresholds and attainment dates
           - HGB “Marginal” based on 2013-2015 Design Value
           - Marginal Area attainment date: 3 years from effective date of designation
        2) Transition from 2008 to 2015 ozone NAAQS and anti-backsliding
           - Option 1: Revoke the 2008 standard one year after effective date of designation under 2015 standard. Anti-backsliding provisions based on area’s classification under 2008 standard at the time that the 2008 standard is revoked (e.g., RACT, vehicle I/M, nonattainment NSR permitting requirements, etc.)
Option 2: 2008 standard remains in effect until an area has been designated attainment for the 2008 standard. Area must continue to comply with all requirements relating to 2008 standard (in addition to the 2015 standard requirements) until designated attainment. No anti-backsliding necessary.

3) Intra-state pollutant transport
   - RACM “clarification” requiring consideration of intra-state pollutant transport and control measures outside of nonattainment area if necessary for attainment.

4) Nonattainment new source review permitting and inter-precursor trading (IPT)
   - Allowed
   - Agencies to submit plans for EPA approval; “default” or case-by-case ratios
   - Technical Guidance Document for development of IPT ratios

   • Future Uncertainty: EPA / Judicial / Legislative

   b. Chairman Dale Kornegay instructed the committee to submit their comments independently; RAQPAC isn’t scheduled to reconvene prior to the comment deadline.

**ACTION ITEM**
None

**INFORMATION ITEMS**

1. **Cross State Air Pollution Rule – Carl Young**
   a. The Clean Air Interstate Rule was replaced with the Cross State Air Pollution Rule.

   b. Initially, the State of Texas was included for interstate impacts with both ozone and particular matter PM2.5 max. U.S. Environmental Protection Agency proposed the following removals for the 1997 PM2.5 Standard and 2006 PM2.5 Standard:
      - Federal Implementation Plan
      - SO2 Emission Budgets for Electric Generator Units

   In short, the State of Texas will be removed only for SO2 and remain included for other contaminants.

2. **H-GAC Update – Andrew DeCandis**
   a. H-GAC General
      - The PM2.5 Advance Path Forward Update final was submitted and accepted by U.S. Environmental Protection Agency.

**ANNOUNCEMENT**

1. **2017 RAQPAC Meeting Schedule – Andrew DeCandis**
   a. RAQPAC meeting dates for the upcoming year will occur the last Thursday of each month from January to November.
      - January 26, 2017
      - February 23, 2017
      - March 30, 2017
      - April 27, 2017
      - May 25, 2017
      - June 29, 2017
      - July 27, 2017
      - August 31, 2017
      - September 28, 2017
      - October 26, 2017
NEW BUSINESS

1. Next Meeting – Chairman Dale Kornegay
   a. RAQPAC meeting is scheduled for Thursday, January 26, 2017 at 2:00 P.M.

ADJOURNMENT

2. Closing – Chairman Dale Kornegay
   a. The RAQPAC meeting was adjourned at 2:56 P.M.