

**Houston-Galveston Area Council of Governments Meeting with Texas
Commission on Environmental Quality and Industrial Mobile Sources
Stakeholders concerning the Houston-Galveston-Brazoria Eight-Hour
Ozone State Implementation Plan**

MEETING SUMMARY

August 13, 2008
H-GAC Conference Room C
3555 Timmons Lane, 2nd Floor
Houston, Texas 77027

Persons Present:

Perry Galloway (NRG Texas), Robert Anatra (Ports America), Matt Chapman (Ports America), Julie Woodard (Dow), Judy Bigon (ExxonMobil), Elena Craft (ED), Roy Conn (Continental), Catarina Cron (Harris County), Dana Blume (POH)

Staff Present:

Theresa Pella (TCEQ), Anusuya Iyer (TCEQ), Shelley Whitworth (HGAC), Graciela Lubertino (HGAC), Andrew DeCandis (HGAC), Ben Finley (HGAC), Kelli Angelone (HGAC)

TCEQ Presentation: Emissions Inventory Update – Anusya Iyer and Theresa Pella
TCEQ discussed two handouts, “TCEQ’s Houston-Galveston-Brazoria Area Eight-Hour Ozone Attainment Demonstration SIP Submission Timeline” and “Industrial Equipment Types in the EPA’s NONROAD Mobile Model and Descriptions”.

TCEQ is operating on the assumption that the HGB region’s ‘bump-up’ from ‘moderate’ to ‘severe’ air quality will occur soon. The region will then need to attain an ozone concentration of 85 parts per billion as expeditiously as practicable, but not later than 2019. They are hoping to have the 2018 emissions inventory ready for preliminary release in September.

As for the industrial equipment estimations, the inventories take into account EPA programs and regular fleet turnover, so accelerated turnover due to legislation and programs is part of the estimates. The estimations for non-road fleets include several inputs, extrapolations, and TCEQ field work survey for the industry. The ‘Industrial Mobile’ portion of Non-Road emissions is 13.3%. Forklifts account for about 98% of the whole equipment for Industrial Mobile Non-road, and about half of them are electric and the other half diesel. Cranes are not included, since they are included in construction equipment.

PUBLIC COMMENTS:

- 1) Ports America: Can you go into more detail about where the data came from on ‘Industrial Mobile’?
 - a. TCEQ: We got most of it from the Industrial Truck Association and from phone surveys we conducted.
- 2) ExxonMobil: Are “gators” and golf carts counted? They are mostly gasoline engines.

- a. TCEQ: We would have to find out.
- 3) DOW: Would the distribution industry be counted as part of this?
 - a. Yes
- 4) Bill King: Do we know how many 2- and 4-stroke engines there are out there? That seems like it would be the “low-hanging fruit”.
 - a. TCEQ: We will send out the study that was done on ‘Industrial Mobile’ because that would contain a lot of answers.

HGAC Presentation : Overview of SIP Control Strategy Development for On-Road and Off-Road Sources – Shelley Whitworth

HGAC discussed a presentation/handout entitled, “Overview of SIP Control Strategy Development for On-Road and Off-Road Sources”. The region will see at least a 50% reduction in on-road emissions just from vehicle fleet turn over due to new manufacturers’ standards determined by the EPA. HGAC cannot mandate reductions and must rely on voluntary emission reductions to meet the SIP requirements. One advantage during this SIP timeframe is that TERP is committed to be in place throughout the process. Something that companies interested in making reductions must bear in mind is that projects’ reductions cannot be ‘double-counted’ as reductions for HGAC’s program funding and for TERP; it must be one or the other.

Overall, MOUs are a ‘painless’ way for businesses to recognize that as a region, we want to have cleaner air. MOUs are voluntary and are only what a company thinks it can achieve, not anything they are unwilling to commit to.

PUBLIC COMMENTS:

- 1) Ports America: What are the consequences for not meeting the MOU agreement?
 - a. HGAC: With these MOUs, we hope to give businesses some recognition for what they are doing. We plan to hold press conferences for those businesses entering into MOUs so that they are able to receive some positive attention for their efforts. So, if the MOU is entered into and not met, it may reflect back on that company. Other than that, consequences are for us – we have to figure out how to make up those reductions with another of our programs.
- 2) ExxonMobil: Is there any liability?
 - a. HGAC: No, just know that since it is a commitment, you are expected to do your best to make the reductions or help us to make up those reductions in some way ourselves.
- 3) ExxonMobil: Are there any other control strategies for ‘Industrial Mobil’ besides electric forklifts?
 - a. HGAC: There are control strategies that involve cleaner fuels or clean construction for those of you that may be developing new properties, but other than that, we are looking to you to tell us what you can do.
- 4) Environmental Defense: What is the history of EPA enforcement in the HGB region?

- a. TCEQ and HGAC: We have gone into a conformity lapse before, but only for a short while – a few weeks. We never had a Federal Implementation Plan.
- 5) Ports America: You said voluntary reductions were only allowed to be 3% of the reductions. Where are the rest of the reductions coming from?
 - a. HGAC: the rest is coming from regular fleet turn over and new standards coming for vehicles, ships and equipment.

HGAC Presentation: Third-Party TERP Grant Update – Shelley Whitworth
HGAC discussed a presentation handout, “H-GAC Third-Party TERP Grant Update”.
Businesses should know that HGAC is ready to help with TERP grant applications.

PUBLIC COMMENT:

- 1) Environmental Defense: Has HGAC been involved with other grants like DERA?
There is concern that with the new regions that will be drawn by EPA and TCEQ TERP will be spread too thin.
 - a. HGAC: HGAC employs other funding sources such as SEP and CMAQ, but we agree, it is important to have other sources of funding, but we missed the proposal deadline for DERA.
 - b. TCEQ: It’s important to remember that agencies such as HGAC must also find places to supply administrative funding as well, which is a huge challenge in itself.
- 2) Exxon Mobil: The stuff you mention in this handout is mostly for public entities and local governments. Where do I come in?
 - a. HGAC: We plan to help you with TERP funding if you need it using the third-party agreement.
- 3) Ports America: Communicating and getting information out on how TERP and other grant funding can be combined would be very helpful.

HGAC Presentation: Timeline Mobile Source SIP Control Strategies for the HGB Region – Graciela Lubertino

HGAC explained their timeline for the SIP control strategies list submission and for stakeholder meetings. There will be a second round of meetings for all stakeholders to discuss the short list control strategies.

PUBLIC COMMENT:

- 1) Ports America: Have any studies been done on the reduction of NOx by working at night as opposed to day?
 - a. TCEQ: No studies are currently being done, but we will look into it.
- 2) Ports America: What about the requirement in TERP about destroying vehicles? It is a lot of capital to lose and turn over in a short time (TERP requires you buy new vehicles and destroy the old vehicles within 90 days).
 - a. HGAC: If you are interested in committing to accelerated fleet turnover, we cannot help you fund it if you do not destroy the engines or vehicles, but if you commit to an MOU, you may be able to send the old vehicles

(minus the engines) out-of-region or out-of-state and get funding through CMAQ.

ACTION ITEM: TCEQ

- 1) Send out the 'Industrial Mobile' study.**

ACTION ITEMS: Industry Groups

- 1) Groups should consult among themselves to decide on Memoranda of Agreement or Understanding that they would be able to enter into with HGAC and TCEQ.**